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JOHOR CORPORATION

Annual Report 2011

JOHOR CORPORATION

Membina dan Membela

ANNUAL REPORT 2011

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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DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan of Johor listens to the brefing on Tanjung Leman Integrated Resort and Coastal Township in conjunction with Kembara Mahkota Johor 2012 at Felda Residence, Tanjung Leman, Mersing on 13 May 2012.

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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

CONTINUED COMMENDABLE RESULTS

JCorp's group of companies ('JCorp Group' or 'Group') has attained its most outstanding results since 41 years of its establishment whereby the Group managed to record profit post-taxation and zakat of some RM1.05 billion for the year 2011. This represents an increase of 55% or RM682 million compared to 2010.

Similarly, the Group's asset rose by about 20% to RM17.28 billion as compared to RM14.38 billion in 2010.

These were achieved through steadfastness in facing external challenges coupled with ongoing business rationalisations and continuous improvements in management efficiencies and business operations. Finally, strong dedication and loyalty from the Group's 78,141-strong-workforce has also driven the growth momentum in 2011.

Apart from the ongoing business rationalisations which include strengthening its core businesses, the Group has taken a cohesive approach in evaluating marketability of new products and potentials of new markets.

DOMESTIC ECONOMY IN 2011

The country experienced an economic growth between 5% and 6% which was contributed by high domestic demands and steady flow of exports. Carefully planned macro-economic policies evidenced by, among others, rapid developments in the six Economic Corridors have been successful in attracting both domestic and foreign investors. The outcome from the policy of promoting private sector's participation in investment and nation building has become more significant.

Clearly, the Government's Transformation Programme (GTP) and Economic Transformation Programme (ETP) initiatives are starting to deliver their intended results, mainly in strengthening investors' confidence and inclination towards long term investments. Public sector's investments, which are directed towards providing essential public services and improving government's delivery system, are catalysts in their own way in terms of sustaining economic growth.

Despite the volatile nature of the global economic situation throughout 2011, demand for commodities, in particular Crude Palm Oil (CPO) in the international market had not dampened. This augurs well for JCorp Group, in particular Kulim (Malaysia) Berhad (Kulim) which is one of the nation's largest oil palm plantation players, which saw a marked increase in its revenue.

CORPORATE STATEMENT

The Group is confident of the long term prospects of the CPO and is committed in its contributions towards realising the vision of Malaysia becoming a high income nation by 2020. It is projected that by then the CPO market will contribute to some RM100 billion in national income.

JCORP'S FINANCIAL PERFORMANCE

The year 2011 saw JCorp Group's best ever results recorded since its establishment 41 years ago, with pre-tax profit of RM1.42 billion, a significant increase of 47% compared to RM962 million recorded in 2010. The Group's revenue rose by 4% to RM7.81 billion compared to RM7.52 billion in the previous financial year. For 2011, the aggregate revenue earned from all sectors in the Group was RM9.7 billion but due to JCorp's equity interest in KPJ Healthcare Berhad in 2011 was that of an associate company, KPJ's revenue was not consolidated as part of the Group's revenue.

This came about from the collective efforts within the Group; in particular the Group's focused strategic planning undertaken within the last one-and-a-half-year-period. This has in turn led to a transformation programme that has been successful in improving business, operations and management efficiencies.

All five core businesses of the Group delivered outstanding results. The Plantation sector recorded pre-tax profit of RM1.04 billion in 2011 against RM732 million in 2010, a 42% increase. The Food sector earned RM296 million compared to RM277 million in the previous year. The property sector delivered pre-tax profit of RM273 million in 2011, an astounding 326% increase compared to RM64 million in 2010.

At JCorp's level, the pre-tax profit decreased slightly to RM114 million compared to RM118 million in 2010, on the back of additional provisions made in the current year for operational and developmental activities, whilst revenue had increased to RM474 million in contrast to RM388 million in 2010, a 22% jump.

CORPORATE EVENTS

Several corporate transactions were undertaken in 2011. Amongst others, JCorp had on 14 December 2011, announced the proposal of acquiring the entire business, assets and liabilities of KFC Holdings (Malaysia) Bhd and QSR Brands Bhd for RM3.75 billion. Massive Equity Sdn Bhd (MESB), a subsidiary of JCorp, has been identified as the special vehicle for the acquisition. The Employees Provident Fund and CVC Capital Partners will be participating as co-investors in MESB. The acquisition is expected to be completed by the end of 2012.

The Federal and State Governments have approved the provision of Government Guarantee in respect of the JCorp's issuance of RM3.0 billion Sukuk Wakalah. The Sukuk Wakalah will be issued in 3 series, namely RM400 million with a 5-year maturity, RM800 million with 7-year maturity and finally RM1.8 billion with 10-year maturity. For purposes of the Government Guarantee, JCorp has been gazetted as a corporate body under the Loans Guarantee (Bodies Corporate) Act 1965 (1996 Act) on 7 May 2012.

CORPORATE RESTRUCTURING MASTER PLAN

The Corporate Restructuring Master Plan (CRMP) was conceived in 2002 in an effort to defray JCorp's bond obligations in several stages, with the final stage of some RM3.6 billion that will fall due on 31 July 2012. Subsequent to the year-end, JCorp has redeemed a major portion of the obligations through several redemption plans, the most significant being a private treaty scheme to early settled the bonds. Through the private treaty scheme, JCorp has secured a total of 76% acceptances from the bond holders and had paid approximately RM2.4 billion. With this, the balance to be redeemed by 31 July 2012 was reduced to RM800 million.

ECONOMIC TRANSFORMATION PROGRAMME

Being a developmental body, JCorp continues to play a vital role in the country's comprehensive Economic Transformation Plan ever since it was launched in 2010. Amongst others, it includes strategic cooperation with Unit Peneraju Agenda Bumiputera (TERAJU) and MARA to implement the Sweat Equity Programme, High Performing Bumiputera (TeraS) and Bumiputera Small Medium Enterprises (SMEs). These programmes are designed to increase participation of Bumiputera entrepreneurs in the economy and at the same time assisting them in matters relating to capital raising, strengthening of

CORPORATE STATEMENT

technical-know-how and control of market share. The plan is to eventually have these companies listed on Bursa Malaysia.

INTERNAL TRANSFORMATION

In order to remain competitive in the face of global economic challenges, corporations worldwide have undertaken varying degree of corporate and business transformations. Without exception, JCorp has embarked on a comprehensive programme in order to remain competitive in the market place. It consists of three-pronged strategies. First, a plan to successfully meet the final bond obligations that falls due in 2012.

The second limb essentially recognises that for business viability to continue, this has to be complemented with strategies to attract the right talent and to keep existing expertise via offering of remuneration packages comparable to the market place. This is also in line with the Government's objective enshrined in the Economic Transformation Programme, which is to increase per capita income by 2020.

The final part is contained in a manifest known as 'Business Acceleration', to drive existing business performance and to diversify into new businesses that are found to be viable. All this is done with the view of maximising returns, against the backdrop of the commitments under the Sukuk Wakalah and fulfilling the mainstay of JCorp's role as the state's economic development agency.

Having the right human management philosophy is also essential. Emphasis is made on teamwork, harmonisation in workplace and having active communication flows within the organisation and that with the public.

NEW BUSINESS FOCUS

As part of the Business Acceleration plan, several new business ventures have been identified; namely agro food business, oil and gas (O&G) enabler and tourism.

JCorp has identified several companies within the group, which includes Kulim, to be involved in the livestock and poultry industry. This project is aimed at contributing towards the nation's Food Security Programme. In addition, Kulim is also involved in cash crop production of the Golden Juanita pineapple. Planted on a total land area of 1,000 hectares, this juicy and luscious fruit has found its way to overseas market such as China, Australia, Europe and West Asia.

Tanjung Langsat Port (TLP), a wholly owned subsidiary of JCorp is a dedicated port which comprises of liquid and specialised dry cargo jetties built at a cost of RM800 million. Located in Flagship D; Eastern Gate Development in Iskandar, TLP is fast establishing itself as the catalyst in supporting the development of O&G with its hub at the Tanjung Langsat Industrial Complex. It has already attracted investments worth RM2.5 billion. TLP has been recognised by both the Performance Management & Delivery Unit (PEMANDU) of the Prime Minister's Department and the Johor Economic Planning Unit as one of the potential hub for O&G for the region as well as a Palm Oil Industrial Cluster (POIC). The navigation channels to the port are being deepened to accommodate bigger vessels and tankers and this is expected to substantially improve TLP's competitive edge.

On the tourism front, JCorp is developing the Tanjung Leman Integrated Resort and Coastal Township which comes within the East Coast Economic Region corridor. The142-hectare project is estimated to yield a Gross Development Value (GDV) of RM1 billion. Work is expected to commence at the end of 2012 and targeted for completion by 2020 and is expected to create employment of some 1,500.

In line with the re-development of central Johor Bahru city (Central Business District or CBD), Plaza Kotaraya has been transformed into a contemporary retail outfit at a cost of more than RM25 million and has been rebranded as Galleria@Kotaraya. It will feature boutique shops and offer a unique shopping experience to shoppers. This also represents opportunities for Bumiputera retailers to continue participating in the retail sector within the CBD area.

The other redevelopment within the CBD area involves KOMTAR which will see a complete makeover. It will be rebuilt to combine shopping and leisure activities under one roof. The new KOMTAR will house new office tower blocks and retail spaces. It will be modern, eco-friendly and of international standard.

Under the Government's NKEA Programme, KPJ Healthcare Bhd will be playing a significant part of the Health Tourism sector whereby it has committed itself in building five hospitals, offering 822 beds, at a cost of RM760 million. Each hospital will be equipped with the most advanced and modern facilities. This project is expected to create 3,000 jobs and is expected to contribute about RM1.2 billion to the Gross National Income by 2020.

CORPORATE STATEMENT

HUMAN CAPITAL DEVELOPMENT

Human capital development is a key organisational element that major emphasis is given towards developing and enhancing competencies and capabilities. Apart from the usual strengthening of the staff's capabilities, the Group's human capital development also encompass knowledge transfer and technical training which is made available to the public at large. In its very nature, this is one form of CSR that JCorp has been consistently pursuing and it has been successful in having an economic impetus to the Johor state.

The Johor Skills Development Centre (PUSPATRI), formed in 1993, focuses on technical training and has produced some 43,000 trainees. The KPJ International University College (KPJIUC) offers nursing and related courses and is undergoing phase 2 and 3 of its development programme at a cost of RM135 million. The KFCH International College at Puchong Prima, Selangor and Bandar Dato' Onn, Johor Bahru are able to accommodate 526 students inclusive of international students who are pursuing their diploma level studies in the various fields.

The Johor Institute of Management Development (IPPJ) has seen some 187,000 people since its inception in 1990. It offers courses in event management, food handling, management, entrepreneurship, workers' health and safety, languages and technical, and student development training and services.

CORPORATE GOVERNANCE

JCorp's Board of Directors is committed in having the highest standard possible in the group-wide corporate governance area. The governance framework covers stringent standards in business processes, culture, policies and regulations and is applied rigorously to its group of companies. The governance framework is evaluated continuously to ensure that the best practices recommended in the Malaysian Code of Corporate Governance are adopted. Continuous adoption of the best practices is necessary to regulate dealings between employees, suppliers, customers, bank and financial institutions, policy-makers and the public at large. The Board has instituted a sound system of internal controls to support the expanding size and extent of the Group's businesses and operations.

FINANCIAL MANAGEMENT ACCOUNTABILITY INDEX

The National Audit Department has awarded JCorp with a four-star, the highest rating, in the Financial Management Accountability Index, which has been achieved for five consecutive years since 2007. This is a testimony of the high standards of integrity and transparency in corporate governance and sound financial management system.

AWARDS AND ACCOLADES

During the year, the Group has received numerous awards and accolades in recognition of its roles and contributions. Apart from the 4-star rating received from the National Audit Department, the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) 2011 has awarded JCorp with two awards; one for the Best Annual Report category and the other for Corporate Social Responsibility category. JCorp has also been awarded with the Plaque of Merit for the Outstanding Development Project Award for SME Development by ADFIAP in 2012.

THREE MAIN ROLES OF JCORP

Formed in 1968 and commenced operation in 1970, JCorp was set-up with 3 distinct roles; to carry out commercial operations, to undertake developmental roles and as a platform to carry out corporate social responsibility (CSR). The multitude of businesses, developmental projects and non-profit activities of the Group underpin the 3 roles of establishment. CSR activities is made possible and fulfilled on the strengths of financial achievement of the Group and in this instance, JCorp Group's results for 2011 represents the best ever it has achieved in its history of 41 years.

In addition, JCorp's contribution to its main stakeholder, the State Government, for 2011 was RM3.6 million compared to RM2.1 million for 2010. The contributions in the coming years are expected to increase, in tandem with the expectation of continuing growth and increase in business performance from its stable of listed companies.

CORPORATE STATEMENT

BUILDING CORPORATE SOCIAL RESPONSIBILTY

The furtherance of CSR agenda, which is made possible on the back of commendable results for 2011, is also very much in line with JCorp's motto 'Membina dan Membela'. Consistent with one of its 3 main roles, it will deepen the scope and depth of activities and addressing the needs of the communities.

JCorp's CSR initiatives have not just bridged the relationship with the local communities but through the nature of the activities undertaken, it saw close rapport and relationship being built with other government agencies and corporate bodies.

JCorp also works with 27 societies and NGOs which are categorised as Amal Business Organisation. The CSR initiatives cover four areas: social and public welfare development, entrepreneur development, staff welfare and sports and recreation.

ACKNOWLEDGEMENT

JCorp wishes to acknowledge with appreciation towards the continued cooperation and support of all parties for the success of the corporation. Special gratitude to the Johor State Government and Federal Government, financial institutions, financial advisors, customers, strategic partners, investment institutions and all interested parties. The success achieved by JCorp has been due to careful planning and competent management and operations in every company and subsidiaries. The human capital development initiatives which combine experience, expertise and unity among the 78,141 strong workforces have contributed to JCorp's strength as a reputable corporation. In the face of adversity, these are the very qualities that drive JCorp in overcoming difficulties. The continued pattern of performing above expectation will see the corporation benefiting from the growing revenue of its existing and new businesses. This will allow JCorp to honour its debt obligations, especially the redemption of the Sukuk Wakalah within the stipulated timeframe.

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

Johor Corporation (JCorp) was established as a public enterprise and a statutory body via Johor Enactment No. 4 1968 (as amended under Enactment No. 5, 1995). As a State Investment Corporation, JCorp stands among the nation's largest conglomerates, with core business sectors encompassing Palm Oils, Foods and Quick Service Restaurants, Specialist Healthcare Services, Hospitality, Property & Logistic/Services as well as Intrapreneur Business.

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

Over the 41 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 confidence poised JCorp to constantly improve and escalate its capability. This was translated into its financial and corporate achievement for the year 2011, the best ever since its inception.

JCorp's formidable milestones of excellence are not merely corporate and business orientated, yet aimed at strategic socioeconomic development through the market-driven approach that is careful, creative, proactive and innovative.

Going through the tide of the post restructuring transformation, JCorp continues to gain recognition as a relevant organisation for the development of Bumiputera socio-economy constantly parallel against time in serving its three primary roles that define the Group's direction that is a state development corporation responsible to develop the State of Johor via the funding generated through profit maximisation of its commercial entities which is later returned proportionately to the community as its largest stakeholder.

CORPORATE INFORMATION

REGISTERED OFFICE

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PRINCIPAL BANKER

MALAYAN BANKING BERHAD
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106-108 City Square
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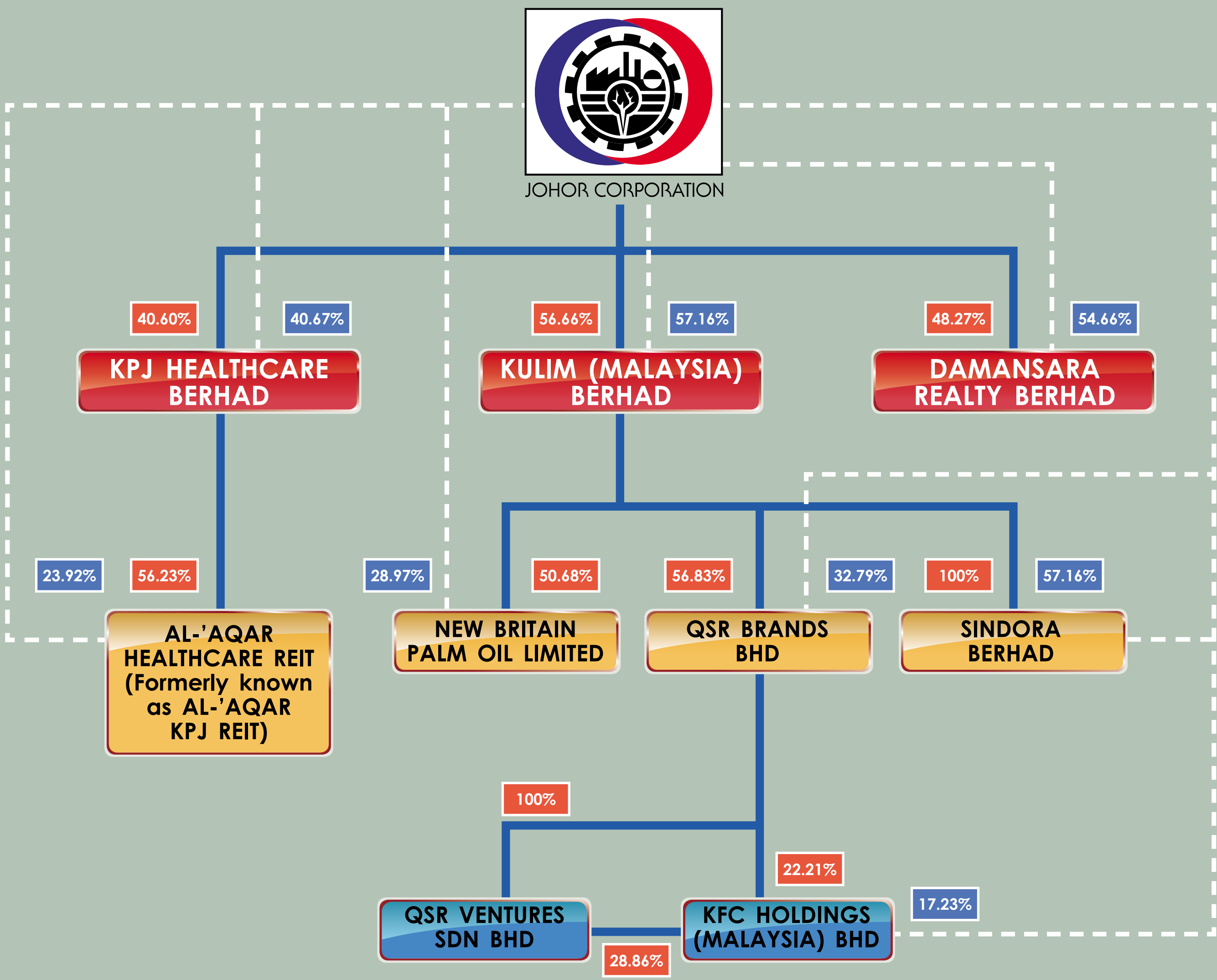
BUSINESS STRUCTURE

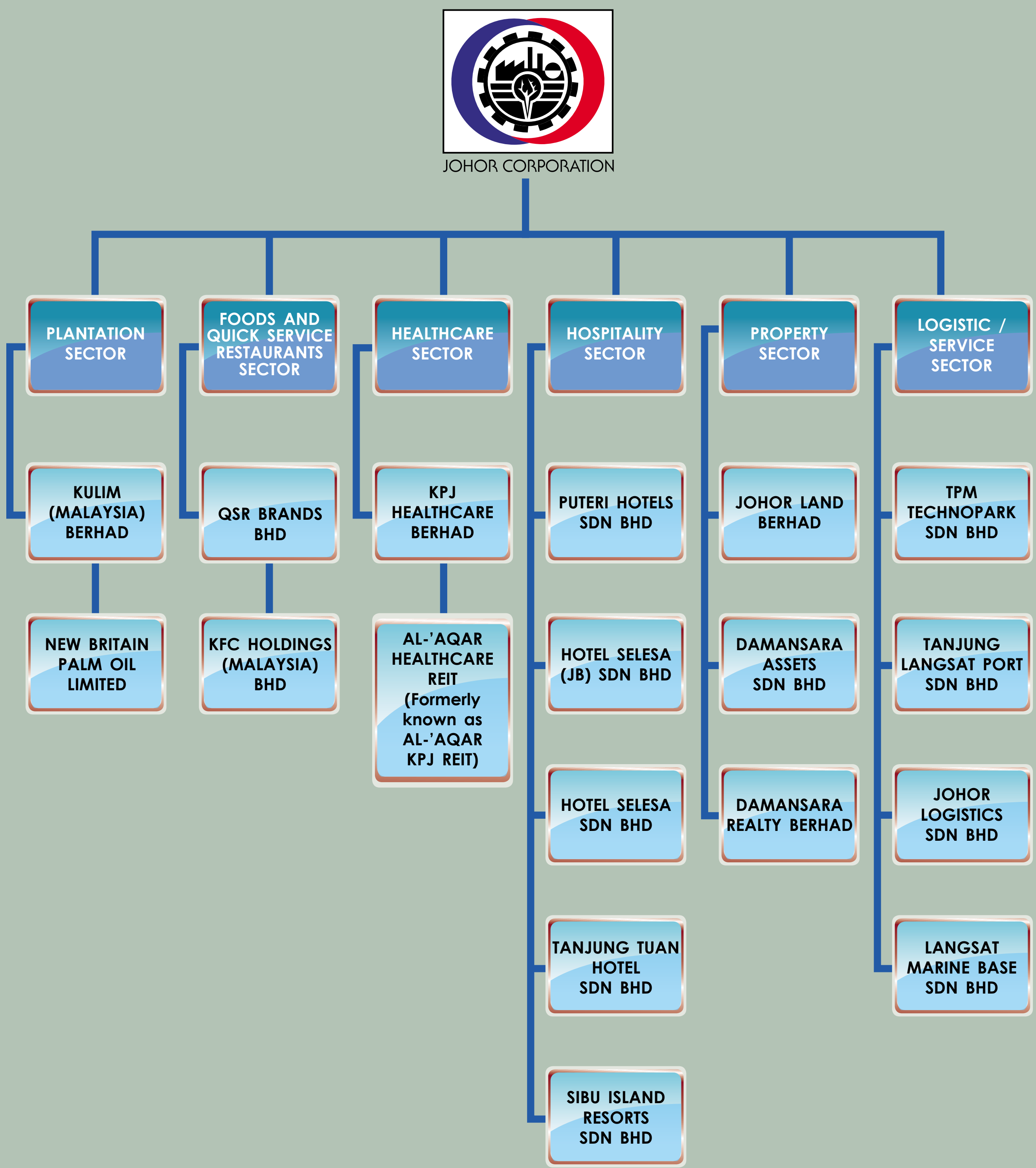


Direct interest

Group effective interest

* as at 31 December 2011

CORPORATE STRUCTURE



BOARD OF DIRECTORS

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

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

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



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4. YB DATO' HAJI AHMAD ZAHRI BIN JAMIL

Chairman of Executive Committee, Housing, Local Government, Work And Public Amenities

5. YB DATO' HAJI OBET BIN TAWIL

State Secretary of Johor

6. YB DATUK ABDUL RAHMAN PUTRA BIN DATO' HAJI TAHA

State Legal Advisor of Johor

7. YB TUAN HAJI MARSAN BIN KASSIM

State Financial Officer of Johor

8. YBHG DATUK DR REBECCA FATIMA STA MARIA

Secretary General
Ministry of International Trade and Industry

9. YBHG DATUK DR RAHAMAT BIVI BINTI YUSOFF

Director General
Economic Planning Unit
Prime Minister's Department

10. YBHG TUAN HAJI MALIAMI BIN HAMAD

Secretary of Loan Management, Financial Market & Actuary Division
Ministry of Finance

11. YBHG DATO' PADUKA ISMEE BIN ISMAIL

Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji

12. YB DATIN PADUKA ZAINON BINTI HAJI YUSOF

Independent Director of Johor Corporation

13. ENCIK MOHAMED IZAHAM BIN ABDUL RANI

Secretary of Johor Corporation

BOARD OF DIRECTORS' PROFILE

1 YAB DATO' HAJI ABDUL GHANI BIN OTHMAN

Chairman, Johor Corporation

Aged 66. He was appointed as the Chairman of Johor Corporation Board of Directors effective 3 May 1995. He holds a Bachelor's Degree in Economics (Hons.) from La Trobe University of Australia, Masters in Political Economy from University of Australia and University of Queensland. He is currently the Chief Minister of Johor.

2 YBHG DATO' SRI DR ALI BIN HAMSA

Deputy Chairman, Johor Corporation

Aged 57. He was appointed as a Director of Johor Corporation representing the Federal Government effective 1 November 2009. He was appointed as the Deputy Chairman and an Independant Director of Johor Corporation beginning 1 November 2011. He holds a Philiosophy 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 a Diploma in Public Management from INTAN in 1980. He is currently the Chief Director of Public Private Cooperation Unit, Prime Minister's Office.

3 YBHG TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM

President & Chief Executive, Johor Corporation

Aged 48. He was appointed as the President & Chief Executive and Director of Johor Corporation effective 1 December 2010. He holds a Bachelor's Degree in Commerce (Accountancy) from 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.

4 YB DATO' HAJI AHMAD ZAHRI BIN JAMIL

Independent Director

Aged 63. He was appointed as an Independent Director of Johor Corporation effective 9 September 2009. He holds a Bachelor's Degree in 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.

5 YB DATO' HAJI OBET BIN TAWIL

Director

Aged 58. He was appointed as a Director of Johor Corporation representing the State Government effective 14 March 2011. He holds a Bachelor's Degree in Economics (Hons) from Universiti Kebangsaan Malaysia. He is currently the State Secretary of Johor.

6 YB DATUK ABDUL RAHMAN PUTRA BIN DATO' HAJI TAHA

Director

Aged 54. He was appointed as a Director of Johor Corporation representing the State Government effective 15 August 2006. He holds a Bachelor's Degree in Law (Hons) from Canterbury University, New Zealand in 1984. He is currently the State Legal Advisor of Johor.

7 YB TUAN HAJI MARSAN BIN KASSIM

Director

Aged 57. He was appointed as a Director of Johor Corporation representing the State Government effective 28 June 2011. He holds a Bachelor's Degree in Accountancy (Hons) from Universiti Malaya in 1979. He is currently the State Financial Officer of Johor.

8 YBHG DATUK DR REBECCA FATIMA STA MARIA

Director

Aged 55. She was appointed as a Director of Johor Corporation representing the Federal Government effective 1 July 2011. She holds a Bachelor's Degree in English Arts (Hons) from Universiti Malaya, Master of Arts in Counselling from Universiti Pertanian Malaysia and Philosophy Doctorate in Adult Education (PhD) from University of Georgia, Athens. She is currently the Secretary General, Ministry of International Trade and Industry.

9 YBHG DATUK DR RAHAMAT BIVI BINTI YUSOFF

Director

Aged 55. She was appointed as a Director of Johor Corporation representing the Federal Government effective 1 November 2011. She was once appointed as Director of Johor Corporation during her service as Deputy Chief Secretary of Treasury (System & Control), Ministry of Finance since 1 February 2009 before promoted as Director General, Economic Planning Unit, Prime Minister's Department on 18 October 2011. She holds a Philosophy Doctorate in Economics (PhD) 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 Director General, Economic Planning Unit, Prime Minister's Department.

10 YBHG TUAN HAJI MALIAMI BIN HAMAD

Director

Aged 58. He was appointed as a Director of Johor Corporation representing the Federal Government effective 1 June 2012. He holds a Bachelor's Degree in Arts (Hons)(Geography) from Universiti Malaya in 1977, Diploma in Public Administration from INTAN and MBA (Finance) from Oklahoma University, USA in 1991. He is currently the Secretary of Loan Management, Financial Market & Actuary Division, Ministry of Finance.

11 YBHG DATO' PADUKA ISMEE BIN ISMAIL

Independent Director

Aged 47. 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.

12 YB DATIN PADUKA ZAINON BINTI HAJI YUSOF

Independent Director

Aged 59. She was appointed as an Independent Director of Johor Corporation effective 15 August 2011. She was once appointed as Director of Johor Corporation representing the State Government since 11 January 2006 during her service as the State Financial Officer until 27 June 2011. She holds a Bachelor's Degree in Arts (Hons.) from University of Malaya.

13 ENCIK MOHAMED IZAHAM BIN ABDUL RANI

Secretary, Johor Corporation

Aged 45. He was appointed as the Secretary of Johor Corporation effective 1 April 2011. He holds a Bachelor's Degree in 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 Vice President (Finance & Legal) of Johor Corporation.

BOARD OF INVESTMENT COMMITTEE

1

2 3 4

CHAIRMAN

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

MEMBERS

2. **YB DATO' HAJI AHMAD ZAHRI BIN JAMIL**
   Chairman, EXCO Housing, Local Governnment, Work and Public Amenities of the State of Johor
   Independent Director of Johor Corporation

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

SECRETARY

4. **ENCIK MOHAMED IZAHAM BIN ABDUL RANI**
   Secretary of Johor Corporation

BOARD OF AUDIT COMMITTEE

1

2 3 4

CHAIRMAN

1. YB DATIN PADUKA ZAINON BINTI HAJI YUSOF

Independent Director of
Johor Corporation

MEMBERS

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

Independent Member

3. PUAN HAJAH ZAINAH BINTI MUSTAFA

Independent Member

SECRETARY

4. TUAN HAJI ABD RAZAK BIN HARON

Vice President
Compliance Division

GROUP TOP MANAGEMENT COMMITTEE (TERAJU)

CHAIRMAN

1. **TUAN HAJI KAMARUZZAMAN BIN ABU KASSIM**
President & Chief Executive

MEMBERS

2. **TUAN HAJI ZULKIFLI BIN IBRAHIM**
Senior Vice President /
Chief Operating Officer

3. **TUAN HAJI ROZAN BIN MOHD SA'AT**
Managing Director
Sindora Berhad /
Chief Executive
Hospitality Business Division

4. **TUAN HAJI LUKMAN BIN HAJI ABU BAKAR**
Managing Director
Johor Land Berhad /
Chief Executive
Property Division

5. **TUAN HAJI ABDUL RAHMAN BIN SULAIMAN**
Vice President
Business Development Division

6. **TUAN HAJI ABD RAZAK BIN HARON**
Vice President
Compliance Division

7. **TUAN HAJI YUSOF BIN RAHMAT**
Vice President
Property & Amal Business Division /
Managing Director
TPM Technopark Sdn Bhd

8. **ENCIK MOHAMED IZAHAM BIN ABDUL RANI**
Vice President
Finance & Legal Division

9. **TUAN SYED ALI BIN SYED AHMAD**
Group Human Capital Advisor

10. **TUAN HAJI AMIRUDDIN BIN ABDUL SATAR**
Executive Director /
Chief Operating Officer
KPJ Healthcare Berhad

11. **TUAN SHEIK SHARUFUDDIN BIN SHEIK MOHD**
Executive Director
QSR Brands Bhd /
KFC Holdings (Malaysia) Bhd

JOINT SECRETARY

12. **ENCIK IDHAM JIHADI BIN ABU BAKAR**
General Manager
Pro Corporate Management Services Sdn Bhd

13. **ENCIK ALFADZILAH BIN HAJI MAT ARIS**
Manager
Corporate Office

1 2 3 4

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GROUP HUMAN RESOURCE COMMITTEE (TERAS)

1 2 3 4

5 6 7 8

9 10 11 12

CHAIRMAN

1. **TUAN SYED ALI BIN SYED AHMAD**
Group Human Capital Advisor

MEMBERS

2. **ENCIK KAMARULDZAMAN BIN SALLEH**
Vice President
Corporate Services Division

3. **DATIN SABARIAH FAUZIAH BINTI JAMALUDIN**
Senior General Manager
Group Human Capital
KPJ Healthcare Berhad

4. **PUAN SATIRA BINTI OMAR**
Vice President
Risk and System Management
Kulim (Malaysia) Berhad

5. **ENCIK IDHAM JIHADI BIN ABU BAKAR**
General Manager
Pro Corporate Management Services Sdn Bhd

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

7. **CIK HAJAH SUHANA BINTI SHUIB**
Deputy General Manager
TPM Technopark Sdn Bhd

8. **ENCIK ABDUL SHUKOR BIN ABDULLAH**
Deputy General Manager
Intrapreneur Business Department

9. **TUAN HAJI ABD RAHMAN DAWI**
Honorary Secretary
JCorp Intrapreneur (M) Berhad

10. **CIK HAJAH ARFAH BINTI MD SALLEH**
Deputy General Manager
Hospitality Business Division

11. **CIK FADZILAH BINTI MOHD OTHMAN**
Senior Manager
Johor Land Berhad

SECRETARY

12. **PUAN HAJAH AZIZAH BINTI AHMAD**
General Manager
Human Capital Development & Administration Department

EXECUTIVE COMMITTEE (EXCO)

CHAIRMAN

1. **TUAN HAJI ABDUL RAHMAN BIN SULAIMAN**
   Vice President
   Business Development Division

DEPUTY CHAIRMAN

2. **PUAN HAJAH AZIZAH BINTI AHMAD**
   General Manager
   Human Capital Development
   & Administration Department

MEMBERS

3. **TUAN HAJI IBRAHIM BIN ABDUL SAMAD**
   Executive Director
   TPM Technopark Sdn Bhd

4. **ENCIK MD SHAHRODIN BIN MD YUNOS**
   General Manager
   Land Services Department

5. **TUAN HAJI SHAHRUNI BIN HAJI ASLAM**
   General Manager
   Amal Business Department /
   Waqaf An-Nur Corporation Berhad

6. **ENCIK MD ZIN BIN MD YASIN**
   General Manager
   Damansara Assets Sdn Bhd

7. **PUAN HAJAH NORISHAH BINTI MOHD SETH**
   Deputy General Manager
   Relationship & Corporate Communication
   Department

8. **PUAN WAN SU BINTI ALI**
   Deputy General Manager
   Legal Department

9. **ENCIK ABDUL SHUKOR BIN ABDULLAH**
   Deputy General Manager
   Intrapreneur Business Department

10. **ENCIK JAMALLUDIN BIN KALAM**
    Deputy General Manager,
    Pro Corporate Management
    Services Sdn Bhd

11. **ENCIK MOHD BAHRIN BIN BAKRI**
    Senior Manager
    Finance Department

12. **TUAN HAJI OTHAMANNOR BIN MUHAMAD @ WAHAB**
    Senior Manager
    Group Enterprise Risk Management
    JCIA Services Sdn Bhd

13. **CIK NARIMAH BINTI ABDULLAH**
    Special Officer To
    Senior Vice President /
    Chief Operating Officer

SECRETARY

14. **PUAN RASHIDAH BINTI MD DAUD**
    Executive
    Corporate Office

1 2 3 4

5 6 7 8 9

10 11 12 13 14

INVESTMENT REVIEW COMMITTEE (JAWS)

1 2 3

4 5 6

7 8 9 10

CHAIRMAN

1. **TUAN HAJI AMIRUDDIN BIN ABDUL SATAR**
   Executive Director /
   Chief Operating Officer
   KPJ Healthcare Berhad

MEMBERS

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

3. **TUAN HAJI ROZAN BIN MOHD SA'AT**
   Managing Director
   Sindora Berhad /
   Chief Executive
   Hospitality Business Division

4. **TUAN HAJI ABDUL RAHMAN BIN SULAIMAN**
   Vice President
   Business Development Division

5. **TUAN HAJI ABDUL MALEK BIN TALIB**
   Executive Director
   Johor Land Berhad /
   Deputy Chief Executive Officer
   Property Division

6. **ENCIK MD SHAHRODIN BIN MD YUNOS**
   General Manager
   Land Services Department

7. **TUAN HAJI JA'APAR BIN SAMAT**
   Chairman
   JCorp Intrapreneur (M) Berhad

8. **ENCIK IDHAM JIHADI BIN ABU BAKAR**
   General Manager
   Pro Corporate Management Services Sdn Bhd

9. **ENCIK MOHD BAHRIN BIN BAKRI**
   Senior Manager
   Finance Department

SECRETARY

10. **PUAN MAZENAH BINTI HAJI ABU BAKAR**
    Executive
    Corporate Office

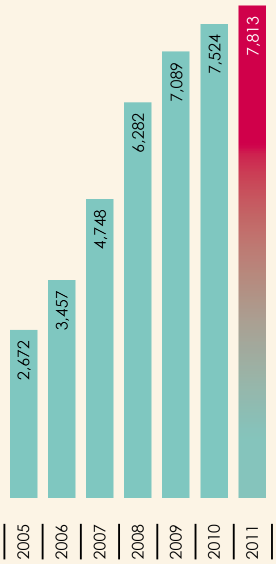
PUSPATRI offers trainings in various sectors of industry inclusive of welding.

SECTION 3

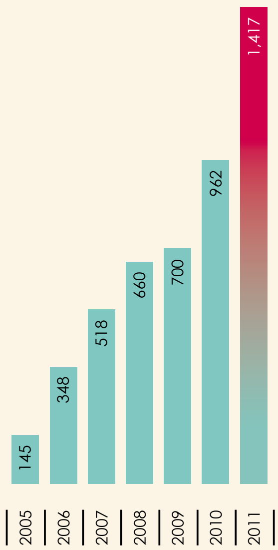
FINANCIAL HIGHLIGHTS 2005-2011

FINANCIAL HIGHLIGHTS 2005-2011

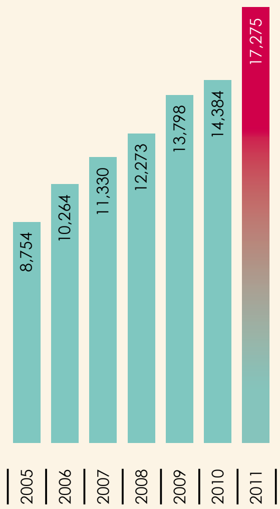
REVENUE (GROUP)
(RM MILLION)



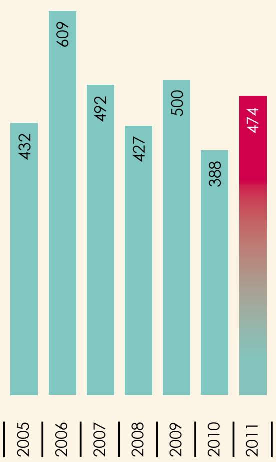
PROFIT BEFORE TAX (GROUP)
(RM MILLION)



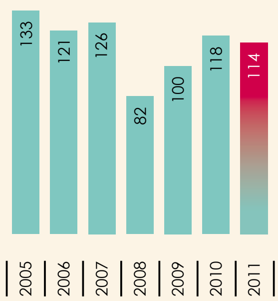
TOTAL ASSETS (GROUP)
(RM MILLION)



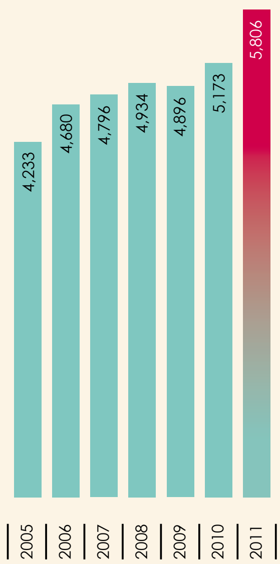
REVENUE (JCORP)
(RM MILLION)



PROFIT BEFORE TAX (JCORP)
(RM MILLION)



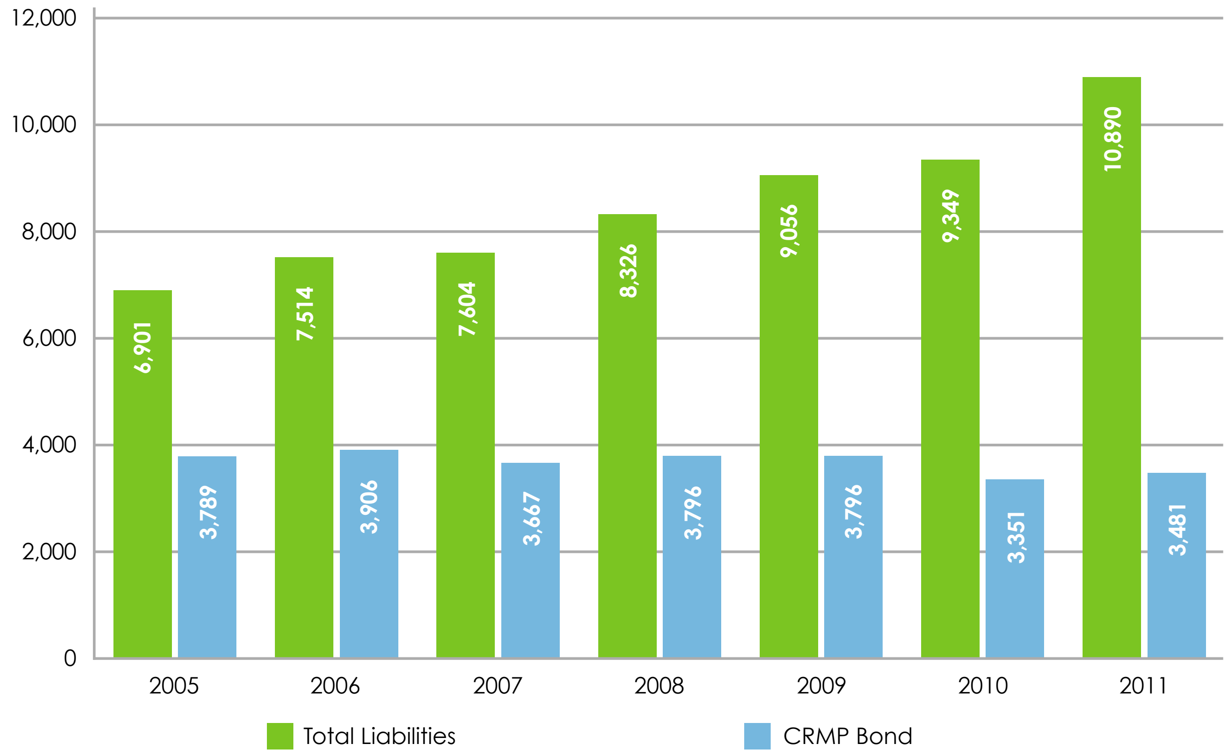
TOTAL ASSETS (JCORP)
(RM MILLION)



FINANCIAL HIGHLIGHTS 2005-2011
(RM MILLION)

	2005	2006	2007	2008	2009	2010	2011
GROUP							
REVENUE	2,672	3,457	4,748	6,282	7,089	7,524	7,813
PROFIT BEFORE TAX	145	348	518	660	700	962	1,417
PROFIT AFTER TAX	61	262	478	464	446	834	1,058
TOTAL ASSETS	8,754	10,264	11,330	12,273	13,798	14,384	17,275
TOTAL LIABILITIES	6,901	7,514	7,604	8,326	9,056	9,349	10,890
TOTAL EQUITY	1,853	2,750	3,726	3,947	4,742	5,035	6,385
JCORP							
REVENUE	432	609	492	427	500	388	474
PROFIT BEFORE TAX	133	121	126	82	100	118	114
PROFIT AFTER TAX	124	115	126	77	99	119	137
TOTAL ASSETS	4,233	4,680	4,796	4,934	4,896	5,173	5,806
TOTAL LIABILITIES	4,058	4,251	4,241	4,302	4,165	4,303	4,802
TOTAL EQUITY	175	429	555	632	731	870	1,004

TOTAL LIABILITIES (GROUP)
(RM MILLION)



JCorp also emphasises on employee involvement in recreational activities in support of the government's aspiration ensuring healthy and vibrant community.

SECTION 4

CORPORATE SOCIAL RESPONSIBILITY

- SOCIAL DEVELOPMENT AND PUBLIC WELFARE WAQAF AN-NUR CORPORATION BERHAD
- CHAIN OF JOHOR CORPORATION AN-NUR MOSQUES
- WAQAF AN-NUR HOSPITAL (HWAN) AND WAQAF AN-NUR CLINICS (KWAN)
- WAQAF BRIGADE
- TIJARAH RAMADHAN FUND-JOHOR CORPORATION FOUNDATION
- THE DARUL HANAN ORPHANAGE (DARUL HANAN)
- PERSATUAN KELUARGA JOHOR CORPORATION (PKP) AND PERSATUAN REKREASI KELUARGA PERBADANAN JOHOR (PKP PERBADANAN JOHOR)
- MUTIARA JOHOR CORPORATION
- ENTREPRENEUR DEVELOPMENT
- JOHOR MOTOR CLUB
- JOHOR CLAY TARGET SHOOTING ASSOCIATION
- JOHOR KITERS ASSOCIATION
- JOHOR YACHTING ASSOCIATION
- MALAYSIA YACHTING ASSOCIATION
- JOHOR CORPORATION FOOTBALL CLUB (JOHOR FC)
- PROSPECT

CORPORATE SOCIAL RESPONSIBILITY

Johor Corporation (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 line with its *'Membina dan Membela'* slogan, 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 2011, a total of 27 non-profit organisations are operating under JCorp's ABO. These ABOs are divided into four categories namely Social & Public Welfare Development, Entrepreneur Development, Sports and Recreation Development and lastly, Staff Welfare.

SOCIAL DEVELOPMENT AND PUBLIC WELFARE

WAQAF AN-NUR CORPORATION BERHAD (WANCorp)

Waqaf An-Nur Corporation Berhad (WANCorp) is a Limited company established to guarantee proper management of Johor Corporation and its Group of Companies' stocks and assets under endowment. WANCorp serves as 'Maukuf Alaihi' to stocks and other forms of the company's security that has been put under endowment as a whole.

WANCorp is also responsible on behalf of Johor Corporation's CSR initiatives to manage Waqaf An-Nur Hospital (HWAN) & chain of clinics (KWAN), Waqaf Dana Niaga, Waqaf Brigade and contributing to the public through *fi sabilillah* benefit distribution.

The *fi sabilillah* benefit distribution programme by Waqaf An-Nur has managed to benefit patients' welfare, livelier mosques, entrepreneurial and educational programmes. Contributions were also extended internationally through Somalia Humanitarian Aid and GAZA Humanitarian Fund. For the year 2011, WANCorp issued RM945,502.13 for contribution purposes and *fi sabilillah* benefit distribution.

CHAIN OF JOHOR CORPORATION AN-NUR MOSQUES

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

All the mosques actively organise activities such as Maghrib lectures, Tahlil and Yasin recitals, Al-Quran and As-Sunnah classes on a daily, weekly and monthly basis. Other religious and societal activities include Qiamullail, Isra' Mikraj, MaulidurRasul celebrations, Charity Breakfasts, Muslim Converts Dakwah Programmes and Islamic Elemantary classes (Fardhu Ain).

Religious Executives (Imams) are also functioning as amils (collectors) of zakat preache's and counselors. Other than that, all mosque staff are not only involved directly as Ikhwan Muamalat volunteers in assisting Waqaf Dana Niaga participants, the Imams are also appointed as Juru akad (Contract Narrator) between WANCorp Waqaf Dana Niaga aid receivers at participating Mosques.

Mosque staff are also given the opportunity to become qualified Mutawwifs under WANCorp's recognition. The Mutawwif recognitions are given to provide Umrah services offered by Tiram Travel Sdn Bhd, a company with its shares endowed.

WAQAF AN-NUR HOSPITAL (HWAN) AND WAQAF AN-NUR CLINICS (KWAN)

Johor Corporation is an organisation responsible in developing and managing 16 Waqaf An-Nur clinics (KWAN) and a charity-based Hospital under the name Waqaf An-Nur Hospital Pasir Gudang (HWAN). KWANs are built not to be accessible only in Johor, but also in Negeri Sembilan, Selangor, Perak and Sarawak with co-operation from the Islamic Council of the respective states.

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

A total of 765,611 treatments have been given to patients of the hospital and chain of clinics. 50,833 or 6% of the aforesaid treatments were catered to the non-Muslim patients. Meanwhile, patients with kidney ailments that received treatments at the hospital and 5 clinics mounted up to 113 people.

CORPORATE SOCIAL RESPONSIBILITY

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, but also 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.

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 a recognition granted by National Security Council (NSC).

True to its establishment objective as an emergency aid organisation, Waqaf Brigade have accomplished a multitude of humanitarian aid activities be it in times of calamity or peace. The Waqaf Brigade team has also contributed its service during the flood catastrophe which swept Segamat, Muar, Kota Tinggi and Batu Pahat during the early and towards the end of 2011. Waqaf Brigade Elite and support groups played a role in cleaning and conserving schools, mosques, halls, clinics and submerged homes.

Waqaf Brigade's contributions have led to JCorp's recognition in ADFIAP Awards 2011, as a participating organisation in the Corporate Social Responsibility (CSR) programme. The awarding ceremony was held at Acapulco, Kyrenia, Cyprus on 20 April 2011.

TIJARAH RAMADHAN FUND-JOHOR CORPORATION FOUNDATION

The Tijarah Ramadhan Fund gives opportunity to either companies under JCorp, outside companies or government agencies to display their charitable and societal activities via television. The relevance behind this is because apart from business accomplishments and profits achieved by these companies, it is also their responsibility and duty to help needy Malaysian citizens.

Since its launching in 2005 until December 2011, the Tijarah Ramadhan Fund has successfully raised a total of RM1,949,118 via 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, the Fund has funnelled RM1,778,737 to the less fortunate nationwide. From January to December 2011, a total of RM355,753 had been extended to the needy.

As much as 8,153 individuals including deserving institutions have been the beneficiaries of Tijarah Ramadhan Fund regardless of their racial denomination and religious backgrounds.

THE DARUL HANAN ORPHANAGE (DARUL HANAN)

JCorp's aspiration in establishing the Darul Hanan Orphanage is to provide hope for the less fortunate, hence narrowing the gap between the rich and the poor.

At Darul Hanan, orphans and children of the less fortunate are given the chance not only to learn to provide for themselves, but at the same time to be successful individuals in this world, and the hereafter.

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

In 2011, as many as 20 male occupants and 28 females are benefiting from Darul Hanan's hospitality. Currently, 11 adolescents under Darul Hanan's care are now following tertiary education at higher learning institutions.

PERSATUAN KELUARGA JOHOR CORPORATION (PKP) AND PERSATUAN REKREASI KELUARGA PERBADANAN JOHOR (PKP PERBADANAN JOHOR)

The PKP is an important body that plays a significant role in uniting and coordinating all societies under JCorp and its Group of Companies. PKP Perbadanan Johor, on the other hand, is a society of staff at headquarters level. Both societies are actively organising and participating in many activities among its members, especially sports and recreation.

Starting from 5 March to 16 April 2011, the PKP has organised its 7th edition of Sports Carnival which have been held every Saturday and Sunday within the whole 2-month period of sessions. Apart from that, the PKP has also taken part in the Statutory Association's Sporting Events 2011 at University Malaysia Terengganu from 8 to 14 May 2011 for the first time.

Also in the year 2011, PKP Perbadanan Johor managed to organise a Hari Raya Celebration and a Family Day that brought kinship values and closer ties among staff.

MUTIARA JOHOR CORPORATION

Chaired by YBhg Puan Hajah Noor Laila Yahaya, Mutiara Johor Corporation is a women's club dedicated to female staff and male staff's spouses. It is among the most active clubs in carrying out charitable, religious, social and academic activities among its members and the public at large.

The objective of the club's establishment is generally to contribute charitable services to the society through beneficial activities that are planned from time to time, including activities pertaining to academics, seminars and career consultations.

It is also aimed to instill family values and closer ties among its members through gatherings held throughout the year.

CORPORATE SOCIAL RESPONSIBILITY

Mutiara Johor Corporation is also keen in encouraging cooperation with other societies, organisations and other listed bodies with similar orientation.

ENTREPRENEUR DEVELOPMENT

JCorp encourages young generations to always be active and to participate in entrepreneurial activities as an alternative to generate income, guaranteeing a bright future. Tunas Bistari is a programme launched by Bistari Johor Berhad (BISTARI) 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.

JCorp organised Bistari Day 2011 on the 24 and 25 February 2011 through Bistari Young Entrepreneur Sdn Bhd. The event took place at Dewan Tanjung Puteri, PERSADA International Convention Centre.

Bistari Day 2011 is an annual programme dedicated to acknowledge all parties involved in making Bistari Johor Corporation's programmes such as Tunas Bistari, Didik Bistari and Siswa Bistari a success.

As much as 70 secondary schools, 100 primary schools, 340 teachers as well as 2,050 primary and secondary students have participated in this programme. The programme aims at recognising best companies and schools for the Tunas Bistari 2010 programme through Tunas Bistari Outstanding Performance Awards 2010.

Meanwhile, CATUR BISTARI is a business-oriented board game based on Islamic values featuring a leisure learning concept that will enhance the level of comprehension in learning. CATUR BISTARI was 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, as well as in doing deeds.

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

JOHOR MOTOR CLUB

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

Johor Motor Club appears more dynamic these days with the help of newly appointed committees in the end of 2010. Activities are being lined up to attract a larger crowd of motorsports and extreme sports enthusiasts.

JOHOR CLAY TARGET SHOOTING ASSOCIATION

The association provides a platform for shooting practice organised by the Malaysian International Practical Shooting Confederation (IPSC). The existing shooting range offers 24 training grounds, complete with shooting target boards and training equipment for members' use. The association's shooting range has been chosen as the official shooting range for IPSC Level IV Australasian Championships.

Every year, the association organise Sultan Iskandar's Shooting Competition, with Johor Sports Council as its co-organiser. In 2011, the competition with participation from shooters around the nation as well foreign countries was held from 14 to 25 April.

The smooth running of the competitions serves as proof for Malaysia's capability in hosting championships of international standards. Moreover, competitions such as these enable Malaysian shooters to compete against international shooters, thus gauging their level of performance.

JOHOR KITERS ASSOCIATION

Today, Johor Kiters Association is no stranger to enthusiasts and members of kiting associations across the country. In fact, it has been the talk of the town worldwide after its success in organising International Kite Festivals each year since the last 17 years.

The society's strength is portrayed on its track record of achievements, thus making the name Johor Kiters recognised by many until today. The organisation of the annual festival has ultimately made Pasir Gudang more familiar and known in the world map.

The performance portrayed by Johor Kiters is recognised by all kiting associations from other states which until today, Johor Kiters has been given the trust and honour to lead the Malaysian Kiters Council.

2011 witnessed Johor Kiters' cooperation with Pasir Gudang Municipal Council, Johor State Government, Johor Tourism and Johor Arts and Culture in the organisation of the 16th International Kite Festival which was held from 15 to 20 February 2011.

This festival involved participation of more than 200 kiters from 30 countries locally and internationally, including Indonesia, Japan, Austria, Korea, France, Taiwan and Germany.

JOHOR YACHTING ASSOCIATION

JCorp is also a pioneer in the yachting segment with its participation in Johor Yachting Association and Malaysia Yachting Association. The association, which is also an OBA, is highly active in encouraging and developing the yachting sport at state's level. Today, the society's athletes have even achieved an outstanding performance at the international level. Johor Yachting Association proved their aptitude by being at par with other states that have long been in the country's yachting arena. Presently, many settlers around Pasir Gudang and the FELDA Tenggaroh Cluster in Tanjung Leman have been trained in yachting.

The state's yachting training centre has been relocated from Tanjung Langsat, Pasir Gudang to Tanjung Leman, Mersing on September 2011. The new location is perfect for the yachting sport due to the suitable wind and sea conditions that allow training activities to be done anytime. Athletes in learning will be undergoing their training in Mersing.

From 28 to 30 October 2011, the KFC-FELDA Open Yachting Championships has been organised with cooperation from Malaysia Yachting Association, Johor Land Berhad, FELDA and Mersing District Office. Other than the participation of yachting association from each state, the championship has also received participation from two Indonesian clubs – Bentan and Neptunus.

CORPORATE SOCIAL RESPONSIBILITY

MALAYSIA YACHTING ASSOCIATION

JCorp's involvement in yachting through Johor Yachting Association and Malaysia Yachting Association has brought yachting athletes to great lengths in domestic and international championships thus placing Malaysia's name and standard amongst the high ranks in the sporting arena.

The IODA World Sailing Championship 2010, held in Pulau Langkawi, Kedah from 28 December to 8 January 2011 serves as an example of a memorable event when Malaysian athlete, Ahmad Syukri Abdul Aziz managed to finish second in the overall individual category.

JOHOR CORPORATION FOOTBALL CLUB (JOHOR FC)

Johor Corporation Football Club or better known as Johor FC was established in1972. The football club was first registered under the name PKENJ FC in its early establishment, before its renaming in 1996. Johor FC has once emerged champion in 1994 and 1995's FAM Cup as well as in the Premiere League II in 2001. As the longest competing team in the Super League, Johor FC won the Best Club Award from the Football Association of Malaysia in 2009 and 2010. The award serves as recognition for the authority and management efficacy in developing football not only in the state of Johor, but also in the national level.

With unrelenting support from supporters and JCorp Group's employees, Johor FC will continue to strive for excellence in the Malaysian League. With support from around 2,000 spectators for each match at the Pasir Gudang Municipal Council's Stadium, JCorp holds its reputation as a formidable club in Super League, which is the nation's most prestigious football league.

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 utilising all the existing resources to fulfil 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 through various initiatives carried out.

SECTION 5

PROSPECT

ECONOMIC REVIEW

PLANTATION SECTOR

FOOD AND QUICK SERVICE RESTAURANTS SECTOR

HEALTHCARE SECTOR

HOSPITALITY SECTOR

PROPERTY SECTOR

LOGISTICS/SERVICE SECTOR

ECONOMIC REVIEW

2011 was a very volatile year for global financial markets. It was in fact a trying year for the developed economies. Worsening debt problem in the Eurozone that could possibly threaten the health of global economy had sparked fear among global investors.

One after another, the countries in the region were dragged into the crisis and some faced credit rating downgrades. Their abilities to settle the debt situation that were highly dubious heightened concerns of another financial meltdown.

The situation in US has not helped either. Besides crippling with high unemployment as the consequence of financial crisis in 2008, the world biggest economy had to encounter the first ever credit rating downgrade. Its AAA credit rating was downgraded by Standard & Poor's and the lawmakers were blamed for failing to reduce record budget deficits through spending cuts and raising revenue. US economy has also been slow to recover.

Additionally, the political tensions in the Arab world which sparks a revolutionary political movement and massive earthquake in Japan triggering a devastating tsunami undermined global sentiment and confidence further.

Malaysian economy which has yet to feel the pinch of the global economic turmoil during the period, managed to grow within the range of 5% to 6% in 2011 as projected by the Ministry of Finance. The 5.1% expansion was supported by the services sector and local consumption and the continued expansion in the private sector activities. Nevertheless, the crisis was reflected in the local bourse as evidenced by volatilities in its benchmark index notably in the second half

of 2011. Initially, the FBM Bursa Malaysia KLCI reacted negatively to the US credit rating downgrade and the on-going debt crisis in the Euro region but subsequently climbed back again towards the end of the year on the back of austerity measures taken by the debt laden countries to solve the situation.

The uncertainties in the global bourses also sent investors flocking to safe haven asset namely gold which soared to all-time high of over US$1,900 an ounce. In Malaysia, the local currency strengthened to below RM3.00 per US Dollar on the back of weakening greenback. In a bigger picture, the world growth had slowed to a greater extent than predicted when the global GDP growth stands at 3.8% as against the International Monetary Fund (IMF) projection of 4%.

ECONOMIC PROSPECTS

In 2012, uncertainties surrounding the financial markets will continue to derail global economy. According to the IMF, the economy representing the Euro area is projected to endure a mild recession in 2012 as the debt crisis takes its toll on the economy. IMF has also projected the global GDP growth to slide to 3.3% mainly due to recession in the Eurozone, the still sluggish growth in the US and dwindling expansion in China. Subsequently, the emerging and developing economies are expected to experience subdued growth as the result of deteriorating external environment and diminishing domestic demand.

Malaysia's external demand is expected to be dampened as growth in export of goods and services slowed further, consequently causing lags in the growth of the local economy in terms of its imports of goods and services.

At the same time, geo-economic and geo-political risks including the possibility of rising US-China trade friction, the intensification of social and political tensions in the Middle East that can pose crude oil price risk could further threaten global recovery.

The country's economic growth as stipulated by the Bank Negara Malaysia (BNM) is expected to moderate between 4% to 5% in 2012, in line with a slowdown in the global economy. The risk of higher inflation on the back of higher commodity and energy prices has also not been ruled out by BNM. Moving forward, the central bank is expected to continue with its accommodative monetary stance to support the growth of the economy.

PLANTATION SECTOR

The Group achieved a record breaking year with revenue in excess of RM7 billion while for the first time ever, profit before tax breached the billion mark, at RM1.36 billion. All three divisions: Plantation, Foods and Restaurants and Intrapreneur Ventures, contributed higher revenues and profits.

In the Plantation division, more milestones have been achieved. Fruit production and profits hit record highs of 2.38 million tonnes and RM1.13 billion, a reflection of both the excellent performance by our operational personnel as well as the strong fundamentals in the oils and fats markets during the year. Similarly important is the fact that these encouraging results had been achieved as a culmination of various key corporate exercises undertaken during the past 2 years. Our London-listed subsidiary New Britain Palm Oil Limited's (NBPOL) palm oil refinery in Liverpool in the UK continues to capture new markets and we will be commissioning a bakery margarines and fats plant, whose products will be sustainable and fully traceable.

Our Foods and Restaurants business opened more new outlets and continues to invest in expanding the KFC franchise in India. Our Intrapreneur Ventures division has also shown improved results.

There remains much to be done to further enhance our businesses to best position the Group to capitalise on all potential opportunities and meet the challenges of tomorrow.

We are however confident our objective to promote economically viable, socially equitable and environmentally sustainable production, processing and trade of palm oil can be achieved.

KULIM AND SUSTAINABILITY

We regard the sustainable palm oil programme as one of our Corporate Responsibility fundamentals. Our goal is to integrate business into serving a higher social cause, adding value to creation, embracing the sustainable use of land and water, advocating appropriate treatment of wildlife, and leaving a lasting heritage for our future generations. Our active representation in the Roundtable on Sustainable Palm Oil (RSPO) and the adoption of the RSPO Principles and Criteria denote our systematic and planned approach to achieve a balance between People, Planet and Profit.

Towards this end, Kulim has established a comprehensive set of policies and adopts an integrated approach in developing the policy framework for our sustainable development. Our environmental performances on biodiversity and soil conservation are covered in more detail in this report along with coverage of our social programmes and involvement with the communities in which we operate and live. Our sustainability policy framework inter-relates with our Corporate Vision and Mission and is embraced within our corporate governance processes to ensure it has direct relevance to the overall set corporate strategy and direction. The policy thus serves as the foundation and overriding philosophy of the Group's continuous progress towards delivering value to all our stakeholders.

CORPORATE DEVELOPMENTS

In March 2012, we embarked on a capital restructuring exercise to make our shares more affordable and enable a wider spread of investors to participate in Kulim's growth. The exercise that involved share split, issue of bonus shares and free warrants, has also helped to enhance the liquidity and marketability of Kulim shares on the Main Market of Bursa Securities. Kulim currently has 1.26 billion tradable shares as opposed to 312.35 million shares previously. On top of

that, the bonus shares and free warrants have rewarded Kulim's existing shareholders for their continuous support and will allow them to further participate in the future growth of the Group when the warrants are exercised.

Kulim at its core is an agriculture company with palm oil as its dominant business. Thus we were pleased that after repeated pursuits, our majority shareholder, Johor Corporation, finally agreed to divest a significant portion of its palm oil estates to us. On 16 August 2011, Kulim announced that its wholly-owned subsidiary, Mahamurni Plantations Sdn Bhd (MPSB) had entered into conditional sale and purchase agreements (SPA) with Johor Corporation (JCorp) for the proposed acquisition of 6 oil palm estates of approximately 13,687 hectares, and 2 palm oil mills, for a total consideration of RM700 million. An Extraordinary General Meeting (EGM) was convened on 22 December 2011 and shareholders' approval was obtained for the proposed acquisition. As at 31 December 2011, Stage 1 of the proposed acquisition involving Sungai Papan Estate and Siang Estate was completed, injecting some 6,000 hectares of productive oil palm estates into the Group. Stage 2 of the proposed acquisition is targeted for completion within the first half of 2012.

Kulim currently has
1.26
billion tradable shares as opposed to 312.35 million shares previously.

PLANTATIONS SECTOR

For several years, our then listed subsidiary, Sindora Berhad, had failed to meet the the shareholding spread requirement of a listed entity. On 16 August 2011, Kulim announced a voluntary general offer to acquire the remaining Sindora shares at an offer price of RM3 per share in August 2011. The offer price was subsequently revised to RM3.10 per share in September 2011. Subsequently on 25 October 2011, Kulim announced that it had acquired greater than nine tenth (9/10) of the nominal value of Sindora shares and accordingly invoked the compulsory acquisition of outstanding Sindora shares pursuant to Section 222(1) of the Capital Market and Services Act 2007. On 30 November 2011, Sindora was removed from the official listing of Bursa Securities. Completion was on 5 December 2011, upon the bulk transfer of Sindora shares to Kulim. Sindora since then has become a wholly-owned subsidiary of Kulim.

On 14 December 2011, Kulim announced that the Board of Directors of QSR Brands Bhd (QSR) and KFC Holdings (Malaysia) Bhd (KFCH) had, respectively, received letters from Massive Equity Sdn Bhd (MESB) which set out MESB's conditional offer to acquire nearly all the businesses and undertakings, including substantially all of the assets and liabilities, of QSR and KFCH respectively. Subsequently on 21 December 2011, the Board of Directors of QSR and KFCH accepted the respective offers subject to the execution of the relevant sale of business agreements (SBA). Further announcements by QSR and KFCH on 23 April 2012 indicated that the parties are in the process of finalising the SBA.

Subject to the completion of the whole exercise, Kulim will effectively exit the Foods and Restaurants business. The impact of this move to the Group's financial performance and position upon deconsolidation is expected to be significant. Nonetheless, should the divestment come to fruition, the Group stands to record a substantial gain from this exercise. We are proud of our record in growing the business and increasing its value. It has been an exhilarating period

This results in Kulim's shareholding in NBPOL being reduced from **50.68%** to 49.54% and renders NBPOL to be an associate company of Kulim, instead of a subsidiary.

and we are pleased to recognise the many individuals for their contribution and in particular the role played by Jamaludin Md Ali, the Managing Director of KFC Holdings (Malaysia) Bhd and QSR Brands Bhd.

An equally significant development is the announcement by NBPOL on 25 April 2012 that it had issued 3,333,147 new NBPOL shares to the Independent Public Business Corporation of Papua New Guinea (IPBC) as consideration for the acquisition of 20% interest in Kula Palm Oil Limited (KPOL). This results in Kulim's shareholding in NBPOL being reduced from 50.68% to 49.54% and renders NBPOL to be an associate company of Kulim, instead of a subsidiary.

The issuance of 3.33 million new shares to IPBC, other than to streamline the shareholding structure at KPOL, is also strategically aimed to enhance the existing good cooperation and relationship between NBPOL and the provincial governments in PNG. NBPOL is also continuing to negotiate the acquisition of an additional minority shareholding from New Ireland Development Corporation (NIDC) in KPOL's subsidiary, Poliamba Limited. Separately, NBPOL is further considering the issuance of additional new shares to New Britain Nominees Limited, to be held in trust for the purpose of transfer to PNG landowners as part consideration for both imminent and future acquisitions of land (or interests in land) by NBPOL, representing the continuation of its long term established process of land acquisition.

Going forward, Kulim will no longer consolidate NBPOL's accounts and instead their results will be equity-accounted. Nonetheless, we expect that impact to the Group's cash flow and Group's bottom-line at Profit After Tax and Minority Interests (PATMI) level to be minimal.

The imminent exit from the Foods and Restaurant Business as well as the change in status of NBPOL from subsidiary to associate company will reduce borrowings at Group level, thus further strengthening the Group's Balance Sheet.

PLANTATION SECTOR

SEGMENT HIGHLIGHTS

PLANTATIONS

The Group's plantation operations turned in yet another strong performance in 2011 with a record harvest of 2,640,860 tonnes of fresh fruit bunches (FFB) from the Malaysian, Papua New Guinea (PNG) and Solomon Islands (SI) estates. This represented a positive growth of 18.43% against a total of 2,229,842 tonnes of Group FFB produced in 2010, the upswing owing to a cyclical biological surge in the crop and good weather. The Malaysian estates produced 34% of total Group FFB (2010: 36%); PNG estates produced 61% (2010: 59%), whilst the SI estates' contribution is 5% (2010: 5%). The Group's planted area to oil palm increased to 134,935 hectares as compared to 134,402 hectares in 2010.

The Group continues to pursue its 30:30 initiative with the objective of raising fruit yields to 30 tonnes per hectare and palm product extraction rates to 30%. Results this year have been positive and well over the Malaysian industry standard. Further gains are anticipated by the recent replanting with higher yielding hybrids and the lowering of the average age of the trees.

Malaysian Plantations

The Malaysian estates recorded a marked increase in FFB production of 13.4%, mainly due to better rainfall and the benefit of a relatively more stable workforce compared to the labour conditions prevailing in 2010, producing a total of 902,255 tonnes of FFB in 2011. The yield per hectare in 2011 increased to 20.88 tonnes from 18.03 tonnes in the preceding year.

In Malaysia, total Crude Palm Oil (CPO) production was 249,172 tonnes in 2011 which was higher by 13.74%, than the 244,639 tonnes in the prior year. Palm Kernel (PK)

production was 71,082 tonnes, an increase of 0.39% from the 70,809 tonnes in 2010. The Group's Malaysian mills' extraction rates were affected by wet weather in early 2011 and higher purchases of variable quality FFB third party crop that increased from 403,528 tonnes in 2010 to 421,117 tonnes in 2011. So in terms of oil yield, the Malaysian plantations recorded an increase from 3.71 tonnes CPO per hectare in 2010 to 4.23 tonnes in 2011.

To sustain higher production, the Group is committed to improving the age profile of its plantations. In Malaysia, 2,998.62 hectares were replanted in 2011. The Malaysian estates' average palm age decreased slightly to 12.48 years in December 2011, from 13.25 years in 2010.

PNG and SI Plantations

With weather conditions across PNG and SI favourable for crop growth during 2011, the overall palm product extraction rate for 2011 was 28.21%, an increase from the 2010 result of 27.50%. FFB production from the PNG and SI estates increased to approximately 1.74 million tonnes supported by the full production from the newly acquired KPOL estates at Higaturu, Milne Bay and Poliamba in the New Ireland Province, PNG.

In PNG and SI, NBPOL has 78,332 hectares planted with oil palm of which 68,438 hectares are being harvested with the balance being immature oil palms that were planted over the last three years. Yield of FFB per hectare over the area under harvest was 25.4 tonnes (2010: 23.7 tonnes per hectare).

PLANTATION SECTOR

In PNG and SI, NBPOL continued to expand their palm oil production base with the addition of 1,582 hectares of new plantings in West New Britain and Ramu Agri-Industries Limited (Ramu). Replanting of 1,544 hectares was completed across Guadalcanal Plains Palm Oil Ltd (GPPOL), Higaturu, Milne Bay and Poliamba.

Supported by the full year's contribution of fruits from the newly acquired KPOL estates at Higaturu, Milne Bay and Poliamba, the PNG and SI mills registered a record year with 591,477 tonnes of crude oils (CPO and PK oil) produced, representing a 23.5% increase over 2010.

The new mill commissioned at Waraston increases the total processing capacity in West New Britain from 260 to 320 tonnes of fruit per hour. In SI, the mill upgrade at Tetere from 25 to 45 tonnes per hour was completed with further work on the kernel mill ongoing. At Ramu, work commenced at the Gusap Palm Oil Mill (POM) during the year to increase the capacity from 30 to 45 tonnes per hour.

NBPOL's first methane capture plants in West New Britain is a major step forward for the company as it begins to utilise the potent greenhouse gas as an energy source and reduce our carbon footprint. Commissioning of the plants is expected in the first half of 2012. The power will be utilised to supply the housing estates and refinery as well as supplying the local grid in support of rural electrification through an agreement with PNG Power.

NBPOL is embarking on the construction of a further 3 Clean Development Mechanism (CDM) projects in West New Britain, Higaturu and Milne Bay. In West New Britain, the team is proud to have completed the second fractionation plant at the Kumbango refinery, which will supply specialised palm products to Ferrero Rocher.

Palm Oil Refinery in Liverpool, United Kingdom

In Liverpool, New Britain Palm Oils Limited (NBPOL) refinery operation, as a result of a further multi-million pound investment, is scheduled to produce its first packed products for sale into the UK bakery and foodservice sectors in the first quarter of 2012. This will give NBPOL the largest range of fully traceable sustainable products in the market.

Sugar production

During the year, the operation harvested some 397,328 tonnes of cane from 7,311 hectares. This was an improvement on 2010 when 375,822 tonnes of cane was harvested. The sugar factory with a capacity of processing 500,000 tonnes of cane was therefore under little pressure. Overall sugar recovery from cane processing improved in 2011 to 81.4% from 79.3% in 2010.

Beef Production

NBPOL remains the largest producer of beef in PNG. However, beef production will continue to play only a minor role in the overall investment strategy. The herd size showed some growth with 20,000 cattle managed in 2 separate locations. The herd produced some 1,284,000 kilograms of beef for the PNG market, generating revenue of PGK14.9 million. Additional investment in stock yards and machinery for both silage production and pasture improvement are all contributing to better efficiencies.

FOODS AND RESTAURANTS

All our brands were strengthened in 2011 and the recent expansion of KFC into India was consolidated. QSR Brands Bhd (QSR) and its subsidiaries continued to add new outlets and executed their programmes for image enhancement, always reaching out to new markets and strengthening the loyalty of existing customers. KFCH International College expanded further during the year, now spanning 2 campuses, and is positioned to provide the Foods and Restaurants business with trained candidates for managerial roles.

In 2011, the total number of outlets operating under our Foods and Restaurants brands - Pizza Hut, KFC, Kedai Ayamas and RasaMas - exceeded the 1,000 mark for the first time by growing to 1,063 units from 978 in 2010. By December 2011, we had 307 Pizza Hut and 756 KFC/Kedai Ayamas/RasaMas restaurants and we now operate across 5 countries in Asia, from Brunei to India.

Revenue at the Foods and Restaurants division in 2011 rose by 10.3% to RM3.35 billion. However profit before tax increased only marginally, by 1.2% to RM269.96 million against RM266.86 million in the previous year, as a consequence of start-up costs and rising expenses at the new KFC restaurants in Cambodia and India.

2011 brought QSR widespread recognition. Yum! Brands presented Pizza Hut Malaysia with the Franchisee of the Year Award in the dine-in category, the People's Choice Best Remodel Award, and the Best Advertising Award. Brand Laureate voted Pizza Hut the Best Brand in the Food & Beverage Pizza category, and Readers' Digest presented us with their Trusted Brand Gold Award.

PLANTATIONS SECTOR

At KFC's 13 outlets in India, in Pune, Mumbai and Aurangabad, sales more than tripled to RM19.8 million. Capitalising on the Indian passion for Cricket, KFC India was an Official Partner in the 2011 ICC World Cup. The staff donned special tournament T-shirts, and customers took advantage of the limited-time offer of meals served in a cricket-themed Fan Bucket.

KFCH International Colllege enrollment currently stands at 700 students on campuses in Puchong and Johor Bahru. On offer are 9 diploma programmes in a variety of hospitality-related disciplines, as well as Early Childhood Education, Business Administration, Information Technology, and Electrical & Electronics.

The food sector is relatively resilient but it faces inflationary cost pressures. QSR plans to generate earnings by continuing to drive the topline aggressively through new and repeat customer purchases. QSR is also continuously seeking better cost efficiencies and improving productivity at all its business segments. Culinary skills and great service will continue to reinforce customer loyalty, while creative products and marketing will entice new customers as well as long-time customers.

INTRAPRENEUR VENTURES

Results at the Intrapreneur Venture (IV) division were encouraging. Revenue in 2011 increased by 35.5% to RM396.62 million, from RM292.80 million in the previous financial year. Operating profit more than tripled to RM42.94 million from RM13.23 million.

The good performance this year was attributable mainly to the growth of the shipping segment. The IV portfolio's other start-ups are in the early stage of investing, building prototypes and gathering feedback and data from their customers to build sustainable businesses. We will continue identifying promising start-ups for incubation and give them access to the resources needed to grow, prosper, improve earnings, add value, and maximise returns to shareholders.

Our subsidiaries EA Technique and Orkim have propelled the Group to becoming an important player in the maritime sector and positioned us as the second biggest shipping company in Malaysia in the clean petroleum product tanker category.

Both companies operate in niche markets providing long-term charter contracts for the transportation of clean petroleum product, and upstream exploration support, for oil majors. The substantial improvement in performance in both companies in 2011 was the result of the successful deliveries of 10 newly constructed tankers for commission under long-term charter contracts. The higher full year contributions from these new vessels will be felt in 2012.

The Group also provides offshore support vessels and manages third party vessels. Currently, EA Technique provides 9 vessels for offshore support services that includes 2 fast crew boats, 4 mooring boats, 2 harbour tugs and a security boat, while Orkim manages 2 vessels owned by a third party for an oil major. The construction of the new tankers, and disposals of ageing vessels, have resulted in a much lower average age profile for the fleet and enabled the Group to position itself to seize opportunities in the shipping market ahead of competitors.

Our shipbuilding and ship repair facility, Johor Shipyard and Engineering Sdn Bhd (JSE) has the potential to become a major contributor considering that the high demand for ship repairing facilities is currently being met by a limited number of yards around the region.

JSE has identified a 10-acre site at Hutan Melintang, Bagan Dato, Perak for its permanent base. Currently, JSE is preparing basic facilities for the shipyard that is expected to become fully operational by the end of 2012. The shipyard will be able to accommodate vessels of up to 10,000 dead-weight tonnage (DWT) for construction or repair. Besides shipbuilding, to diversify revenues, the yard will also become involved in steel fabrication for the offshore oil and gas industry.

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PLANTATIONS SECTOR

Prospects And Plans

Production in Indonesia, the world's top palm oil producer, is estimated to rise by as much as 1.5 million tonnes next year to 25 million tonnes. The major swings in palm oil prices would come from Malaysia's production, which will grow at an even smaller rate, thanks to limited acreage. Next year, Malaysia's output is expected to rise. Both countries account for more than 90 percent of global supplies of the edible oil, which is used in products such as food, cosmetics and biofuels, which is likely to hit 48 million tonnes for 2012.

With production growth normalised in 2012, demand should grow steadily along with increasing population and incomes. As supply is not going to be affected, we are going to see the global economic scenario driving the oil market. Southeast Asian palm oil prices may come under pressure as looming concerns over the global economy weigh on Brent crude oil. Palm oil investor sentiment has improved in recent weeks as dominant Southeast Asian producers enter the rainy season and the La Nina weather pattern is seen to be returning.

Average palm oil prices are likely to be sustained at around RM3,000 (USD990) per tonne level next year on the anticipation of tight supplies after spells of erratic weather and stabilising global economic outlook. On the positive side, robust demand from emerging markets is likely to offset the early effects of the Euro zone and its sovereign debt crisis that has been weakening demand for raw materials. An important factor in 2012 could be the intensifying competition between Malaysia and Indonesia to capture market share. Indonesia has the early advantage with the introduction of a new tax structure.

We expect a positive impact next year from the acquisition of the plantation assets from JCorp, by way of higher volumes of FFB, CPO and PK in 2012. So far, we have completed the acquisition of 2 estates with the other 4 estates plus 2 palm oil mills expected to reach completion by mid-2012. Including the impact of these acquisitions, crop production from the Group's Malaysian operation is expected to increase in 2012 going forward.

Underlining the importance of research in producing high quality planting materials, the Group will construct a new purpose-built dedicated R&D complex in Malaysia, scheduled to be ready by 2013 which will also include the Group's in-house genome research facility. Along with other major players, the goal of the research is to develop and utilise biotechnological tools to support and complement our crop improvement and agronomic research programme, which encompasses oil palm breeding, tissue culture, pests and diseases control and agronomy.

NBPOL has commissioned its 12th palm oil mill in West New Britain, adding an annual processing capacity of over 300,000 tonnes of FFB, giving NBPOL increased capacity and flexibility to mill the rising West New Britain crop. NBPOL also increased its processing capacity in the SI from 30 to 45 tonnes of fruit per hour.

Our RSPO certification process continues and in 2011 NBPOL successfully completed the audit at Poliamba. We are targeting to have our remaining sites at Milne Bay and Higaturu audited under RSPO as part of our commitment to have all units and supply chains certified as fully sustainable and traceable by the end of 2012.

The reporting and mitigation of carbon dioxide and other greenhouse gas emissions can now be quantified and NBPOL has released its first Carbon Footprint report. As palm oil is such a ubiquitous product, we feel that this will prove to be another persuasive argument for companies to switch to sustainable palm from the Group.

To tap another stream of income in the coming years, we are embarking upon downstream processing, turning the mills' by-products such as biomass, Palm Oil Mills Effluent (POME) and biogas into high value-added end-products that can generate additional revenue. The Group expects to commission its first methane capture plant in Malaysia and 2 in West New Britain during this year which will substantially reduce our carbon footprint as well as deliver renewable energy for our operations and the wider community.

With the acquisition of the JCorp estates, the Group's focus henceforth in the Plantation segment will be primarily on the Malaysian operation. The estate operation's strong growth since the sixties was achieved through acquisitions and distinctive plantation management practices which emphasised continuous improvements in yields and cost efficiencies. As a major player in the palm oil industry, which is the third biggest contributor to the Malaysian economy, Kulim looks forward to the challenge of ensuring its future will be as illustrious as its past.

The Group also looks forward to continuing to receive tremendous value from its investment in NBPOL and has full confidence in the Board, and experienced management team in PNG and SI, to continue delivering outstanding results.

With a view to consider the possibility of restarting Nexsol, our biodiesel plant, the Group is being prepared for the International Sustainability and Carbon Certification (ISCC). ISCC recognition would offer access to the EU market and afford us an additional competitive edge, and further increase customer loyalty and marketability of sustainable palm products.

FOODS AND QUICK SERVICE RESTAURANTS SECTOR

REVIEW OF OPERATIONS

2011 proved to be another resoundingly successful year for QSR Brands Bhd (QSR) and its subsidiary, KFC Holdings (Malaysia) Bhd (KFCH) despite international economic turbulence. The Group continued its programmes of restaurant expansion and image enhancement, always reaching out to new markets and strengthening the loyalty of existing customers.

Innovative menu items made an appearance throughout the year, giving people even more reason to stop by and try something different.

Meanwhile, developing and retaining a skilled workforce remained a key priority, and the Group invested heavily in a broad range of training for its personnel. The KFCH International College also expanded further during the year, now spanning two campuses, and it is positioned to provide the Group with excellent candidates for managerial roles.

Firm Foundations

In 2011, the Group continued to dominate Malaysia's food service sector. Robust financial results once again reflected sustained growth, with revenue and profit before tax (PBT) both rising for the seventh year running.

At home, the Group's restaurants attracted customers in ever larger numbers, drawn not just by enticing menus and imaginative promotions but also by an increasingly appealing ambience. Abroad, the Group forged ahead with its strategy of network expansion, while across the board, its ancillary operations made impressive progress.

At the same time, the Group made major investments, chiefly via its subsidiary KFCH, which laid the foundation for a further leap forward in the years ahead.

PIZZA HUT

Pizza Hut Malaysia

Pizza Hut Malaysia's sales jumped 7.4% to RM441.9 million in 2011, thanks in part to the growing number of outlets. The year's excellent performance is a result of creative new products, promotional offers which exceeded their initial goals, joint marketing campaigns with corporate partners, and an increasing number of ways for customers to order Pizza Hut meals.

Pizza Hut Malaysia ended 2011 with 210 outlets, including 12 new openings and three closures. Ten outlets underwent image enhancement during the year, and Pizza Hut Kotaraya is currently closed for a major upgrade that will transform it into one of the flagship restaurants.

Meanwhile, Pizza Hut Delivery (PHD) established its business delivering top quality, great value pizzas in February 2011. PHD initially started with two stores and has grown significantly to 42 dedicated stores to date. The 42 PHD stores comprises of 24 newly built outlets and conversion of 18 Pizza Hut Delcos (stores that focus only on delivery and take away). PHD aims on satisfying customers' needs by providing a 30-minute delivery guarantee, free delivery and net pricing. Malaysia will see a minimum of 20 new PHD outlets opening in the coming year in addition to the 42 operating currently, and the menu of signature pizzas will continue to expand as well.

In its first year of operations, PHD contributed over RM29 million to the Group's performance figures for 2011.

Pizza Hut Singapore

2011 saw the net revenue achieved by Pizza Hut Singapore climb 9.1% to RM196.3 million, an increase of RM16.4 million over 2010. This success was driven mainly by strategic menu enhancements and attractive promotional campaigns.

Pizza Hut Singapore ends the year with 55 stores, seven of which were new openings, offset by one closure.

KFC HOLDINGS (MALAYSIA) BHD (KFCH)

The growth achieved by the KFCH Group between 2006 and 2010 was phenomenal. In just five years, the number of KFC outlets increased from 443 to more than 600, as the

Group not only entrenched its leadership of the Malaysian food service sector but expanded its network in Singapore, Brunei and into India. Moreover, this massive increase in outlets was matched by a consistent and spectacular growth in both revenues and profits.

Against this background, 2011 was yet another year of outstanding achievement for KFCH. Most importantly, a fundamentally stellar financial performance has enabled the Group to continue making major capital investments that will secure the future of the Group for years to come, while maintaining a healthy bottom line for the period under review.

In short, for KFCH, after five years of remarkable growth, 2011 was a story of consolidation that has positioned the Group to take the next leap forward in 2012 and beyond. Although all the Group's business segments experienced inflationary pressures with higher food, commodity and energy costs, KFCH once again achieved commendable sales growth. Total revenue for the year increased to a record high of RM2.79 million, up 11% on the RM2.52 million achieved in 2010.

FOODS AND QUICK SERVICE RESTAURANTS SECTOR

In 2011, Revenue of all KFC restaurants of the Group climbed 11.5% to RM2.10 billion. Revenue (including intercompany sales) at the Group's Integrated Poultry segment improved to RM1.47 billion, a 13.8% gain on 2010.

KFC Malaysia

In 2011, KFC Malaysia revenue jumped to RM1.65 billion, 10.6% up on the RM1.5 billion recorded the year before.

Reflecting the commitment to provide customers a fresh and inviting dining ambience, the Group renovated 18 restaurants during the year. 24 new outlets expanded the network's reach further, and KFC aimed to better accommodate the needs of busy customers by increasing the number of outlets offering drive-thru service.

With 539 restaurants in total – 455 in Peninsular Malaysia and 84 in East Malaysia – the Group retained its market dominance, and KFC remains as Malaysia's largest restaurant chain. Another 15 new restaurants are lined up for operation in 2012.

KFC Singapore

Singapore's economic growth, especially in early 2011, and an increased store count led KFC Singapore to achieve record sales of RM409.1 million, up RM40.5 million (or 11%) on 2010.

2011 ends with a count of 80 stores, which includes six new openings or relocations, offset by three closures.

KFC Brunei

KFC Brunei expanded from nine to 12 restaurants in 2011, and total revenue surged 25% to RM20.5 million.

Expansion plans for 2012 include two new inline restaurants, two drive-thrus, and image enhancements for the KFC Berakas facilities.

KFC Cambodia

KFC Cambodia once again exceeded previous performance, generating sales of RM12.5 million in 2011, a 9.5% increase over the RM11.4 million revenue in 2010. KFC's operations faced a number of challenges in 2011, including increased chicken costs, high electricity and fuel costs, steep taxes on prepared food items, and a shortage of skilled workers. Nonetheless, the team devised a packed schedule of promotions, celebrations, contests and concerts to draw customers into KFC. *'More Value, More Variety, More Choice'* was the year's strategic message, and it proved a successful one.

KFC India

In its second year of operations, KFC India reported revenue of RM19.8 million, an impressive increase on 2010 sales of RM13.6 million.

Currently, KFC India has 16 outlets, of which three were opened in early 2012.

RASAMAS & KEDAI AYAMAS

RasaMas reduced the number of outlets in Malaysia and Brunei from 42 to 27 during 2011. With fewer restaurants in service, 2011's sales of RM19 million were 23% down on 2010.

Meanwhile, Kedai Ayamas sales jumped by 41.1% to RM77.7 million, and the new Kedai Ayamas (Sabah) contributed an additional RM743,000 to the 2011 revenue stream. The store count increased from 49 at the beginning of 2011 to 75 at the end of the year.

INTEGRATED POULTRY OPERATIONS

The Integrated Poultry Operations segment saw another year of growth in 2011. Revenue including intercompany sales advanced 13.8% from 2010, climbing to RM1.47 bllion.

Ayamas Food Corporation Sdn Bhd (AFCSB) processing plants contributed greatly to the increase, up by 8.5% on 2010 levels. The Group's expanding restaurant chains and stores – KFC, RasaMas and Kedai Ayamas – continue to increase their order volumes, thus boosting internal sales figures.

The Feedmill operations made good progress in the past year. Revenue for 2011 rose 8.6% to RM208 million. Increased broiler production to meet the Group's chicken requirements translated to 137,000 metric tonnes of feed milled, an increase of 1,000 metric tonnes over the previous year's production. Estimates of broiler requirements for 2012 are higher still, and feed volume is also expected to grow.

KFC Marketing Sdn Bhd (KFC Marketing) was incorporated in 2001 as a sales, marketing and trading arm for KFCH and external markets, both domestically and internationally. With a vision to be the preferred distributor of superior quality halal brands, the subsidiary performed exceptionally well in 2011, with sales growing by 23.3% to reach RM273.1 million. Sales to the domestic open market increased once again, and open market export sales also jumped to RM15.9 million in 2011.

In addition to the Group's own products, KFC Marketing distributes third-party international brands such as Simplot, Divella, Mission, Kewpie and Leggo's. Datuk Redzuawan bin Ismail, better known as Chef Wan, now acts as brand ambassador for KFC Marketing, further strengthening the company's position.

FOODS AND QUICK SERVICE RESTAURANTS SECTOR

KFCH INTERNATIONAL COLLEGE

The KFCH International College now spans two campuses in Puchong and Johor Bahru. During the year, the College achieved a revenue of RM4.3 million from its diploma programmes and a further RM325,675 from short courses.

In 2011, the Group purchased a 4.5-hectare parcel of land within the Bandar Dato' Onn township in Johor for the College's second campus. The Johor campus located in the Iskandar Development Region will be developed in phases, with completion due in 2017, at which time its intake capacity will be 12,000 students per year. The first phase of the development of the Bandar Dato' Onn campus which was completed in March 2011 and the upgrading of its Puchong campus facilities incurred a total investment cost of RM25 million. As a result, the two campuses now provide a conducive learning environment for students, with state-of-the-art teaching and learning facilities, including kitchen labs, a demo kitchen, a pastry lab, a sensory lab, a computer lab, an English language lab, a modern library and an auditorium.

As of December 2011, the total enrolment at the Puchong and Johor campuses amounted 681 students. The Group's vision for KFCH International College is for it to be Malaysia's premier educational institution specialising in the hospitality and food services industries, particularly restaurant management, culinary arts, hotel management, tourism management and event management.

The College has obtained full Malaysian Qualifications Agency (MQA) accreditation for its Diploma in Business Administration, Diploma in Information Technology and Diploma in Hotel Management, plus provisional accreditation for its Diploma in Restaurant Management, Diploma in Culinary Arts, Diploma in Event Management and Diploma in Tourism Management. The College is now preparing the MQA documentation for two new additional programmes, namely Diploma in Food Science & Technology and Diploma in Halal Toyyibban & Food Safety.

In future, the College will act as a crucially important conduit to provide the Group with a reliable source of skillful manpower.

HUMAN CAPITAL DEVELOPMENT

The Group recognises that its personnel are among the greatest factors in its continued success. With a holistic view of the organisation, the Group strives to hire, develop, and retain employees of the highest calibre. Over 31,000 people are presently employed by the Group.

In 2011, the Group invested RM7.2 million in training and development programmes. This figure is equivalent to 5.25% of total employee compensation and illustrates the importance of training to the organisation. On average, the Group's full-time employees received 67 hours of training over the year, and nearly 8,000 staff participated in various training programmes. Further, 40 students received sponsorship in fulltime diploma courses at the two KFCH International College campuses and 23 more in various part-time programmes offered by other institutions.

HALAL COMMITMENT

The Group guarantees full halal compliance in all of the Group's markets. Every aspect of our food manufacturing processes, including raw materials procurement, preparation, packaging, storage and utensils follow strict controls. The Group pays keen attention to any products acquired from foreign suppliers, requiring that they be halal certified within the source country and accepts only certificates recognized by the Department of Islamic Development Malaysia (JAKIM).

LOOKING FORWARD

The Group acknowledges that, although generally resilient, the food sector will face cost inflation in 2012. Profit margins are expected to narrow, hence the Group aims to maintain growth through aggressive marketing to draw new and repeat customers. To counter rising costs, the Group will continue to seek optimal efficiency and productivity across all business units. It will also devise appealing new products and launch them with promotions that offer customers high value. At the same time, it will invest in facilities and training to improve customer's experience. Looking forward in 2012, the Group is confident of achieving further growth both at home and abroad.

HEALTHCARE SECTOR

Every new year brings along new opportunities and to capitalise on them, we must recognise the need for fundamental changes alongside the modernisation of healthcare. For KPJ Healthcare Berhad (KPJ), 2011 is a year of significance in many ways. For one, KPJ celebrates its 30th anniversary and it is also a year during which we deliver many outstanding achievements.

Today, KPJ has a network of more than 20 hospitals in Malaysia and two in Indonesia, as well as subsidiaries in allied health services and the KPJ International College of Nursing and Health Sciences (KPJ IUC). Not forgetting our newly acquired Jeta Gardens retirement resort in Brisbane, Australia. Our team of 860 strong Medical Consultants, together with KPJ's nursing, allied health and support staff, nursed more than 2.6 million patients back to health in 2011. Proudly, KPJ has a workforce of 8992 employees of which about 400 are managers and half of them are executives in charge of various services at KPJ Hospitals.

Contributions from newly-acquired Sibu Specialist Medical Centre also helped KPJ book higher earnings for the year, alongside an improvement in the performance of the hospital in Indonesia. RS Bumi Serpong Damai (RSBSD), which is currently undergoing its gestation period, has showed significant improvement over the preceding year.

It is heartening to note that the new RSBSD hospital, which opened in 2010, is seeing a significant increase in patient numbers and this helped boost the overall Indonesian segment revenue by 313% to RM11.65 million. We expect this segment to grow more significantly in future.

Broadening KPJ's Network locally and abroad

All 20 KPJ hospitals in Malaysia continued to register positive earnings expansion, with some experiencing strong double-digit growth, mainly due to increase in capacity, installation of new equipment, and introduction of new services along with new Medical Consultants joining the Group. We also embarked on more aggressive marketing and promotional efforts locally and abroad.

On our home ground, we were honoured to have the Chief Minister of Pahang, Dato' Sri DiRaja Adnan Yaakob officiate the ground-breaking ceremony of KPJ Pahang Specialist Hospital on 30 June 2011 and development of the new 100 bed initial phase (122 bed total) hospital in Tanjung Lumpur, Kuantan, Pahang, jointly with Pasdec Holdings Berhad began in 2012.

We also took on the challenge to go where others have not yet ventured, placing the first flag in the northern most state of Peninsular Malaysia to set up Perlis state's first private specialist hospital. It was an unforgettable occasion when we accompanied Dato' Seri Dr. Md Isa Bin Sabu, the Chief Minister of Perlis, to formalise the ground-breaking ceremony of Perlis Specialist Hospital in Pengkalan Asam, Mukim Seriab in Kangar, Perlis.

Our quest to ensure sustainable growth brought us to distant shores of Australia, where we recognised the Jeta Gardens retirement resort as a viable business and a segment that offers immense growth potential in view of the rising aging population.

It was, what we thought, a positive step and a change in the direction that would soon open up more opportunities for KPJ to expand its presence in Australia as well as leading the way in the aged care segment in Malaysia with a model that epitomises modern living for Baby Boomers who are now approaching their golden years.

The five KPJ projects announced under the ETP are KPJ Klang Specialist Hospital, Pasir Gudang Specialist Hospital, Sabah Medical Centre, Bandar Dato' Onn International Specialist Hospital (BDO) and KPJ Pahang Specialist Hospital.

KPJ Klang Specialist Hospital in Bandar Baru Klang, Selangor, is reaching its completion and is likely to open its doors to the public in the first half of 2012, while Pasir Gudang Specialist Hospital is slated for completion by the year end along with Sabah Medical Centre in Kota Kinabalu, Sabah.

The 390-bedded BDO will be located in the township of Bandar Dato' Onn in Johor and will feature state-of-the-art facilities in six centres of excellence.

Innovative & Quality Healthcare

We must innovate healthcare by making differences that improve care and strengthening processes to address core healthcare issues in order to deliver the quality care that customers expect and hence, achieve further growth for our enterprise. This calls for process efficiency management through lean management and the rollout of integrated clinical information systems to enhance communication, efficiency and productivity.

HEALTHCARE SECTOR

A number of our hospitals, including KPJ Tawakkal Specialist Hospital and KPJ Selangor Specialist Hospital, have undertaken lean management to improve processes within their operations and this has shown positive results.

KPJ's ultimate goal remains to provide our customers with safe care and excellent services.

Our commitment towards providing safe care is reflected in the clinical framework and processes that we adhere to and the governing committees such as the Group Medical Advisory, Hospital Medical Advisory, and other clinical committees that govern clinical practices within our hospitals. We also abide by the policies and practices outlined in the Private Healthcare Facilities and Services Act 1998 and other regulations set by the Ministry of Health.

Putting Quality First

Our commitment to continuous improvement can also be seen through the accreditation of 11 hospitals under our belt by the Malaysian Society for Quality in Health (MSQH) with the rest in the process of achieving the certification. KPJ Tawakkal Specialist Hospital being the latest to receive the certification in 2011, and two more hospitals are slated to undergo the survey in 2012. MSQH-accredited hospitals KPJ Ampang Puteri Specialist Hospital and KPJ Seremban Specialist Hospital are also undertaking the JCI accreditation survey in 2012. Rather than just satisfying the minimum requirements, we are always striving to raise the bar even higher.

Optimising On Information Technology

The adoption of health information technology at KPJ hospitals has helped to dramatically reduce errors and has also led to greater coordination and efficiency.

Since 1996, KPJ hospitals have leveraged on the advantages of IT through its Hospital Information Technology System (HITS), continuously refining the system to suit the needs of the hospital and healthcare environment.

Also as part of our transformation through innovation, we want to leverage on our integrated IT network as an important enabler for KPJ hospitals to further enhance efficiency and cost effectiveness. This can be achieved through enhancement of our IT infrastructure and more seamless integration of the healthcare information system alongside improvement in user capabilities.

By 2010, all of our 20 hospitals have implemented the HITS system, which has helped our hospitals achieve greater efficiency.

Cognisant of the advantages and efficiency that can be obtained through the use of IT, we had over time developed new systems to complement the existing one, including the Enterprise Information System (EIS) for monitoring of operational progress and data mining for analysis and strategic planning, and more recently, the KPJ Clinical Information System (KCIS) to support electronic data entry and viewing throughout the hospital, as well as the Picture Archiving Communication System (PACS), where diagnostic images and reports can be transmitted digitally.

The roll out of KCIS, which will be integrated with the HITS and PACS systems that are already in place at many of our hospitals, will be done in stages, beginning with the outpatient services before it is implemented for the inpatient services.

At end-2011, KCIS has been rolled out in phases at KPJ Penang Specialist Hospital, KPJ Tawakkal Specialist Hospital, KPJ Johor Specialist Hospital, KPJ Damansara Specialist Hospital and KPJ Ampang Puteri Specialist Hospital, and we plan to introduce it in six more hospitals in 2012.

The overall results of this initiative are better health outcomes, lower risk of errors, improvement in patient engagement as well as waiting time, while preserving the environment by reducing waste and use of chemicals.

Creating Value Through People

Significant attention will remain on the development of our people, who are our biggest asset, through transformational leadership where we enhance team motivation, morale and performance through a sense of collective identity and alignment to the Group's mission and with the leadership being a role model to inspire and challenge them to take greater ownership of their work.

One of the fundamental driving forces in KPJ's success is the people who work within the walls of our hospitals and dedicate their lives to the well being of our patients. We recognize the essential importance of our people and continue to take a keen interest in human capital development within the Group through our efforts to create a sustainable workplace.

Today, KPJ has a workforce of 8992 employees, of which about 400 are managers and half of them are executives in charge of various services at KPJ hospitals.

As an Equal Opportunity Employer, KPJ presents various opportunities for employees to better themselves and to vie for positions of higher responsibilities based on their abilities and performance.

This learning and career advancement opportunities are among the many reasons supporting the growth of our talent pool at KPJ, alongside our initiatives to enhance employee engagement and efforts to improve workplace sustainability.

HEALTHCARE SECTOR

KPJ has witnessed rapid growth in a number of Group employees thus far, so as its expansion of services throughout the nation with the development of several chain of hospitals, and the number of hospitals will continue to increase in the future.

Meanwhile, KPJ continues to develop in pursuit of excellence while nurturing the best practices and work ethics among its team members as it prioritises the core values, namely Safety, Courtesy, Integrity, Professionalism and Continuous Improvement.

KPJ also encourages them to act in unison and enhance the spirit of teamwork while elevating their skills and knowledge through various learning opportunities in order to deliver the best services to the patients out of their capability.

It was a historic moment for us and our education unit - KPJ International University College of Nursing and Health Sciences (KPJIUC) - when the Minister of Higher Education, Datuk Seri Mohamed Khaled Nordin, awarded the University College status certificate to the Group on 25 July 2011 and gave his approval for KPJIUC to establish a Medical School.

AL-'AQAR HEALTHCARE REIT

Our target to add two hospitals to the network through new developments or acquisitions remain on track based on the development plans we have outlined for the next few years.

Al-`Aqar Healthcare REIT will continue to play a key role in facilitating KPJ's expansion, enabling us to unlock value and free up cashflow for further development. Since the launch of the REIT, we have injected more than RM1 billion worth of assets into the REIT, enabling us to trim our borrowings, reduce interest costs and fund our expansion.

AL-'AQAR HEALTHCARE REIT – CONTINUOUS GROWTH

Al-'Aqar admitted to the Main Board of Bursa Securities on 10 August 2006, the first Islamic Healthcare REIT to be issued under Securities Commission's Guidelines on Real Estate Investment Funds and Islamic Real Estate Investment Trust. Al-'Aqar hence became the world's first listed Islamic Healthcare REIT.

Ever since, the number of properties has increased from six (6) assets to twenty-four (24) assets with the primary focus given to healthcare related properties being hospitals, nursing colleges, aged-care and retirement living facilities. Value of these properties has increased 3 times from RM486 million in 2006 to RM1.36 billion in year 2011.

Its acquisition strategy has been an important catalyst for Al-'Aqar, as it offers yield accretion, competitive strengths, income and geographical diversification, increased liquidity and economies of scale to unit holders. Further, the acquisition proved to be revenue and growth-enhancing through the enlarged portfolio and maximum occupancy, with rental income increased by 150% from year 2006 amounting to RM13.3 million to RM84.5 million as at 31 December 2011.

CROSS BORDER DEAL

Al-'Aqar's venture into the property acquisition overseas started in year 2010. In July 2011, Al-'Aqar completed its acquisition of *Rumah Sakit Bumi Serpong Damai* and *Rumah Sakit Medika Permata Hijau*, both located in Jakarta, Indonesia. Another significant event was held in November 2011 where Al-'Aqar successfully acquired Jeta Gardens in Australia. With the initial RM200 million worth of investment overseas, it will act as the 'gateway' that will lead to further expansions and greater opportunities.

The uniqueness of healthcare deal for Al-'Aqar is best described in its transitions of acquisition exercises for Indonesian and Australian assets whereby all facilities were acquired via Islamic financing facilities arranged designated from Malaysia.

For the year under review, only Bandar Baru Klang Specialist Hospital Building in Klang is still pending for completion, while acquisition for Kluang Utama Specialist Hospital Building in Kluang, Johor was completed in 6 January 2012.

The completion of acquisition resulted to the enlargement of Al-'Aqar's number of properties from twenty (20) to twenty-four (24) namely KPJ Seremban Specialist Hospital Building, KPJ Tawakkal Specialist Hospital Building, Taiping Medical Centre Building, Damai Specialist Hospital Building, Bukit Mertajam Specialist Hospital Building, Tawakal Existing Building, KPJ Penang Specialist Hospital Building and two other properties which are not directly classified as hospital buildings yet providing strong support to the health tourism industry namely Selesa Tower, the latter of which houses the KPJ

HEALTHCARE SECTOR

International College of Nursing and Health Sciences (KPJIC), the nursing and healthcare training institution of KPJ Healthcare Bhd. This property was successfully injected through 3rd acquisition exercise and was completed in year 2010.

The anchor properties remained KPJ Ampang Puteri Specialist Hospital Building, KPJ Damansara Specialist Hospital Building, KPJ Johor Specialist Hospital Building, KPJ Ipoh Specialist Hospital Building, KPJ Selangor Specialist Hospital Building and Puteri Specialist Hospital Building, all of which acquired through the first injection in 2006.

Following the initial acquisition exercise, the fund was further strengthened by the injection of five (5) more hospital buildings in year 2008, bringing the total number of properties to eleven (11) being KPJ Perdana Specialist Hospital Building, Kuantan Specialist Hospital Building, Sentosa Medical Centre Building, KPJ Kajang Specialist Hospital Building and Kedah Medical Centre Building.

HIGHLIGHTS OF FINANCIAL PERFORMANCE

Al-‘Aqar continued to raise capital from the initial public offering of common units, which was launched in 2006. Al-‘Aqar raised additional 59,418,468 units that brought the total to 639,585,468 units listed on 2 December 2011. The market capitalisation of Al-‘Aqar increased to RM736 million from RM320 million in year 2006 - an increment of 130% since inception.

For the financial year ended 31 December 2011, Al-‘Aqar Group recorded an income of RM79.1 million compared to RM69 million in year 2010. Commendable profit stood at RM46.4 million, higher in income received by 10% compared to year 2010 of RM42.2 million. Al-‘Aqar’s distributable income for the financial year at a total of 7.69 sen per unit.

The additional contribution to Al-'Aqar's turnover was garnered from the revaluation of properties according to Financial Reporting Standard 140 (FRS 140) that requires annual re-evaluation of properties. The re-evaluation which was announced on 31 December 2011 has increased the value of the twenty-three (23) properties by RM39 million, concurrently increasing the Al-'Aqar's total market value by 3% to RM1.36 billion.

Al-'Aqar Capital Sdn Bhd, a wholly–owned subsidiary of Al-'Aqar maintained to receive favorable ratings of AAA, AA2 and AAA (bg) from the Malaysia Accredited Rating Agency, Rating Agency Malaysia (RAM) through the issuance of up to RM300 million in nominal value of Ijarah Commercial Paper (ICP) and/or Islamic Medium Term Notes (IMTN) under the 'Sukuk Ijarah Programme'. These have enabled Al-'Aqar to maintain its expansion portfolio via the lowest possible cost to be utilised in existing loan or to partly finance its acquisitions.

Al-'Aqar HEALTHCARE REIT Made History

Previous awards received through its 100% subsidiary, Al-'Aqar Capital Sdn Bhd was awarded the inaugural Deal of the Year Awards in the Real Estate Deal of the Year Category by the Islamic Finance News (IFN) in early 2009. Previously, Al-'Aqar had won the same award under the First Islamic Category. Additionally, for the financial year ended 2009, Al-'Aqar managed to take into possession the RAM League Awards 2009, RAM Award of Distinction 2008 and the Blueprint Awards in the New Real Estate Benchmark Deal category.

Al-'Aqar also had won the Islamic Finance Award, the Most Innovative Deal Category by Euromoney, the industry's leading, capital market-focused magazine for banking professionals around the globe. The awards received are the acknowledgement upon the issuance of RM300 million of Sukuk Ijarah Programme by Al-'Aqar Capital Sdn Bhd.

HOSPITALITY SECTOR

Ushering 2011, JCorp's Hospitality Division has been placed under JCorp Hotels And Resorts Sdn Bhd (JHRSB) or formerly known as Kumpulan Penambang (Johor) Sdn Bhd.

This new company name is more reflective towards the exact nature of business of the company with its involvement in hotels/ resorts/convention center and tourism related activities.

To mark its presence, JHRSB has set up a showcase of all the properties under its umbrella at the Sultan Ismail International Airport in Senai which is the air route point of entry into Johor.

The formation of JHRSB is a testimony of JCorp's involvement in the hospitality business and its effort to tap the full potential of the Group's resources such as its travel agency, tourism related products and many others. JHRSB is geared towards active participation in the promising and exciting landscape of the tourism industry in Johor.

THE PROPERTIES

The Puteri Pacific Johor Bahru – a 5 star hotel – is strategically located in the central business district in Johor Bahru. It is linked by an overhead bridge to Persada Johor International Convention Centre. To further promote its properties, JHRSB is now a registered member of the Association of International Convention Centers (ICCA) and Malaysian Convention and Exhibition Bureau (MyCeb) under the Ministry of Tourism.

To enhance its performance and image, The Puteri Pacific Hotel will undergo a major refurbishment exercise.

Sibu Island Resort, which is located off the coast of Tanjung Leman, Mersing has attained the status of HRDF certified training venue and has collaborated with various training providers to fully utilise the team building facilities.

The 3 properties under the Selesa brand are Hotel Selesa Johor Bahru, Hotel Selesa Pasir Gudang and Selesa Beach Resort Port Dickson. Hotel Selesa Pasir Gudang has been appointed the official hotel for the Annual International Kite Festival for almost 2 decades. Selesa Beach Resort Port Dickson has a unique architecture which is inspired by the Minangkabau heritage and located on a stretch of white sandy beach in the town of Port Dickson. To solely focus on properties in Johor, Selesa Beach Resort in Port Dickson has been earmarked for disposal in the near future.

PROPERTY SECTOR

Johor Land Berhad (JLand) is a successful property developer, listed on the Main Board of Bursa Malaysia Securities Berhad until 2009. It spearheads Johor Corporation (JCorp) Property Sector in residential and commercial development and has a strong track record in building thriving communities in Johor since 1972.

One of its key achievements is the development of residential neighbourhoods in the Township of Pasir Gudang.

JLand's long-term commitment to sustainable development and its ability to respond to the needs of the local market has made JLand a dominant property developer in Johor. This commitment and ability are made possible through understanding homeowners' need for quality and functionality. Our success is in giving our customers value for money and assets with potential for appreciation.

The company currently has a prime land bank of over 1,214 hectares in Johor. In its endeavor to be a premier property company in the country, JLand will continue to explore new business ventures and markets and expand its business portfolio throughout Malaysia and the region. JLand is prepared to develop the land outside of viable existing operations and to participate in acquiring, developing and owning investment properties.

FINANCIAL PERFORMANCE

JLand's experienced stellar growth for the financial year ended 31 December 2011 with revenue increasing by 36% to RM187 million from RM137 million in the preceding year. This improved performance was attributable to higher sales and progress billings from our property projects. Similarly, profit before tax (PBT) increased to RM65 million in 2011 compared to PBT of RM60 million in 2010.

PROPERTY SECTOR

The quality of JLand's balance sheet also improved with net tangible assets growing to RM768 million in 2011, against the RM718 million recorded in the preceding year.

OPERATIONS REVIEW

Bandar Dato' Onn

Bandar Dato' Onn (BDO) is JLand's latest property offering, which promises to be one of the most desirable residential addresses in Iskandar Malaysia. Spread over 612 hectares of freehold land and located only 12 km from the Johor Bahru City Centre, this premier development has been planned as a self-contained city and a place for more than 100,000 residents to call home.

The township is scheduled to be completed over a 10 to 15 years period and will feature approximately 17,800 properties with expected gross development value of RM5.0 billion. BDO is accessible via a dedicated interchange that provides direct uninterrupted access to the township.

BDO will incorporate some 19 exclusive neighbourhoods each carefully planned to bring out the finest aspects of community living plus a vibrant 47 hectares commercial hub. These distinctive features, as well as its emphasis on green areas and recreational parks, will make BDO one of the most beautiful and Modern Township in Southern Malaysia to live in. Numerous facilities such as police station, KFCH International College, Community Centre and Recreation Park have been completed and have been in operation. Other facilities such as mosque, school, hypermarket and KPJ Specialist Hospital will be constructed to cater for the community needs.

JLand continues to pay strong attention to the master planning of BDO. The development work at BDO has been progressing on schedule and we anticipate strong interest in our innovative product offerings.

To date, JLand has completed 662 units of double storey terrace houses and semi-detached houses in the first phase of Perjiranan 10 where more than 90% was delivered to the buyer.

Apart from that, the current project being developed is Perjiranan 11 consisting of 642 units of double storey terrace houses and semi-detached houses with an estimated sales value of RM294 million and 42 units of three storey shop offices at Perjiranan 2 with an estimated sales value of RM34 million. In

2012, JLand plans to launch Perjiranan 12 which will comprise of 680 units of residential and commercial units with an estimated sales value of RM278 million.

Bandar Tiram

Bandar Tiram is an ongoing development project in Ulu Tiram that is being developed by JLand. This development measures 485 hectares will consist of 12,300 residential units, neighborhood and commercial properties. The entire project has a total gross development value of RM2.6 billion.

Bandar Tiram is being developed in phases and the first phase of the township will comprise a mix of 1,574 residential and commercial units with a gross development value of RM200 million. A total of 106 units of double storey terrace 'Orlov' were launched in July 2011. The product has already being sold out more than 97% since its launching. In addition, a total of 167 units of double storey terrace 'Eureka' were launched in December 2011. The entire Bandar Tiram is scheduled to be completed by 2020 and will transform Ulu Tiram into a Modern Township.

PROPERTY SECTOR

Bandar Tiram is also expected to become the hub for new transport routes for East Coast Peninsular Malaysia. The new transportation hub with an estimated area of 4 hectares is set to replace the existing bus and taxi terminal that provides convenience to residents due to the rapid development of housing in Bandar Tiram.

Taman Bukit Dahlia

Taman Bukit Dahlia, a 168 hectare development is our premier project in Pasir Gudang. This development will house more than 4,100 units of terrace and semi-detached houses, bungalows and commercial complexes. Taman Bukit Dahlia is strategically located between Masai and Pasir Gudang, surrounded by various amenities such as Taman Bandar Pasir Gudang, KPJ Specialist Hospital, schools, police station, polytechnic, banks and hypermarket. The project is estimated to worth a gross development value of RM700 million.

Taman Damansara Aliff

Taman Damansara Aliff is developed on 48 hectares of land consisting of shophouses, apartments and residential units. It is located in Johor Bahru and is directly accessible by both Pasir Gudang Highway and Jalan Tampoi. The first phase of the double storey terrace houses developed by JLand has already been completed and the second phase consisting of 121 units of double storey terrace houses is currently under construction.

Located within a 10 minute driving distance to Johor Bahru city centre, Taman Damansara Aliff is built with attention to details, including a central park. The park is unique in its theme and design, equipped with children playground, football field and a jogging track.

DAMANSARA REALTY BERHAD FINANCIAL PERFORMANCE

For the financial year ended 31 December 2011, the Group's focus was on strengthening its balance sheet, namely reduction of borrowings, repayment of its long outstanding creditors as well as providing for doubtful debts and impairment of assets.

With the remedial measures in place, the Group has embarked on efforts to improve its existing businesses and at the same time introduce new income-generating assets to the Group.

During the year under review, the Group recorded a total revenue of RM8.9 million. The Group's revenue was contributed primarily by property development activities of RM1.8 million (20.6%) and healthcare-related property services of RM6.9 million (79.2%). The gross profit margin increased to 35.4% compared to 11.7% in 2010.

The Group recorded a loss before taxation of RM2.4 million. The loss was recorded due to an increase in other operating expenses as well as provisions for doubtful debts and impairment on assets, arising from modification of terms of payment pertaining to a payable trade.

OPERATIONS OVERVIEW

Property Development Division

Property development activities contributed a total of RM1.8 million, primarily from land sale activities in Bandar Damansara Kuantan (BDK).

There was no new housing scheme launched during the year under review. The Group's property development activities have been inactive for the past few years due to the Group's rehabilitation programme.

Nevertheless, the Group is committed towards reinstating its property development activities. The Group has amended the layout plan of TDA to improve the marketability and value of the development as well as to take into account the changes in market demand in the intervening years. The amendment was subsequently approved by Johor Bahru Municipal Council in December 2011.

Property Services Division

The Group's healthcare-related property services business is led by namely Healthcare Technical Services Sdn Bhd (HTS). HTS is among the few companies in Malaysia that provides comprehensive end-to-end technical services in the healthcare sector, starting from technical design and technical consultancy on hospital designs, to project management and construction management with respect to hospital development, to biomedical engineering maintenance and facilities engineering maintenance (FEM) for operational hospitals.

HTS has been involved in managing more than 20 of KPJ Healthcare Berhad's hospital design and construction projects in Malaysia, Indonesia and Bangladesh, with a total project value of more than RM800 million.

Planning, Construction and Project Management Activities

Construction and project management activities remain as the major contributor to the healthcare-related property services sector revenue, with a total contribution of RM3.9 million. Healthcare design and planning activities contributed a total of RM0.8 million.

In 2011, HTS successfully managed the construction of the new Bandar Baru Klang Specialist Hospital. Currently, HTS is involved in managing hospital projects with a combined project value of approximately RM810 million, which consists of the development of new hospitals, expansion of existing hospitals, as well as hospital renovation works.

Facilities Engineering Management

In the financial year of 2011, manpower services and FEM activities contributed a total of RM2.1 million in revenue. HTS has also been appointed as the Maintenance Manager for 21 hospital buildings under the Al-Aqar KPJ REIT. With the appointment, HTS has been entrusted to manage the upgrading, refurbishment and renovation works of the hospitals, while at the same time providing the planning for their annual maintenance program.

PROPERTY SECTOR

DAMANSARA ASSETS SDN BHD

Damansara Assets Sdn. Bhd. (DASB) is a wholly owned subsidiary of Johor Corporation that is involved in development activities, particularly commercial property management of shopping complexes and office buildings. To date, DASB manages a total of 3.2 million square feet of lettable space in Kuala Lumpur and Johor Bahru.

The buildings owned and managed by DASB are Galleria@Kotaraya, Komtar, @mart Kempas Community Hyper Market, Damansara Town Centre, KFCH International College, Pusat Perniagaan Taman Dahlia and Terminal Bas Sentral Kotaraya.

In addition, DASB has also been appointed to manage the building owned by Johor Corporation, Kulim (Malaysia) Berhad, TPM Management Sdn Bhd, Pasir Gudang Municipal Council which includes Tanjung Leman Jetty, Tunjuk Laut Beach Resort, Menara Ansar, Larkin Sentral and *Kompleks Pusat Bandar Pasir Gudang*.

KOMTAR - International 'Iconic' Complex

In line with the Government's plan to make Johor Bahru City Centre as a *Vibrant, Fair and Sustainable City of International Standing*, Johor Corporation had planned the KOMTAR Redevelopment Programme.

Komtar Redevelopment Programme is implemented through rebranding of KOMTAR Shopping Complex with the objective of satisfying shoppers and to be a catalyst in the tourism industry. With the theme of 'Refreshingly Delightful, Simply Cosmopolitan', the construction of the complex that will have a lettable area of over 400,000 square feet is being undertaken and is expected to commence its operations in 2014.

In complying to the international shopping complex standards, not only the design and building facilities must be taken into consideration, but most importantly is the 'retailers'. Thus, native traders who have achieved this level will be given the opportunity to grow and prove their ability to compete in an international market environment.

The Opening of @mart Kempas Community Hypermarket

In 2011, DASB has launched the @Mart Kempas Community Hypermarket on 25 April 2011. The launch of this community hypermarket has been launched by the Chief Minister of Johor, and has been developed on a 5 hectares of land which provides a wide selection of products in over 175 business lots. The net lettable area of @Mart Kempas Community Hypermarket is 150,000 square feet inclusive of 500 free parking facilities and a wide pedestrian space.

With a theme of *'Bersih Segar Untuk Semua'*, the hypermarket comprises of a supermarket, 4 units of mini-anchor tenants, 47 units of market lots, 100 units of convenience store lots, 42 units of kiosks and 14 units of food stalls. They are built to meet the needs of the environment, particularly for residents in Taman Cempaka, Taman Dahlia, Taman Bukit Kempas, Johor Park and other communities in the vicinity.

Also in the year 2011, JCorp in collaboration with *Badan Amal Tenaga Isteri Wakil-Wakil Rakyat Negeri Johor* (JUITA) and *Yayasan Pembangunan Keluarga Darul Ta'zim* (YPKDT) has launched the Reflexology Entrepreneur Program Pasaraya Komuniti @mart Kempas, Johor Bahru on July 30, 2011.

The program was launched by YAD Profesor Datin Paduka Dr Jamilah Binti Ariffin, Yang Dipertua JUITA.

Events in Tanjung Leman

To promote Tanjung Leman as a resort and tourism centre, Johor Corporation through Damansara Assets Sdn Bhd has organised the Tanjung Leman Carnival on 6 to 8 May, 2011. Various programs and activities have been arranged such as Deep Sea and Shore Fishing Competition, Ceramah Perdana, sports and exhibitions. The carnival was also co-organised by Tourism Department of Johor, Mersing District Council and The Star newspaper. DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar Sultan of Johor graced the launching of the carnival's opening ceremony. The carnival was attended by 2,000 participants and 8,000 visitors.

From 28 to 30 October 2011, Tanjung Leman for the first time has been selected as the venue for KFC-Felda Sailing Championship, Johor Open in 2011 which was launched by DYAM Tunku Ismail Ibni Sultan Ibrahim, Tunku Mahkota of Johor. This tournament has attracted a total of 180 participants of the Yachting Association from 11 states with 3,000 visitors and spectators.

Transformation of Larkin Sentral

In line with the Government's Economic Transformation Programme, DASB has undertaken works to upgrade the Larkin Sentral in meeting the needs of both visitors

and businesses. Among the works are to upgrade infrastructure facilities of the 4 link bridges that connect the market building with the KFC restaurant, with Garuda Street car park 3, Larkin Plaza building market and the terminal building with parking.

In addition, upgrading of food courts has also been considered in additional aspects of lighting and air ventilation as well as stall layout to accommodate a large number of visitors at a cost of RM880,000. The food court in its entirety consists of 75 food outlets.

PROPERTY SECTOR

Renovation and upgrading works are also carried out. 242 units of wet markets were restructured to form clusters that provide comfort to traders through increased acreage in business lot. Customer comfort is given a priority thus providing wider pedestrian space and more efficient ventilation system.

YBM Tan Sri Syed Hamid Syed Jaafar Albar, Chairman of the Land Public Transport Commission (SPAD) officially visited the Larkin Sentral Terminal on February 6, 2011. During the visit, he officiated Syarikat Pengangkutan Maju Berhad Lounge located in Lot B-03, 1st Floor, Terminal Building with the area of 1,100 square feet.

On 12 November 2011, the signing of Joint Venture Agreement for Development of Tampoi Town Centre was held between Damansara Assets Sdn Bhd (DASB) and UDA Holdings Berhad and Johor Land Berhad (JLand).

The event was held at Pekan Tampoi, Johor Bahru, witnessed by YAB Dato 'Haji Abdul Ghani Othman, Chief Minister of Johor.

Through this agreement, DASB will collaborate with UDA Holdings Berhad to develop two blocks of 31-storey apartment containing 576 residential units. DASB will also build a two storey shopping complex with 200 business lots with a lettable area of 150,000 square feet.

Signing Ceremony of Sale and Purchase Agreement and Development Management Agreement of Bank Simpanan Nasional (BSN) Headquarters In Johor Bahru

Sale and Purchase Agreement between the Johor Corporation and BSN was signed on August 11, 2011. The ceremony was witnessed by YAB Dato' Haji Abdul Ghani bin Othman, Chief Minister of Johor.

Development Management Agreement was also being signed between BSN and DASB in which through this agreement, BSN will appoint DASB as Development Manager for the construction of the headquarters building.

The estimated cost for the construction of BSN Headquarters building in Johor Bahru is RM36 million. Upon completion, the 12-storey high building will have an area of 85,000 square feet and 130 car parking spaces.

Galleria@Kotaraya Brand Launching

Plaza Kotaraya is currently undergoing renovation and will be named as Galleria@ Kotaraya which will be re-opened in mid 2012. Galleria@Kotaraya brand was launched by YAB Dato' Hj. Abdul Ghani bin Othman on 10 November 2011.

Upon completion, Galleria@Kotaraya will have 5 floors with lettable retail space of 201,000 square feet, with the additional of 179 shop lots with a capacity of 900 units and will be the first largest Food Court in Johor Bahru. Galleria@Kotaraya will also be known as a 'boutique mall' aimed at mid-level buyers.

The estimated renovation cost is RM30 million, involving the renovation of the exterior and interior, business lot restructuring, additional lighting and air flow and improved facilities for visitors.

Financial Position

DASB has generated an increase of 20% in revenue from RM20 million in 2010 to RM24 million in 2011. However, the company Profit Before Tax has slightly decreased from RM11 million to RM10.5 million, mainly due to increased cost in the building administration.

While at DASB Group level, profit for the year 2011 dipped 5% from RM146 million to RM139 million due to a decrease in revenue by companies within the Group. In addition, the increase in property book value has resulted in the Group's increased Profit Before Tax from RM20 million in 2010 to RM29 million for the year 2011.

LOGISTICS/SERVICE SECTOR

TANJUNG LANGSAT PORT SDN BHD

Tanjung Langsat Port Sdn Bhd (TLP) was incorporated on 23 February, 1995 under the name of Taswir Abadi Sdn. Bhd. On 2 August, 1997 it changed its name to Tanjung Langsat Port Sdn Bhd for commercial purposes. TLP is a wholly owned subsidiary of Johor Corporation with authorised capital of RM250 million and a paid-up capital of RM240 million.

The principal objective of setting up a port in Tanjung Langsat is to occupy the 1,618 hectares of industrial land in Tanjung Langsat which is situated within the area. With 4.5km of shore line backed-up with 200 hectares of land within the port area, TLP is well positioned to occupy the entire industrial complex as well as the region.

Since incorporated, TLP has invested more than RM700 million to equip all required infrastructures and amenities in order to boost industrial growth within Tanjung Langsat Industrial Complex.

In term of logistical advantages, TLP is located only within 30 minutes of steaming time or 12 nautical miles from the international shipping lane and only 50 kilometers from Senai Airport.

Tanjung Langsat Port is located in Flagship D of Iskandar Malaysia. Major activities in this area are focused on heavy industries and logistics, including electrical and electronics (E&E), chemical, oleochemical, food and engineering based industries as well as ports and logistics and warehousing.

Tanjung Langsat Port plays an important role in Flagship D as a contributor to the economic growth especially in Oil & Gas (O&G) activities. Most of the committed investments in Iskandar Malaysia derived from Flagship D which involve two industrial areas i.e Pasir Gudang Industrial Area and Tanjung Langsat Industrial Complex developed by Johor Corporation.

Tanjung Langsat Port is a key player in Tanjung Langsat Industrial Complex and actively promoting its port services and attracting O&G players to invest in Tanjung Langsat.

At the end of 2011, TLP recorded investments worth in excess of RM2.5 billion and provided more than 1,000 employment opportunities.

TLP has successfully built five liquid cargo berths and capable to handle vessels ranging from 5,000 DWT to 120,000 DWT. Current draught of its liquid berth is 12.8 meters and grant amounting to RM156 million has been allocated to TLP for capital dredging works to deepen the navigational channel up to 15.0 meters at Sungai Johor towards the Tg. Langsat Port berthing facilities. This grant has been initiated by PEMANDU under Economic Transformation Program (ETP) to transform Tanjung Langsat Port into an O&G Hub.

LOGISTICS/SERVICE SECTOR

Meanwhile, under PEMANDU initiative, two new berths are planned to be constructed mainly to cater the needs of the new investors. Upon completion, TLP will be equipped with 7 liquid berths and is expected to create more port activities in line with the national aspiration to transform TLP as an O&G hub in this region.

TLP is also equipped with dry cargo wharf and designated to cater to requirements from investors dealing in non-liquid cargoes.

The wharf is 425 meters in length with a chart datum of 9.5 meters. Under PEMANDU initiative, the current 9.5 meters draft will be dredged into 10.5 meters. The dredging work is currently being carried out and expected to be completed by August, 2012. Main users of the dry cargo wharf are Asiaflex, EEW and Bahru Stainless. This wharf will also be part of TLP's marine offshore supply base.

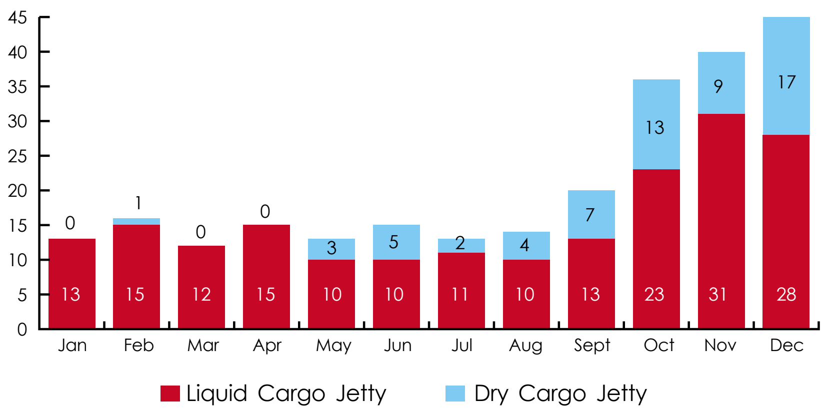
TLP is located in one of the important development areas of Iskandar Malaysia, and indirectly plays a major role for the success in government's aspiration through the Government's Entry Point Projects (EPP). TLP is blessed with the nation's ambitious vision to embark in the Economic Transformation Program to establish Malaysia as a major hub for O&G. These programmes have identified 12 National Key Economic Areas (NKEA) that include O&G sector. TLP as a niche port for liquid bulk cargo handling and dry bulk cargo will be an essential part of the transformation program.

Federal Government has identified Tanjung Langsat as a potential area for O&G hub in this region. The government's vision has been translated into EPP 2, EPP 5 and EPP 6 of Oil, Gas & Energy sector. Under these EPP, TLP is set to be transformed as a major Petroleum terminal, Petroleum Support Services Hub and Petroleum Trading Hub.

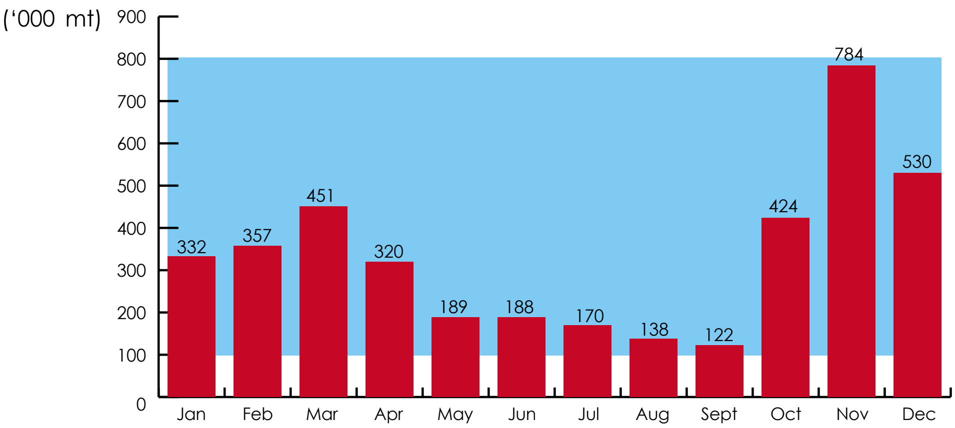
Current capacity of oil terminal tank farm storage in TLP area is 740,000 m3 consists of LGT-1 (470,000 m3), LGT-2 (170,000 m3) and Tanjung Langsat Port Oil Terminal (100,000 m3). New tankage facility will be constructed in TLP area by terminal operator (MISC and Dialog). Known as LGT-3, the terminal was designed to cater for jet fuel products with a capacity of 380,000 m3. The tankage is expected to be completed and fully operated by the end of 2013. By 2013, TLP will have 1.12 million m3 of the petroleum based products farm storage and the capacity is expected to increase to 2 million m3 by 2017.

OPERATION REPORT

For the year 2011, number of vessels berthed at TLP's jetty were 252 vessels of which 191 (76%) and 61 vessels (24%) berthed at Liquid Cargo Jetty and Dry Cargo Jetty respectively. TLP recorded 45 vessels in December 2011– the most number of vessels ever since the port started its operations. Number of vessels berthing at Dry and Liquid Jetties from Jan 2011 – Dec 2011 is shown in the graph below:



In terms of throughtput, TLP recorded 4.0 million tonnes of put throught handled for the year 2011. These cargoes are mainly for LGT-1 and LGT-2. Activities at the dry cargo is picking up due to an increase in throughput from Technip, EEW Malaysia and Rother & Nahar (iron ore). The throughput performance for the year 2011 is as follows:-.



There has been a decrease in the hours of wharf operations from 8,565 hours last year to 8,216 hours this year. The charge from the dockage and wharfage activities shows that the amount collected was RM13.6 million compared to RM11.5 million collected last year. This charge does not include the charge for other support activities.

The major contributor in 2011 is LGT-1 with a total of 164 vessels or 65% with a throughput of 3.7 million metric tonnes of cargo. Meanwhile, Asiaflex is the second largest contributor with 13% from the overall vessels. These operation include a total of 32 vessels in loading operation for import and discharging operation for export which involves the whole amount managed to be handled is 14,137 metric tons. Langsat Bulkers Sdn Bhd (LBSB) brings 23 vessels with 186,860 metric tons.

LOGISTICS/SERVICE SECTOR

TPM TECHNOPARK SDN BHD

TPM Technopark Sdn Bhd (TTSB) is Johor Corporation's wholly owned subsidiary company with the core business of project management in various commercial and industrial developments and also a marketing agent and project developer for industrial estates owned by Johor Corporation.

In 2011, TPM Technopark Sdn Bhd has sold 107.154 hectares of JCorp's industrial land worth RM18.4 million. The sale of industrial land in 2011 has contracted compared to the same period in 2010 due to uncertainties in the world economy.

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

TPM Technopark Sdn Bhd is currently developing Sedenak Industrial Park with a total land area of 280 hectares. Aggressive marketing strategies have been implemented to boost sales of the area.

Apart from sale of industrial land, TTSB also acts as project manager for numerous Group projects which among others include the upgrading and reconstruction of Tun Abdul Razak Complex (KOMTAR), the construction of KFCH International College in Bandar Dato' Onn and the development of Johor Military Force camp located at Tasek Utara. TTSB is currently managing projects worth RM308 million.

Until December 2011, TPM Technopark Sdn Bhd has completed 53 projects worth RM212 million. Amongst the major projects that have been completed are upgrading works at Larkin Sentral, 7 religious school projects and Phase 1A of KFCH International College.

As for the 2012 outlook, TTSB is committed to continue the selling and collection of the industrial land as part of the redemption of JCorp CRMP. While maintaining its core business, TTSB plans to embark on diversifying its income structure. Focus will be given to projects that provide sustainable income sources to the company. In line with the diversification efforts, TTSB will exercise tight financial control on the company's outflow. Employees will be exposed with additional knowledge and multi skill capability in order to provide better cross functional services.

ASIA LOGISTICS COUNCIL SDN BHD

On 1 February 2011, Asia Logistics Council Sdn Bhd (ALC) welcomed its new chairman, Tan Sri Abdul Rahman Bin Mamat, former Chief Secretary of Malaysia, Ministry of International Trade and Industry (MITI) to its office. ALC, an MSC Status company, commenced its operations in February 2008 and operates at Level 45, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre (KLCC), Kuala Lumpur.

The global economy is at a critical turning point. Recovery has begun, notably in Asia, yet the world is highly interdependent. Growth in the global economy must be driven by expanding trade through innovation and in connecting the buying power of the developed world, the industrial capacity of emerging nations and the huge market potential of the developing worlds.

However, the world trade system has four main pillars: commerce, finance, insurance and logistics. The weakest link among the four industries is logistics – which is also the heart of the global economy and what connects our world. Today's global logistics industry suffers from a huge, largely undiagnosed problem – inefficiency. Therefore, by maximizing the efficiency of global logistics, we will create the digital global platform needed to enhance digital commerce, digital finance and digital insurance that together will fuel trade expansion, support new jobs, and sustain economic growth.

Based on the above premise, ALC entered info a Revenue Sharing Agreement with World Logistics Council Inc (WLC) on February 5th 2008, to assist WLC in the global deployment of the Global Digital Economy through the implementation of the 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 trade efficiency. The initiative known as the *HumaWealth* Programme is led by Global Coalition for Efficient Logistics (GCEL), a Swiss-based nonprofit public/private partnership, with members and supporters to-date including more than 150 governments, 21 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 executive members of the GCEL.

LOGISTICS/SERVICE SECTOR

At the heart of the DSI, is the use of an open platform technology know as 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).

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.
- Maximized present physical logistics infrastructure capacity utilization as well as reduced 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.
- Secured national borders and flow of trade against cargo terrorism.
- Provided USD6 trillion market opportunity by 2020 for finance, insurance and technology industries.
- Combined expertise from youthful labour force, thus supporting millions of new jobs in developed and developing countries.
- Increased buying power of the mid income countries that represent 45% of the world population creating major global market expansion.

The year under review, marked the trigger of the Asia First Benchmark Trade Lane (BTL) that was launched on 30 March 2011, co-convened by Multimedia Development Corporation (MDeC) at the Hilton Hotel in Kuala Lumpur, graced by the presence of YB Dato' Mukhriz Tun Mahathir, Deputy Minister for MITI. The Asia BTL will be led by Indonesia represented by its International Chamber of Commerce and Industry (KADIN) and India represented by the Confederation of Indian Industries (CII). As the deployment of the BTL involves 6 distinct steps namely BTL selection, Shipment Efficiency Assessment (SEA), Education, GLS Deployment, BTL Showcase and Global Deployment, we expect the BTL deployment in Asia shall be concluded in year 2013.

Nonetheless, for the benefit of the Malaysian logistics industry, we have also embarked on undertaking the SEA in Malaysia during 2011, in collaboration with reputable consultants and organisations including MDeC, Frost & Sullivan, Deloitte and Nielsen. The SEA will involve face-to-face surveys of Malaysian organisations representing 19 trade clusters involved in a shipment process. Based on the survey feedback, the SEA will provide specific recommendations to increase Malaysian trade efficiency and provide a roadmap towards connecting Malaysian businesses to a global e-commerce platform.

In recognition of the GCEL's value proposition including a USD400 billion 2020 market opportunity provided by this global platform, 26 technology firms, consisting of the world's top firms, have executed non-compete agreements in order to secure a position to participate in this global initiative.

Pursuant to a number of strategic meetings with selected organisations in this region, we realize that in order to ensure the success of HumaWealth Programme at a global level, there is a need for Malaysia to lead this initiative whilst at the same time garnering unwavering support from other Asian countries. This has led to the incorporation of the Asia Economic Development Fund Ltd (AEDF), a Hong Kong based limited company. AEDF provides the avenue for other Asian countries to participate in this global opportunity through equity participation and sharing of governance via Board participation to be chaired by Malaysia.

In support of Malaysia's leadership, both India (represented by CII), Indonesia (represented by KADIN) and China (represented by the Guangdong Provincial Government) are amongst the first to have submitted expressions of interest to be part of AEDF, and in the interest to complete AEDF's Board membership, ALC and WLC are planning to visit Japan, Australia and South Korea to invite their participation on the AEDF Board.

Meanwhile, in the other regions of the world, WLC had incorporated and set-up the office for the MEA Logistics Council in Beirut, Lebanon in the year under review, and the GCEL had successfully signed MOUs with the League of Arab States (LAS) and the Organisation of American States (OAS) who will collaborate with WLC in organising HumaWealth Awareness Events in the MEA and Americas regions. To-date the GCEL successfully organised 3 *HumaWealth* Awareness events in Turkey, Jordan and Tunisia and will culminate its MEA campaign in Lebanon.

LOGISTICS/SERVICE SECTOR

Concurrently, the commercialisation process of the GLS has also been triggered and WLC has since received proposals to develop the hub for the global e-logistics platform from renowned academic-technology-Government partnerships that we term as the Core Triangle. Once selected, the Core Triangle consisting of a world-class university, a visionary public entity and a superb technology company shall collaborate to invest in the commercialisation of the GLS and be jointly responsible in the enhancement and maintenance of this powerful digital trade platform for the world.

Going forward, WLC has started the process to establish the regional council offices for the Americas and Europe regions planned to be in Panama and Brussels, respectively. These regional offices will soon embark on their own regional HumaWealth Awareness Events as well as identify their BTL participants thus bringing these regions at par with the progress made in the Asia and MEA regions. The year 2012 certainly promises to be a very exciting year for ALC, WLC and GCEL, as we target to achieve a number of major milestones.

SECTION 6

INTRAPRENEUR BUSINESS

INTRAPRENEUR BUSINESS

Johor Corporation (JCorp) plays a vital role in the economic development of Johor and Malaysia. JCorp's Entrepreneur Development Program is implemented through various approaches with the primary focus given to the bi-partite target groups.

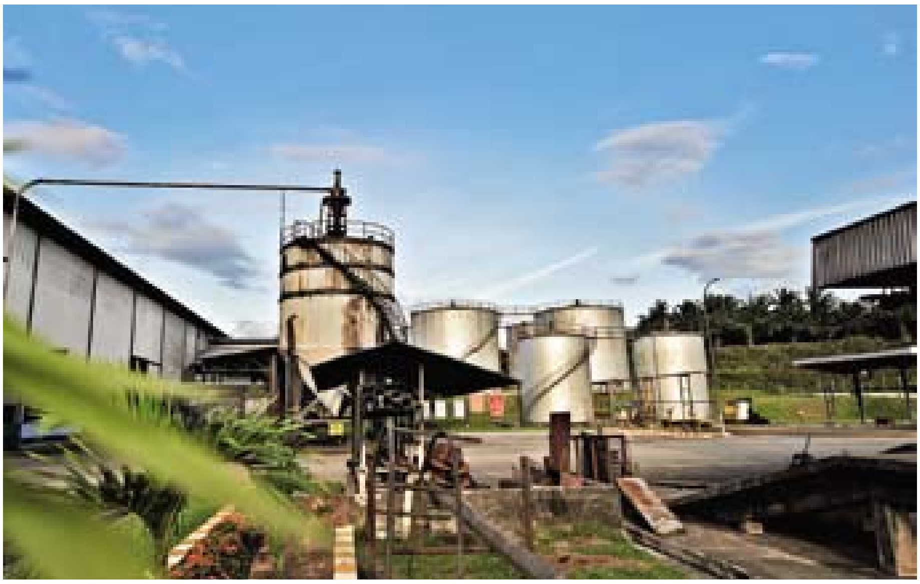
The first target group involves the support towards developing entrepreneurs and initiating business opportunities to quantitatively and qualitative enhance the performance of the external Malay – Muslim business community.

The second target group of equal importance develops the intrapreneurs or Entrepreneur Managers involving the internal staff of JCorp Group through providence of proficiency management of assets and addition of business values. This group is the one paving the strategic relations to JCorp's growth and corporate progress.

JCorp has carved its national reputation through its unique Entrepreneur Development Program ever since, and has successfully produced a sizeable pool of distinguished Entrepreneur Managers which are currently managing and leading both listed and non-listed entities in JCorp Group. The existing internal group of corporate leaders are subsequently backed up by the second and third generation of prospective entrepreneurs who are well-prepared to steer the Group of Companies to encounter the future challenges of corporate growth.

JCorp's Entrepreneur Development Program, with particular to JCorp Intrapreneurship Scheme has been in existence for the last 12 years since its initial launching in 1999. The dimensional scheme which allows the risk and profit sharing between JCorp and the intrapreneurs is a unique and innovative entrepreneur development scheme that portrays eminent success and performance apart from being well-accepted.

For the financial year ended 31 December 2011, the aggregate profit before tax of the intrapreneur companies amounted to RM45.4 million compared to RM18.9 million achieved in the previous year. Also, companies achieving profit before tax exceeding RM1.0 million were annually increasing in number, whereby in 2011, two other companies recorded the profit before tax of RM1.0 million namely Edaran Badang Sdn Bhd and Microwell Bio Solutions Sdn Bhd which has qualified them to join the One Million Dollar Club, taking precedence over the previous companies.



The implementation of JCorp Intrapreneur Scheme has been gradually improved from time to time to meet the global business environment. 12 years post-founding, JCorp's Intrapreneurship Scheme has no longer restricted the minimum equity holding of 75%. External equity participation is also taken into consideration based on the criteria ascribed by JCorp. This transformation is intended to provide a larger space for the intrapreneurs to venture in the global market.

In addition, several cooperations have been in proposal there and then, to ensure that the success of the entrepreneur development program is according to plan. The Memorandum of Understanding with TERAJU and MARA which was penned on 26 November 2011, among others, was aimed at steering and expanding the businesses towards Bursa Malaysia listing.

The functions and obligations of Intrapreneur Business Department and JCorp Intrapreneur Malaysia Berhad (JIMB) are strengthened in line with the aim to sustain the businesses of the intrapreneur companies. The system and procedures of intrapreneur development were already in shape and consistently updated encompassing the selection of intrapreneur and business activities, monitoring, reward and benefit systems as well as opportunities towards career and business expansions.

It is undeniable that the success of these intrapreneurs depends largely on their entrepreneurial attitude. It takes more than just being highly motivated and willing to strive, yet individually prepared to face the challenges and taking on the risk towards the business realisation.

INTRAPRENEUR BUSINESS

EA TECHNIQUE (M) SDN BHD (EA TECHNIQUE) AND ORKIM SDN BHD (ORKIM)

Acquired in 2006, EA Technique has a paid-up capital of RM44.04 million while Orkim, which was acquired in 2009, has a paid-up capital of RM37.6 million. Both companies operate in a niche market where the concentration is on the provision of long term charter contracts for the transportation of clean petroleum product for oil majors, namely Petronas Trading Corporation Berhad (Petco) and Shell. In combination, the value of the contracts are worth more than RM1.4 billion.

Despite challenging economic situation, both companies have shown commendable business performance and growth in 2011 that subsequently contributed significantly to the Group's bottom line as summarised below:

Company	Revenue (RM'000)		Varian (%)	PBT (RM'000)		Varian (%)
	2011	2010		2011	2010	
EA Technique	96,064	77,868	23.4	12,866	5,764	123.2
Orkim	65,547	29,835	119.7	11,760	6,491	81.2
TOTAL (#)	**161,611**	**107,703**	**50.1**	**24,626**	**12,255**	**100.9**

Note: (#) On aggregated basis

The PBT of EA Technique of RM12.9 million achieved in 2011 has improved by 123.2% from RM5.8 million recorded in 2010. Orkim had shown tremendous improvement in PBT growth with a profit of RM11.8 million recorded in 2011 compared to RM6.5 million in 2010.

The substantial performance improvement in both companies in 2011 was the result of the successful deliveries of all their 10 newly constructed vessels which were under long term charter contracts with Petco and Shell. The deliveries of all the vessels were made on staggered basis beginning 2010 until mid-2011. The full contribution from these new vessels is expected beginning 2012.

The contributions from the offshore support vessels segment and the management of a third party's vessels had helped to boost the performance of EA Technique and Orkim respectively. Currently, Orkim is managing two vessels owned by a third party for Shell's contract, while EA Technique is providing nine vessels for offshore support services that included two fast crew boats, four mooring boats, two harbour tugs and a security boat.

The biggest vessel owned by the Group, 40,000 DWT MT Nautica Muar (MTN Muar), is operating on spot charter basis which currently command a lower market rate that is insufficient to cover its operating costs. EA Technique is in the midst of resolving this temporary setback by evaluating the options of securing long term charter contracts or disposing/trading-in the vessel.

As at end 2011, the Group owned 15 tankers, six mooring boats, six harbour tugs (four harbour tugs under construction) and a security boat with a total carrying capacity of more than 144,500 DWT, far larger than the meagre eight vessels with 14,500 DWT carrying capacity when Sindora acquired EA Technique in late 2006.

The construction of the new tankers and disposal of ageing vessels have resulted in a much lower average age profile and enable the Group to position itself in the market to seize opportunities in the shipping industry. This will allow the Group's shipping business to expand its operations and emerge as one of the major players in Malaysia.

Johor Shipyard and Engineering Sdn Bhd

The establishment of its own shipbuilding and repairing facilities is crucial to meet the critical requirement of the Group, considering the fleet size of 28 vessels that need to be maintained on regular basis. This move was taken to counteract the difficulties in obtaining dry docking services and repairs required by the Group. In addition, the shipyard business has the potential to be the main business thrust of the Group, considering the high demand and limited service providers of such activities around the region.

The shipyard project is currently handled by EA Technique's wholly owned subsidiary, Johor Shipyard and Engineering Sdn Bhd (JSE). JSE had successfully constructed its first vessel in 2008, a 5,500 DWT MT Nautica Johor Bahru (MTN JB), at a leased site in Teluk Intan, Perak. With the experience gathered from the construction of MTN JB, JSE had proceeded to build a larger vessel, the 10,000 DWT MTN Maharani, which was completed and entered into service with Petco in the second quarter of 2011. This vessel is recorded as the biggest double-hulled tanker built locally in Malaysian history.

The successful voyage of MTN JB and MTN Maharani are very important as a testament to the expertise and ingenuity of the Group in building small and medium-sized sea going vessels.

JSE has identified a 4.1-hectare site located at Hutan Melintang, Bagan Dato, Perak as its long term shipyard site. Currently, JSE is preparing basic facilities for the shipyard which is expected to be fully operational by the end of 2012. The shipyard will be able to accommodate repairs and construction of vessels of up to 10,000 DWT. Besides shipbuilding, the shipyard will also involve fabrication activities for the oil and gas industry as another source of revenue.

INTRAPRENEUR BUSINESS

PRO OFFICE SOLUTIONS SDN BHD AS THE PREFERRED SERVICE PROVIDER FOR DATA AND DOCUMENT PROCESSING

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 as well as 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.

Due to the challenging economic scenario, the company was unable to chart a commendable performance in 2011 with a mere profit of RM0.5 million on the back of RM30.4 million revenues. This is a substantial reduction of profit from RM2.9 million recorded in 2010.

In line with the Group's exit and harvest strategy in under its Intrapreneur Venture concept and in order to maximise returns and mitigate risks, Pro Office has been identified as a potential company to be restructured/harvested.

METRO PARKING GROUP AS A REGIONAL PLAYER

Car park management is a highly competitive industry where the vast market is controlled by a handful of renowned operators. Apart from that, the industry is rifed with property owners managing their own parking facilities. Despite these challenges, major car park operators are experiencing steady growth because of the ever growing property market in the region.

Metro Parking Group (Metro Parking), a 75% owned subsidiary is involved in car park management and provision of car park consultancy services which encompasses studies on traffic flows, design of efficient car parks and selection of suitable car park equipment. It has aggressively expanded its business operation in Malaysia, Singapore, Brunei, the Philippines, Hong Kong and India.

Metro Parking has vast experience in managing various types of car parks including airports, office buildings, shopping complexes, hotels, transport terminals, wet markets, hospitals, open sites, jetty terminal, sport centres, recreational areas and local council on-street parking. Among Metro Parking's list of reputable clients include Kuala Lumpur Sentral in Malaysia, Shaw Centre in Singapore, Brunei International Airport and Enterprise Centre in Philippines.

The Group's strong growth was supported by its highly reputable brand name and a high standard of customer delivery, controlling 25.2% domestic market share with 111 car park contracts secured and managed at the end of 2011. A summary of the total car parks and parking bays under Metro Parking Group as at March 2012 is as follows:

Table: Car parks sites and parking bays by region

Country	Companies	No. of Carpark Sites	No. of Parking Bays	% of Parking Bays
Malaysia	Metro Parking (M) Sdn Bhd	111	39,547	59.4
Singapore	Metro Parking (S) Pte Ltd	40	10,772	16.2
Philippines	Metro Parking Management (Philippines) Inc	42	8,682	13.0
Brunei	Metro Parking (B) Sdn Bhd	16	1,636	2.5
Hong Kong	Metro Parking (HK) Limited	7	533	0.8
India	Metro Parking Services (India) Pte Ltd	7	5,460	8.2
TOTAL		223	66,630	100.0

In the year under review, Metro Parking Group registered impressive revenue of RM110.9 million against RM111.8 million in the previous year. It registered an improved PBT of RM2.9 million in 2011, compared to RM2.3 million in 2010. The better performance was made possible through several initiatives undertaken in the last few years namely the adoption of more automation to improve efficiency and termination of non-profitable car park contracts.

Metro Parking Group has implemented Intrapreneur Scheme in Malaysia, Singapore, Hong Kong and Philippines for equity ownership to the respective Managers Intrapreneur of the subsidiaries. This bold move was part of the Group's consolidated effort to create better focus in emphasising enhancement of efficiency and effectiveness, to add value and subsequently contribute positively to the bottom line. The Intrapreneur Scheme was part of the Group's recognition of the respective Intrapreneur-Managers' contribution in providing leadership and spearheading the companies' corporate growth and business success.

Metro Group has also subsequently diversified into other complimentary and synergistic activities such as the supply of parking equipment through its subsidiaries, Metro Equipment Systems (M) Sdn Bhd and Smart Parking Management Systems Sdn Bhd.

In order to mitigate risks and enhance the group's overall performance, Metro Parking has taken a bold move by divesting its subsidiary in Indonesia, PT Penata Sarana in 2011, which recorded dismal performance. The company's immediate target is to strengthen its operations and profitability by securing more quality contracts and increase its market share particularly in Malaysia and the Philippines.

INTRAPRENEUR BUSINESS

Due to prolonged economic uncertainties regionally, Metro Parking Group will continue to take precautionary measures in securing new contracts to ensure sustainable growth and value enhancement for continuous capital appreciation. It will take advantage and leverage on its reputable brand name and quality services to position itself as one of the leading parking management companies in the region. To complement this mission, monitoring and custodian functions in areas of human resource, finance and audit will be strengthened to ensure its operation is efficient and viable. Barring any unforeseen circumstances, Metro Parking Group is expected to record a better performance for 2012 onwards.

EPASA SHIPPING AGENCY SDN BHD

Based in Pasir Gudang, Johor, EPASA Shipping Agency Sdn Bhd (Epasa) is principally an agency for shipping and forwarding and management of container yard operations. 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 Mediterranean Shipping Line Co. (M) Sdn Bhd, China Shipping (M) Agency Sdn Bhd and FPM (M) Sdn Bhd. The container yard which covers an area of 5.6 hectares, has the capacity to handle up to 15,000 TEUs per month.

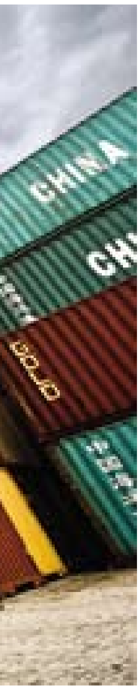
In 2011, Epasa reported a dismal performance with a loss of RM1.4 million compared to RM0.1 million profit registered in 2010, due to high provision of doubtful debts. Its revenue decreased 45.0% from RM9.3 million achieved in the previous year to RM5.1 million in the year under review.

The total volume of TEUs handled by Epasa in 2011 was 79,957 or an average of 6,663 TEUs per month, compared to 80,057 TEUs recorded in the previous year. Mediterranean Shipping Line Sdn Bhd and China Shipping (M) Agency Sdn Bhd remained as the company's two main clients that contributed about 73%

to the company's shipping and forwarding operation's income. Forwarding operation was affected by lower income contributed from Maintenance and Repair (MNR) of the containers. The haulage operation was ceased beginning July 2011 as the operation was plagued by lower demand and high operating cost.

INVOLVEMENT IN BIOTECH SECTOR THROUGH MICROWELL BIO SOLUTIONS SDN BHD

Sindora's involvement in the biotech sector specifically in bio-fertilisers is through 60% equity acquisition of Microwell Bio Solutions Sdn Bhd (Microwell), concluded on 24 April 2010. Microwell is a biotechnology company with soil remediation and conditioning, crop protection and bio-fertiliser as its main areas of expertise. The company involves in research and development (R&D) and commercialisation of combinatorial technology of organic substance and micro-organism for biotechnology products in agriculture, aquaculture and environment.



Micro-organisms in the bio-fertilisers produce organic nutrients which are extremely efficient in enriching the soil and protecting the palms from harmful diseases such as Ganoderma, which is prevalent among oil palm plantations throughout Malaysia. Bio-fertilisers provide nitrogen and certain growth promoting substances like hormones, organic acids, amino acids etc. 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 have been conducted for the past two years and the results have been promising.

Microwell is also capable in providing technical advisory and consultancy such as assistance in Good Agriculture Practices, Good Manuring Practices, Clean Development Management projects, agro biotechnology input formulation, market feasibility of innovative biotechnology products and organic farming.

In 2011, the company registered a pre-tax profit of RM2.1 million on the back of revenue of RM11.1 million, a substantial increase from RM0.2 million and RM4.9 million registered in 2010 respectively. The company is focusing on trading and importing of the bio-fertilisers from a manufacturer in Indonesia using Microwell's own formulation. The Intrapreneur-Manager is the researcher who has the knowledge and know-hows in formulating and producing the bio-fertilisers.

The superiority of Microwell's bio-fertilisers is expected to enable Kulim Group to substantially substitute chemical-based fertilisers throughout its oil palm estates.

In an effort to expand its business potential, Microwell has started collaborating with several GLCs in researching and developing solutions to rectify agronomic problems apart from enhancing soil fertility and productivity.

INTRAPRENEUR BUSINESS

SINDORA TIMBER SDN BHD GROUP

Sindora Timber Sdn Bhd (Sindora Timber) is now focusing on timber-related trading activities while all manufacturing activities were ceased and outsourced to a third party. Besides that, Sindora Timber has also entered into a lease term arrangement with Sindora involving oil palm area of 80 hectares near Ladang Sungai Simpang Kiri, Yong Peng, Johor.

The oil palm estate management and rubber operation are the main contributors to the revenue and PBT of the company.

In the year 2011 Sindora Timber Group recorded a turnover of RM6.5 million and PBT of RM0.24 million. The company owns two subsidiaries namely JJSB and General Access Sdn Bhd (GASB). JJSB specialises in the management of 200 hectares of rubber estates located in Kluang, Johor. Another subsidiary, GASB is involved in general contracting such as replanting, road construction and other civil works.

Sindora is in the process of disposing GASB's shares to allow the company to be managed and grown under the leadership of the Intrapreneur. The approach better suits with the Intrapreneur and the business is no longer strategic to the Group.

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 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 a 10 year renewal option.

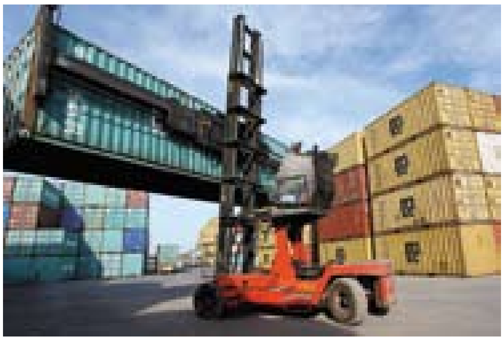
GranuLab is still in its infancy stage and GranuMaS® is aggressively being promoted in the local market especially hospitals for use in surgeries requiring bone grafting applications. GranuLab managed to register a minimal revenue of RM67,000 in 2011. However, due to high administrative expenses apart from marketing and promotion costs, the company incurred a loss of RM1.6 million against a loss of RM1.0 million in previous year.

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

The project has received strong support from the Malaysian government through the granting of Bio Nexus Status in 2007 as well as RM5.2 million grants from Malaysian Technology Development Corporation (MTDC), Malaysian Biotechnology Corporation (Biotech Corp) and the SMI Development Corporation (SMIDEC). The grants were utilised to finance the setting up of a production lab, promotional activities, regulatory and certification cost as well as training which was completed in mid-2011. The RM8 million medical grade plants which produce GranuMaS® at Kota Kemuning, Shah Alam has been successfully granted with ISO13485. The company is in the process of obtaining CE Mark to allow the company to penetrate the international market. The production facility is the first medical grade production plant for synthetic bone graft in Malaysia as well as in South East Asia.

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

The company will continue to foster close collaboration with SIRIM for material development and the technologies of using



Hydroxyapatite (HA) as the base material to produce other spin-off products such as bone cement. It will also enter into collaborative agreement with local universities and institutions to utilise the company's laboratory facilities for further research.

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

INTRAPRENEUR BUSINESS

MIT INSURANCE BROKERS SDN BHD (MIT)

MIT Insurance Brokers Sdn Bhd (MIT) was established in 1973 and is now a subsidiary of Sindora effective 1 June 2010. MIT is a homegrown insurance broking outfit and registered as a Bumiputera Contractor with the Ministry of Finance and also holds both Conventional and Takaful Broker licenses.

MIT was perceived as a small insurance broking house but with great potential for exponential growth. It has technical expertise, reputable clients and financially self-sufficient. MIT's selected portfolio of clients serviced over the years included Ranhill Powertron, Serudong Power, Senai Desaru Expressway, Syarikat Prasarana Negara Berhad, PLUS Expressways, Konsortium Lebuhraya Utara-Timur (KESTURI), Gerbang Perdana, Faber Group, Hektar Group, DRB-Hicom Group, Jabatan Penerbangan Awam (DCA) and many more. Furthermore, as part of a bigger family of Johor Corporation Group of Companies with more than 290 companies under its wing, there is a vast potential of lucrative business to be tapped by MIT.

The company had shown a commendable progress upon the entry of Sindora as a majority shareholder. It registered a tremendous 66.7% increase in revenue to RM5 million in the year under review compared to RM3 million in 2010 (12 months ended 31 January 2011). Consequently, PBT grew from RM23,422 in 2010 to RM987,000 in 2011.

MIT is currently focusing on expanding its range of services to include among others Marine and Energy, Power and Infrastructure sectors, products related to employees benefit etc. The company is also poised to become one of the leading insurance brokerage companies in Malaysia.

Associate Company

MM VITAOILS SDN BHD

As a minority shareholder with only 35% equity without further planning of increasing its shareholding in MM Vitaoils Sdn Bhd (MM Vitaoils), Sindora viewed this investment as non-strategic, thus, decided to totally exit from the company. The decision to exit is in line with Sindora's exit/harvest strategy to recover and plough back the proceeds from divestment into other viable ventures.

SECTION 7

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT
AUDIT COMMITTEE REPORT
INTERNAL CONTROL STATEMENT
RISK MANAGEMENT STATEMENT

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

It has always been the policy of Johor Corporation (JCorp) to strictly adhere 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, Deputy Chairman, President & Chief Executive, three officials of the Johor Civil Service, three representatives of the Federal Government 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 2011, the Board met seven 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.

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.

CORPORATE GOVERNANCE

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 11 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.

Teraju Korporat Committee

The Committee is chaired by the Senior Vice President / Chief Operating Officer and comprises of 12 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 13 members amongst the management of JCorp and is chaired by the Vice President (Business Development Division). It deliberates on operational as well as financial matters and forward recommendations to Teraju Korporat Committee.

Investment Review Committee (JAWS)

The Committee deliberates on all new investments and projects and comprises of nine members appointed amongst the senior management of companies within JCorp Group. At present, it is chaired by the Executive Director of KPJ Healthcare 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 Group Human Resource Committee (TERAS), 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, of which six are listed on the main board of Bursa Malaysia namely Kulim (Malaysia) Berhad, QSR Brands Berhad, KFC Holdings (Malaysia) Berhad, KPJ Healthcare Berhad, Damansara Realty Berhad, and Al-Aqar Healthcare 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 Capital Development & 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 108.

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 106.

AUDIT COMMITTEE REPORT

COMPOSITION

Board Audit Committee (BAC) is chaired by Datin Paduka Zainon Haji Yusof, 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 Vice President of Compliance Division is the Secretary of BAC.

Tan Sri Datuk Dr. Hadenan was the Auditor General from 2000 to 2006 and Zainah is now a Fellow of Association of Certified Chartered Accountant (FCCA).

ATTENDANCE AT MEETINGS

BAC meets on a scheduled basis at least twice a year. The President & Chief Executive attends BAC meetings by invitation. In 2011, BAC met in three occasions as follow:

	DATE OF MEETING		
	25 March	3 October	16 December
Datin Paduka Zainon Hj Yusof appointed w.e.f 15th August 2011		✔	✔
Datuk Dr Haris Salleh retired w.e.f 30th June 2011	✔		
Tan Sri Datuk Dr Hadenan A. Jalil	✔	✔	✔
Zainah 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 Vice President of Compliance Division to discuss any matters that the BAC or the Vice President of Compliance Division 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 2011, the activities of the BAC included the followings:-

- Review reports by the IAC which had held its meetings on 4th March, 22nd August and 6th December 2011;
- 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 22nd March, 25th August and 14th December 2011.

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 IAC, RMC and Audit Committees of the respective listed companies.

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

THE MAIN FEATURES OF THE CONTROL SYSTEM ARE:

Control Framework

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

The Group adopts The Committee of the Sponsoring Organisation of the 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. The Department 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 twelve 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 Objectives

JCorp's risk management objectives are to:

- Identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost (this approach is particularly important as the Corporation addresses the changes and opportunities that are central to Government's policies and vision for the corporate sector);
- Develop a "risk aware" culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions; and
- Be perceived by the state and federal government as a leading state agencies through adopting best risk management and legal compliance practice.

Risk Management Committee

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

For the reporting year ended 31 December 2011, three (3) meetings were held in March, August and December 2011.

Duties and Responsibilities

- 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 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 bi-monthly review on risk trends, action plan status and report updates to the Board.

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 regular 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 decision. The risk will always be reviewed from time to time at the respective companies and subsequently ranked, deliberated and reported to BAC and the Board.

Types of Risk

JCorp has classified its risks into five types as follow:

1. **Strategic Risks**

   External and internal forces that may have a significant impact on achieving key strategic objectives. The causes of these risks include such things as national and global economies and most significantly government policy. Often, they cannot be predicted or monitored through a systematic operational procedure. The lack of advance warning and frequent immediate response required to manage strategic risks means they are often best identified and monitored by senior management as part of their strategic planning and review mechanisms. Sometimes strategic risks are also described as business risks.

RISK MANAGEMENT STATEMENT

2. **Operational Risks**

   Inherent in the ongoing activities that are performed in an organisation. These are the risks associated with such things as the day-to-day operational performance of staff, the risks inherent in the organisational structure, and the manner in which core operations are performed.

3. **Project Risks**

   Risks associated with projects that are of a specific, sometimes short term nature and are frequently associated with significant capital development, acquisitions of assets or business, change management, integration and major IT projects. However, specific risks associated with project management are normally delegated to project managers for attention and action. Included among the benefits of efficiently managing project risks are the avoidance of unexpected time and cost overruns. In additional, when project risks are well managed, there are fewer integration problems with assimilating required changes back into general management functions.

4. **Financial Risks**

   Risks that cash flows and financial resources are not managed cost-effectively. The most immediate JCorp's financial obligation is to redeem its Islamic Bond issued in relation to its Corporate Restructuring Master Plan (CRMP), thus JCorp now has to measure and quantify all financial exposures and eventually manage these risks on an enterprise-wide basis.

5. **Hazards**

   Risks that may have impact on the organization such as lawsuits and natural disasters.

Procedures

JCorp has five main ways in which it can effectively treat risk, as follows:

a) Accept the risk and make a conscious decision not to take any action;

b) Accept the risk but take some actions to lessen or minimize its likelihood or impact;

c) Transfer the risk to another individual or organization, by, for example, outsourcing the activity;

d) Finance (insure against) the risk;

e) Avoid the risk by ceasing to perform the activity causing it.

How JCorp decides to manage individual risks will be determined following a risk assessment based on a systematic analysis of how a number of likelihood and consequence (or impact) ratings apply to each risk. JCorp has identified relevant likelihood and consequence ratings in the Risk Management Compliance Framework. In addition to assessing likelihood and consequence ratings, the effectiveness of existing controls over a 12-month period should also be considered in terms of the ratings.

SECTION 8

HUMAN CAPITAL DEVELOPMENT

Johor Corporations Group (JCorp) currently has more than 78,000 employees who serve in and outside the country. The job opportunities and careers in JCorp are widely spread across its diversified industry. The remuneration package for the staff members are also being taken care in order be par with those offered in the market and industry.

JCorp is building a team in unison that move towards one vision and goal. Besides, JCorp emphasizes on the importance of the ummah and this requires the staff to uphold values of morality including trustworthiness in discharging their tasks and responsibilities. JCorp also holds the obligation as a responsible trust institution answerable to the community, nation and religion without being purely profit-centred.

This reality requires high commitment and sincere sacrifices from staff of all segments. They have to also emphasise on incessant skills and proficiencies that are professed beyond generation, even decades of time, elucidated along the 41 years of JCorp's existence. For the year 2011, the organisation has once again recorded an outstanding performance. In 41 years of its operation, this organisation has gone through various challenges, moments of trial and triumphs that turn out to be an advantage to all staff in terms of experience and skills. Verily, JCorp's ability to sustain along the 41 years of service depends largely on its highly dynamic and motivated staff's commitment. JCorp's initiatives enable the staff to undergo inductions and improve their skills through employee engagement which has become the ingredients or component of its prolonged success.

Employees of full commitment and endeavour are indeed the pillars of JCorp's strength. With the aspiration to become a preferred employer, JCorp expect its employee to deliver their level best for the sake of the organisation through employee engagement.

EMPLOYEE ENGAGEMENT

In order to strengthen the employee engagement in JCorp, a number of undertakings were implemented to ensure that the plan runs accordingly. The implementations encompass:

a) EMPLOYEE SATISFACTION LEVEL 2011

JCorp's Employee satisfaction survey was conducted on 13 and 14 October 2011. The participation sent a strong signal that employees found themselves comfortable to express their views and are convinced of being heard towards the betterment within JCorp.

The finding of the survey was presented to all employees to gather their views and suggestions. This was done to ensure that employees were engaged with the changes undertaken by the organisation.

Among the early action taken was the implementation of the new salary scheme that is more competitive in the market. The salary revision was done to rationalise the career and wage vis-à-vis the job scope. The restructuring of the organisation has also taken place to strengthen the departments and the organisation altogether, considering the experience of the dedicated employees.

b) TRAINING & CAREER DEVELOPMENT

Employees are encouraged to participate in training programs that will enhance knowledge and skills in fulfilling their job requirements, thus contributing to the overall improvement of JCorp's employees.

For the purpose, JCorp allocates 5% of employee's total annual emoluments to fund the training and development of employees. JCorp has also regulated 40 credit-hours for employees' courses annually.

Besides that, there are training modules provided towards career development such as Director Course in which apart from increasing employee's managerial knowledge, it qualifies them as directors in JCorp Group.

Employees are also inspired to upgrade their academic qualification through furthering of studies or enrolment in professional programs, such as ICSA, ACCA and others.

With the availability of competent and dedicated human capital, it provides JCorp with future leaders in operation, administration, management and others for the sake of JCorp's future development.

IMPLEMENTATION OF VALUES AND CULTURE

JCorp gives priority towards the implementation of Islamic values in the tasks performed and the values that should be adopted by all parties. Various activities are being done in order to enhance the employee's spirituality such as the Kuliah Zuhur that will be given by the religious Executive and also Solat Hajat held after Zuhur.

In addition, the employees are being embedded with good values to socialize and engage with all levels of society through Yasin and Tahlil Ceremonies in conjunction with JCorp's 40 Year Anniversary Celebration. The involvement of Waqaf Brigade Team Comprises of JCorp employees also provides an opportunity for them to provide assistance and dedication to community in disasters and the less fortunate.

In order to ensure the continuity of growth and success, JCorp has provided a wide opportunity for all employees to play their respective roles.

SIGNIFICANT EVENTS 2011

JANUARY

6 JANUARY

- JCorp Pedoman Ceremony was held at Tanjung Puteri Hall 303, Persada Johor.

27 JANUARY

- National Annual Corporate Report Awards (NACRA)
- Kulim (Malaysia) Berhad won Overall Excellence Award for Best Annual Report and Industry Excellence Awards in the main categories of Farming and Mining at the NACRA Awards 2010 held at Sime Darby Convention Centre, Kuala Lumpur.
- JCorp has also been short-listed as a candidate competing for the Unlisted Companies Special Award.

28 JANUARY

- JCorp Group of Companies Sponsorship and Contributions Giveaway Ceremony to the Johor Football Association (PBNJ) was held at Dataran Labis, Segamat.

FEBRUARY

19 FEBRUARY

- Opening of the 16th World Kite Flying Festival 2011 by Sultan of Johor, DYMM Sultan Ibrahim, Ibni Almarhum Sultan Iskandar at Bukit Layang-Layang, Taman Bandar, Pasir Gudang.

25 FEBRUARY

- Launching of 'HARI BISTARI' 2011 at Tanjung Puteri 301, Persada Johor by President & Chief Executive of Johor Corporation, Tuan Haji Kamaruzzaman Bin Abu Kassim.

MARCH

4 MARCH

- Headquaters' Contigent Flag Handover Ceremony in conjunction with JCorp's Sporting Event 2011 by Tuan Haji Abdul Rahman Sulaiman, JCorp's Vice President Executive Director (Business Development) at Kuala Danga 207, Persada Johor.

11 MARCH

- The 1432 Maulidur Rasul Celebration organized by the Malay-Public Market Retailers Association of Larkin, Johor Bahru was held at Foyer Level 2, Larkin Public Market, Johor Bahru.


TAHNIAH !!!!
Kulim Menang Anugerah

24 MARCH

- JCorp received a visitation from Koperasi Permodalan Melayu Negeri Johor (KPMNJ). Visitation briefing was conducted by Tuan Haji Sulaiman Rahman, Vice-President Executive Director (Business Development) JCorp at Tanjung Puteri Room 306, Persada Johor.

25 MARCH

- Mutiara Johor Corporation's 18th Annual General Meeting was chaired by Puan Hajah Noor Laila Yahaya, Chairman of Mutiara Johor Corporation. The event was held at Mutiara JLand Main Hall, Johor Bahru.

30 MARCH

- The signing of a memorandum between the Multimedia Development Corporation (MDec) with the Global Coalition for Efficient Logistics (GCEL), witnessed by YB Dato' Mukhriz Tun Mahathir. Also present was MDeC Director and Chief Executive, YBhg Datuk Badlisham Ghazali. The ceremony was held at the Hilton Hotel, Kuala Lumpur.

31 MARCH

- Johor Corporation's 157th Board of Directors' Meeting was held at Sekijang Room 406, Persada Johor. The meeting was chaired by Johor Chief Minister cum JCorp Chairman, YAB Dato' Haji Abdul Ghani Othman.

APRIL

12 APRIL

- The Preliminary Round of 'Cabaran Catur BISTARI University Utara Malaysia' was held at DPP Tradewinds, UUM.

14 APRIL

- Iskandar Shoot 2011 shooting competition was held at REM Farm Kota Tinggi. The competition was jointly organised by The Clay Target Shooting Association of Johor (PMCTJ) & Johor Tourism.

20 APRIL

- 2011 Johor Halal Seminar organised by IPPJ Sdn Bhd was held at Dewan Besar Pusat Islam Iskandar Johor, Johor Bahru.

22 APRIL

- JCorp Exhibition was held at the Atrium City Square, Johor Bahru, in conjunction with Iskandar Malaysia Open Day.

25 APRIL

- Visitation by Penang Regional Development Authority (PERDA) to JLand Bhd's headquarters and Bandar Dato' Onn, Johor Bahru.

SIGNIFICANT EVENTS 2011

29 APRIL

- Honorary visit from the Canadian High Commission at Sekijang Room 403, Persada Johor. Presentation was conducted by Johor Corporation Senior Vice President, Tuan Haji Zulkifli Ibrahim.

MAY

3 MAY

- Intrapreneur session with the President & Chief Executive of Johor Corporation at Selesa Beach Resort, Port Dickson.

6 MAY

- SISWA BISTARI Student Enhancement Programme Closing Ceremony was held at Selesa Hotel, Pasir Gudang.

7 MAY

- Opening Ceremony of the 2011 Tanjung Leman GP Joran Carnival, at Tanjung Leman, Mersing.

8 MAY

- Closing Ceremony of the 2011 GP Joran Carnival by DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan of Johor.

10 MAY

- Opening ceremony of the community supermarket, @mart Kempas, officiated by Johor Chief Minister, YAB Dato' Haji Abdul Ghani Othman.

13 MAY

- Honorary visit from The United States' Ambassador to Malaysia. Briefing session was conducted by Tuan Haji Yusof Rahmat, Managing Director of TPM Technopark at Sekijang Room 403, Persada Johor.

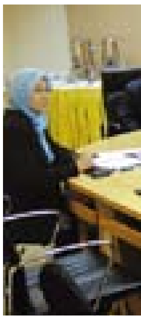
JUNE

5 JUNE

- 2011 Johor Bagus Carnival Exhibition and Economic Convention, organised by UMNO Tebrau's Economic, Intrapreneurship and Housing Bureau was held at Puteri Pacific Hotel, Johor Bahru.

10 JUNE

- Opening Ceremony of KFCH International College Johor Bahru, officiated by YB Dato 'Seri Mohamed Khalid Haji Nordin, Minister of Higher Education. It was held at Bandar Dato 'Onn, Johor Bahru.



16 JUNE

- Visit from UMNO Tanjung Karang's Economic Bureau. Presentation was conducted by Tuan Haji Zulkifli Ibrahim, Senior Vice President. It was held at Tanjung Puteri Room 303, Persada Johor.

16 JUNE

- Annual General Meeting of KPJ Healthcare Berhad was held at Tanjung Puteri Hall 303, Persada Johor.

20 JUNE

- Launching Ceremony of Special Cargo Berth Operations, Tanjung Langsat Port Sdn Bhd was held, in conjunction with Kembara Mahkota Johor 2011. The Ceremony was officiated by DYMM Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan of Johor.

22 JUNE

- Sindora Berhad's Annual General Meeting was held at Permata 3, Puteri Pacific Hotel.

23 JUNE

- The 2011 Entrepreneurial, Skills and Career Carnival (KEPAK) was officiated by Johor Chief Minister, YB Dato' Haji Ghani Othman. The opening ceremony was held at Tanjung Puteri Hall 301, Persada Johor. The carnival was organized by UPENJ, in collaboration with IRDA and the Skills Development Department.

23 JUNE

- Kulim (Malaysia) Berhad's Annual General Meeting was held at Permata 3, Puteri Pacific Hotel.

23 JUNE

- The 36th Persatuan Rekreasi Keluarga Perbadanan Johor's (PKP) Annual General Meeting was held at Kuala Danga 207, Persada Johor.

24 JUNE

- Damansara Realty Berhad's Annual General Meeting was held at Permata 3, Puteri Pacific Hotel.

28 JUNE

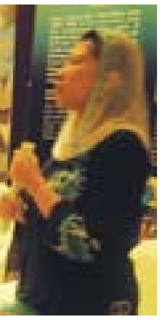
- The 10th Waqaf An-Nur Corporation Berhad's Annual General Meeting was held at Main Hall, Kompleks Mutiara Johor Land.

28 JUNE

- Annual General Meeting of Koperasi Perbadanan Johor Berhad was held at Kuala Danga 207, Persada Johor.

30 JUNE

- Ground Breaking Ceremony for the construction of the new KPJ Pahang Specialist Hospital was officiated by YAB Dato' Sri Haji Diraja Adnan Haji Yaacob, Minister of Pahang. The ceremony was held at Tanjung Lumpur, Kuantan, Pahang.






SIGNIFICANT EVENTS 2011

JULY

1 JULY

- Johor Corporation Executive Pedoman Ceremony was held at Tanjung Puteri Hall 301, Persada Johor.

4 JULY

- Tanjung Langsat Clustered Industrial Palm Oil Development Site Visit by Plantation and Community Minister, YB Tan Sri Bernard G. Dompok.

AUGUST

3 AUGUST

- Fast Breaking Ceremony with Media was organised by JCorp at Selasih Restaurant, Persada Johor.

4 AUGUST

- Johor Corporation Board of Directors' Meeting was held at Sekijang Room 403, Persada Johor. The meeting was chaired by Johor Chief Minister, YAB Dato' Haji Abdul Ghani Othman.

5 AUGUST

- Fast Breaking Ceremony with Mutiara Johor Corporation was held at Taman Bukit Mutiara Mosque. Among the agenda included contribution giveaway to Tahfiz Kadimuddin Orphanage, Pandan, Johor Bahru.

11 AUGUST

- Land Acquisition and BSN Headquarters Construction in Johor Bahru Agreement Signing Ceremony between JCorp, BSN and Damansara Asset Sdn Bhd at Executive Meeting Room, Level 4, Bangunan Dato Jaffar Muhammad, Kota Iskandar, Nusajaya.

19 AUGUST

- Al-'Aqar KPJ Reit Extraordinary Grand Meeting was held at Tanjung Puteri Room 306, Persada Johor.

19 AUGUST

- Halaqah Al-Quran Ceremony organised by Mutiara Johor Corporation was held at JCorp Musolla, Level 2, Persada Johor.

SEPTEMBER

27 SEPTEMBER

- Cocktail Reception with Investors was held at Permata Ballroom, Puteri Pacific Hotel.

27 SEPTEMBER

- Hari Raya Reception Ceremony between JCorp departments at Persada Johor.

28 SEPTEMBER

- International Johor Sultan's Cup U21 Hockey Championships Opening Ceremony was held at Persada Johor.

28 SEPTEMBER

- Aidilfitri Celebration with Tenants of Plaza Kotaraya was held at Plaza Kotaraya Lobby.

29 SEPTEMBER

- France Delegates' Visit was held in conjunction with the French Discovery Trade Mission Harbor Markets – Malaysia. The Briefing Ceremony was at Selesa Hotel, Johor Bahru.

29 SEPTEMBER – 2 OCTOBER

- Entrepreneurial, Skills and Careers Carnival (KEPAK) 2011 was held at Sultan Ibrahim Jubli Intan Hall, Mersing.

OCTOBER

8 OCTOBER

- Infaq 1 Warisan Programme was held at Ladang Mungka Lake, Segamat. The programme was co-organised by Kulim Nursery Sdn Bhd.

19 – 20 OCTOBER

- JCorp participated in the International ICC Convention at Sunway Pyramid Convention Centre, Petaling Jaya, Selangor.

20 – 23 OCTOBER

- Entrepreneurial, Skills and Careers Carnival (KEPAK) 2011 was held at Jubli Intan Skills Hall, Batu Pahat.

19 – 23 OCTOBER

- Southern Zone Buy Malaysian Products Expo 2011 officiated by YB Dato' Sri Ismail Sabri Bin Yaakob, at Persada Johor. The Expo was jointly organised by KPDNKK & JCorp.

26 – 30 OCTOBER

- Johor Yachting Open Championships 2011 organised by Johor Land Berhad and Damansara Assets Sdn Bhd was held at Tanjung Leman, Mersing. The Closing Ceremony was graced by DYAM Tunku Mahkota Johor.

SIGNIFICANT EVENTS 2011

27 OCTOBER

- The Directors' Conference, officiated by YBhg Dato' Tajudin Atan, Chief Executive Bursa Malaysia Berhad was held at Puteri Pacific Hotel.

29 OCTOBER

- World Hunger Relief Charity Walk, organised by KFCH was held at Putrajaya. The Programme was officiated by DYMM Raja Zarith Sofiah Binti Almarhum Sultan Idris Shah.

NOVEMBER

1 – 2 NOVEMBER

- JCorp's Convention Day was held at Kuala Danga 207, Persada Johor.

3 NOVEMBER

- Official Working Visit by Johor Chief Minister, YAB Dato' Haji Abdul Ghani Othman to Kampung Oren, Ulu Tiram Low Cost Terrace Housing Construction Project.

7 NOVEMBER

- Johor Military Force Camp Ground Breaking Ceremony was held at KSN Project Site, Jalan Datin Halimah, Johor Bahru.

10 NOVEMBER

- Galleria@Kotaraya Brand Launching was held at Plaza Kotaraya. The ceremony was graced by Johor Chief Minister, YAB Dato' Haji Abdul Ghani Othman.

10 – 11 NOVEMBER

- National IPT Catur Bistari Competition 2011 was held at Universiti Utara Malaysia, Kedah.

12 NOVEMBER

- Tampoi Development Agreement of Understanding Signing Ceremony between Damansara Assets Sdn Bhd, Uda Holdings Berhad and Johor Land Berhad was held at Tampoi project site. In presence were Johor Chief Minister, YAB Dato' Haji Abdul Ghani Othman and Chairman of UDA Holdings Berhad cum Pulai Parliament Member, YB Datuk Nurjazlan Bin Tan Sri Mohamed Rahmat.

15 NOVEMBER

- NACRA Dinner Celebration 2011 was held at Sime Darby Convention Centre, Kuala Lumpur. The ceremony was attended by YB Dato' Sri Ismail Sabri Bin Yaakob.

18 – 20 NOVEMBER

- JCorp participated in BN Youth Job Fair Exhibition 2011 at PWTC, Kuala Lumpur. The Officiating Ceremony was graced by Malaysian Prime Minister, YAB Dato' Sri Mohd Najib Bin Tun Razak.





26 NOVEMBER 2011

- Teraju Bumiputera Economic Transformation Programme was held in Kuala Lumpur International Convention Centre.

28 NOVEMBER 2011

- MD2 Pineapple Plantation Launching was held at Kulim (Malaysia) Berhad-owned, Ulu Tiram Plantation. The ceremony was graced by Agriculture and Agro-based Industry Minister, YB Datuk Seri Haji Noh Omar.

29 NOVEMBER 2011

- Johor Corporation's briefing to members of Johor State Auditing Committee, was held at Persada Johor.

DECEMBER

1 DECEMBER 2011

- Mutiara Kasih Appreciation Dinner was held at Tanjung Puteri 301, Persada Johor.

5 DECEMBER 2011

- The Nursing & Healthcare Sciences Convocation Ceremony was held at Putrajaya International Convention Centre (PICC), Putrajaya.

7 – 9 DECEMBER 2011

- Johor Corporation Group Hari Mekar 2011 organised by JLand Berhad was held at Persada Johor.

11 DECEMBER 2011

- Memorandum of Understanding (MoU) between JCorp and Evyap Sabun Malaysia Sdn Bhd, Kiswie Cord Sdn Bhd and Concession Agreement between Tanjung Langsat Port Sdn Bhd and Langsat Terminal (Three) Sdn Bhd and Agreement for Lease between Langsat Marine Base Sdn Bhd and Langsat Terminal (Three) Sdn Bhd. The ceremony was witnessed by Prime Minister of Malaysia, YAB Dato' Sri Mohd Najib Bin Tun Razak, at Puteri Harbour, Nusajaya.

12 DECEMBER 2011

- PUSPATRI Convocation Ceremony 2011 was held at Tanjung Puteri Hall 301, Persada Johor. The ceremony was officiated by Johor State Government EXCO, YB M Asojan. Also in presence was Tuan Haji Kamaruzzaman Bin Abu Kassim, President & Chief Executive, Johor Coporation.

JCORP IN THE MEDIA

JCorp confident of settling debt

Johor Corp has no qualms in settling its RM3.6bil bond when it matures in July next year, according to president and CEO Kamaruzzaman Abu Kassim. >7

The Star – 12/7/2011 – StarBiz

JCorp confident of settling debt

KUALA LUMPUR: Johor state investment company Johor Corp has no qualms about settling its RM3.6bil bond when it matures in July next year.

JCorp president and chief executive officer Kamaruzzaman Abu Kassim said its board was very confident that the debt can be settled in time.

"We are progressing very well (with the efforts to settle the debt)," he said briskly when asked at a press conference, after launching the Bistari Entrepreneur Mara-...

...listed subsidiaries.

When asked whether company divestments were in the books, Kamaruzzaman denied any such plans for the moment.

JCorp had a debt totalling RM8bil at the end of 2009.

The corporation doused speculation about the selling of its asset-rich agricultural company Kulim (M) Bhd two weeks ago at the Johor state assembly. The subsidiary owns QSR Brands Bhd, KFC Holdings Bhd and London-listed New Britain Palm Oil Ltd.

Naik taraf Plaza Kotaraya Oktober ini

JCorp lakukan pelbagai pembaharuan bagi kepuasan pelanggan, peniaga

KOTA TINGGI, SEGAMAT & MERSING

Bakal jadi acara tahunan

Kejohanan Perahu Layar platform pelancongan baru daerah

Cabaran Ayamas Kebangsaan 2011

Antara platform beri pelanggan perkhidmatan unggul

Usahawan dinasihat tambah nilai produk

...tuk bersaing dalam pasaran domestik, global

Johor is new hub for O&G sector

By ZAZALI MUSA
zaza@thestar.com.my

JOHOR BARU: The Government has identified Johor as the new growth centre in the country for the oil and gas (O&G) sector and related activities under the Economic Transformation Programme (ETP).

International Trade and Industry Minister Datuk Seri Mustapa Mohamed said the ministry would promote two locations in Johor dedicated to the O&G sector and related activities to domestic and foreign investors.

"We will provide incentives to the O&G players to invest in Johor," he told reporters after attending the Iskandar Malaysia Small and Medium Enterprises Outreach Awareness Dialogue organised by Iskandar Regional Development Authority yesterday.

The two locations are the Tanjung Langsat industrial area in Pasir Gudang and Teluk Ramunia. The 1,699.67ha Tanjung Langsat industrial area is being developed by Johor Corp's subsidiary TPM Technopark Sdn Bhd into a petrochemical hub.

Petronas will develop Pengerang and Teluk Ramunia.

"The importance of the O&G sector is reflected in the investments by domestic and foreign players in the sector under the ETP," said Mustapa.

The major projects in the O&G sector under the ETP are by ExxonMobil with over RM10bil investment, Shell Malaysia (RM5.1bil) and Dialog Group Bhd which will be investing RM5bil on an independent deepwater petroleum terminal in Pengerang.

Apart from Singapore-based SMEs, those from China, Europe, Japan and South Korea had also expressed their strong interest to relocate their operations to Iskandar, said Mustapa.

NATION

New home for Johor army

GROUNDBREAKING The RM118.7 million camp on a 20.71ha site will be designed using Malay architecture with tropical climate features

JOHOR BARU

Labur RM25j ubah suai Galleria @Kotaraya

JCorp tawar peluang jadi usa

Top teams to battle it out

Six countries to take part in Sultan of Johor Cup in November

JCorp plans to develop town

RECOGNITION

JOHOR CORPORATION ADFIAP AWARDS 2011

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

KULIM (MALAYSIA) BERHAD

1. ***NACRA 2011***
   - *WINNER OF INDUSTRY EXCELLENCE - PLANTATIONS & MINING (MAIN MARKET)*
2. ***THE EDGE : BILLION RINGGIT CLUB AWARD 2011***
   - *Best Performing Stock - Highest Returns to Shareholders Over Three Years (Plantation Sector)*
   - *Highest Profit Growth Company – Highest Growth in Profit Before Tax Over Three Years (Plantation Sector)*
3. ***MALAYSIA 1000:***
   - *INDUSTRY EXCELLENCE AWARD*
     - *PLANTATION SECTOR 2010/2011*
       (By Basis Holdings SdnBhd, BERNAMA& MATRADE)
4. ***GLOBAL LEADERSHIP AWARD***
   - *PLANTATION SECTOR*
     (By The Leaders International)
5. ***SCORED 'A' IN MCG INDEX 2011***
   INDUSTRY EXCELLENCE – PLANTATIONS
   (By Minority Shareholders Watchdog Group (MSWG))
6. ***MASRA 2011***
   SHORTLISTED (AR 2010)
   SUST. REPORT WITHIN ANNUAL REPORT
   (By ACCA Malaysia)
7. ***MALAYSIA'S BEST CERTIFICATE***
   Kulim Montel Farm (Basir Ismail Estate)
   (By Federal Agriculture Malaysia Authority (FAMA))
8. ***KULIM CIVILWORKS SDN BHD***
   3 Star : SME Competitiveness Rating for Enhancement (By SME Corp Malaysia)



KPJ HEALTHCARE BERHAD

2011 Awards

1. *Asia's Leading Women CEO of the Year Award, in the Women in Leadership Asia Awards – Datin Paduka Siti Sa'diah Sheikh Bakir, Managing Director of KPJ Healthcare Berhad.*
2. *Healthcare Service Provider of the Year from Frost & Sullivan – KPJ Healthcare Berhad.*
3. *Innovate Leadership in Globalization (Healthcare) from Malaysia Institute of Directors – KPJ Healthcare Berhad.*
4. *Best Performing Stock – Highest Return to Shareholder Over 3 years (Trading/Services) from The Edge 100 Billion Club – KPJ Healthcare Berhad.*
5. *Global Leadership Award: Masterclass Woman CEO of the Year from Malaysian Business Leadership Award – Datin Paduka Siti Sa'diah Sheikh Bakir, Managing Director of KPJ Healthcare Berhad.*
6. *The Most Outstanding Healthcare Provider in Ais 2011 – KPJ Healthcare from The Globals – KPJ Healthcare Berhad.*
7. *Malaysia Service To Care from Mark Plus – KPJ Ampang Puteri Specialist Hospital.*
8. *The 10th Asia Pacific International Entrepreneur Excellence Award from Asia Pacific Excellence Entrepreneur Alliance – KPJ Johor Specialist Hospital.*
9. *International Standard Quality (ISQ) Award from The EU Analysis Alliance – KPJ Johor Specialist Hospital.*
10. *International Standard Quality (ISQ) Award - Quality Beauty and Healthcare Award Category from The EU Analysis Alliance – KPJ Penang Specialist Hospital.*
11. *3 Gold Star Award - 5S Convention (Quality Environment Practices) from Malaysian Productivity Award – Kuantan Specialist Hospital.*
12. *Brand Laureate Award (Best Brand Award) from Asia Pacific Brands Foundation – KPJ Selangor Specialist Hospital.*
13. *HRDF Award from the Ministry of Human Resource – KPJ Selangor Specialist Hospital.*
14. *'Employer of Choice Award 2011' from 'Malaysian Institute of Human Resource Management'.*
15. *'Lumesse e-Recruitment Award 2011', & medalised 'The Business Impact of New Talent Acquisition 2011 e-Recruitment Awards & Symposium'.*

SINDORA BERHAD

METRO PARKING (M) SDN BHD

1 *Best Brand in Product Branding, Best Brand in Services - Parking Management and Consultancy in The Brand Laureate*

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 Brand Laureate 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 No. 4 Enactment 1968.

1971

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

1972

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

1975

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

1977

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

1988

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

EXPANSION

1991

- JSEDC 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 for 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 through out 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.

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 Specialist 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 the majority stake in Medicare Specialist Centre between Kumpulan Perubatan Johor Sdn Bhd and DBS Land Group of Singapore.

CORPORATE HISTORY

- 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 co-operation from RTM organised '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 a management agreement with the United Group Ltd, Dhaka, Bangladesh to commission, provide healthcare technical expertise and manage the Continental Hospital 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 USD60 million.

- Opening of Seremban Specialist Hospital by KPJ Healthcare Berhad.

- Increase of fatty acid annual production to 380,000 tonne by Natoleo, making Natoleo one of the largest oleochemical plants in the world.

2006

- JCorp through Kulim (Malaysia) Berhad successfully took over majority shareholding in QSR Brands berhad with 51.88% equity ownership.

- JCorp through Kulim (Malaysia) Berhad ventured into bio-diesel field, a joint-venture with Cremer Gruppe to produce 100,000 metric tonnes per annum of bio-diesel in Tanjung Langsat.

- The first waqaf hospital - 'Waqaf An-Nur Hospital' was officially opened to the public by DYAM Tunku Mahkota Johor.

- The launching and listing of the Al-'Aqar KPJ REIT, the first Islamic Healthcare REIT in the world.

- Launching of Corporate Waqaf which involved the transfer of 12.35 million unit shares owned by JCorp in Kulim (Malaysia) Berhad, 18.60 million unit shares in KPJ Healthcare Bhd and 4.32 million unit shares in Johor Land Bhd to Kumpulan Waqaf An-Nur Bhd as trustee.

- YAB Dato' Seri Abdullah Ahmad Badawi officiated at the Proclamation of the Tanjung Langsat Industrial Complex as a designated Bio-Fuel Park.

2007

- Second listing of New Britain Palm Oil (subsidiary of Kulim) at the London Stock Exchange.
- Purchase of majority shareholding in Sindora by Kulim from JCorp.
- Acquisition of Taiping Medical Centre by KPJ Healthcare Berhad.
- Setting up of KPJ International College of Nursing and Health Sciences branch campus at Metropolis Tower, Johor Bahru by KPJ Healthcare Berhad.
- JCorp managed to implement its 1st Serial 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 32 hectares of land for an amount of RM87.12 million between Tanjung Langsat Port and Asiaflex Products Sdn Bhd (Technip), Kiswire Neptune Sdn Bhd and Johor Shipyard and Engineering Sdn Bhd (JSE).
- Signing of Islamic Securities Agreement (Sukuk) between Tanjung Langsat Port and MIDF Amanah Investment Bank Berhad for issuance of RM250 million Sukuk Musyarakah Bond and RM135 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 RM480 million.
- Handling of the first vessel loading 2,817 M^3 of Palm Fatty Acid Distillates from Langsat Bulkers Storage Tank.
- Unincorporated Joint Venture agreement between Damansara Asset Sdn Bhd and Municipal Council Pasir Gudang to construct the Aqabah Tower, with construction cost of RM11 million.
- The construction of JCorp's new office in Bandar Dato' Onn with RM28 million in total cost of construction.

2009

- JCorp managed to implement its 2nd Serial Bonds Redemption under Corporate Structuring Masterplan on 31 July 2009 that is the Guarenteed Islamic Redeemable Bonds (Bai'Bithaman Ajil) valued at RM653,530,785 and Redeemable Secured Certificates (Bai'Bithaman Ajil) valued at 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 organised by JCorp in collaboration with Corporate Bureau, Malaysian Islamic Chamber of Commerce (DPIM).
- The Launching of Waqaf Brigade 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.

CORPORATE HISTORY

- Kulim (Malaysia) Berhad won the award for 'Best First Time Report & Commendation For Strategy And Governance' at the Malaysia Sustainability Reporting Award (MSRA) 2009 at Hilton Hotel, Kuala Lumpur. Kulim (Malaysia) Berhad was represented by Tuan Haji Zulkifli Ibrahim, Chief Operation Officer of Kulim (Malaysia) Berhad. The award was delivered by YB Datuk Wira Chor Chee Heung, Deputy Finance Minister.

- JCorp's Waqaf Brigade Elite Team through National Security Council departed to Padang, Sumatera, Indonesia with a TUDM aircraft from TUDM Subang airport, Selangor to help the earthquake victims in the area. 10 recruits of Elite Team was led by Tn. Hj. Mohd Hizam Abdul Rauf, Company Chief of Ali Abu Talib. The aid channeled include 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 Johor State Head of Department 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 the Malaysian Band Association was graced by YAM Raja Zarith Sofiah Binti Almarhum Sultan Idris Shah, Pioneer of Malaysian Band Association.

- 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 received recognition and was awarded Global CSR Summit Awards 2009 for the Gold For Best Environmental Excellence category held at Raffles Hotel Singapore.

2010

- Appointment of Kamaruzzaman bin Abu Kassim as JCorp's 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 STATEMENTS

CERTIFICATE OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF JOHOR CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2011

The Financial Statements of Johor Corporation and the Group for the year ended 31 December 2011 have been audited by my representative. The management is responsible for the said financial statements. My responsibilities are to audit and to give opinion to the aforesaid financial statements.

The auditing has been conducted pursuant to the Audit Act 1957 and in accordance with the approved auditing standards. Such standards require the auditing to be planned and to be conducted for the purpose of obtaining reasonable certainty whether the financial statements are free from significant errors or material omission. The auditing included examining records on a test basis, verifying the evidence which supports the amounts and ascertaining adequate disclosures in the financial statements. Evaluation has also been made on the accounting principles applied, significant projections made by management and the overall presentation of the financial statements. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statement shows a true and fair view of the financial position of Johor Corporation and the Group as at 31 December 2011, the operational results and the cash flow for the said year based on the approved accounting standards.

I have considered the financial statements and the auditors' reports for all subsidiary companies, of which I have not audited as stated in the Notes to the consolidated financial statements. I am satisfied that such financial statements that have 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 statements. I have also received satisfactory information and explanations as required for the said purpose.

The auditor's reports on the financial statements of such subsidiary companies do not contain any observations which could affect the consolidated financial statements.

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

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

PUTRAJAYA
12 APRIL 2011

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF JOHOR CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2011

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

2. The audit observations on the financial statements are as follows:

2.1 Repayments of Loan - RM3,48 billion

Johor Corporation and the Group's current liabilities have exceeded their current assets of RM1.95 billion and RM2.12 billion, respectively. Johor Corporation's total loan of RM3.48 billion, which will mature on 31 July 2012, comprises the Revolving Credit Committed Islamic Facility ("CRCF") of RM0.40 billion, Redeemable Secured Certificates ("RSC") of RM0.19 billion and the Guaranteed Redeemable Islamic Bond ("GRIB") of RM2,891 billion. Johor Corporation sold some of its plantation assets and Johor Corporation's Board of Directors has approved the appointment of investment banks as Joint Lead Arrangers and Joint Book-Runners for the issuance of Sukuk Wakalah of RM3 billion to meet its financial obligations. The Sukuk issuance will be guaranteed by the Government of Malaysia.

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

PUTRAJAYA
12 APRIL 2012

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 2011.

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 before tax	1,417	114
Tax	(359)	23
Profit net of tax	1,058	137
Profit attributable to:		
Johor Corporation	368	137
Non-controlling Interests	690	-
	1,058	137

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 Dato' Sri Dr Ali Bin Hamsa	(Deputy Chairman)
YBhg Tuan Haji Kamaruzzaman Bin Abu Kassim	(President and Group Chief Executive)
YB Dato' Haji Ahmad Zahri Bin Jamil	
YB Dato' Haji Obet Bin Tawil	(Appointed on 14 March 2011)
YB Datuk Abdul Rahman Putra Bin Dato' Haji Taha	
YB Datin Paduka Zainon Binti Haji Yusof	(Retired on 28 June 2011 and reappointed on 15 August 2011)
YBhg Dato' Paduka Ismee Bin Ismail	
YBhg Datuk Dr Rahamat Bivi Binti Yusoff	(Retired* on 18 October 2011 and reappointed on 1 November 2011)
YB Tuan Haji Marsan Bin Kassim	(Appointed on 28 June 2011)
YBhg Datuk Dr Rebecca Fatima Sta Maria	(Appointed on 1 July 2011)
YB Dato' Haji Abd Latiff Bin Yusof	(Retired on 14 March 2011)
YBhg Datuk Dr Haji Haris Bin Haji Salleh	(Retired on 1 July 2011)

Note:

* *She originally served as Deputy Chief Secretary of Treasury (Systems and Control), Ministry of Finance and was appointed as Director General of the Economic Planning Unit (EPU) of the Prime Minister Department with effect from 19 October 2011, re-elected as Member of Johor Corporation to represent the Federal Government from 1 November 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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

(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.

(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

26 March 2012

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 respectively, do hereby state that, in the opinion of the Directors, the accompanying financial statements as stated in the Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity and Statements 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 2011 and of their 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

26 March 2012

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

I, Zulkifli bin Ibrahim, 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 Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity and Statements 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 26 MAC 2012

Before me,

PESURUHJAYA SUMPAH
No J 150
Nama : AMINAH BINTI ABDULLAH
MALAYSIA
S20B-PODIUM 1
MENARA ANSAR
JOHOR BAHRU

Commissioner of Oaths

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Amounts in RM Million Unless Otherwise Stated

		Group		Corporation	
	Note	2011	2010	2011	2010
Continuing operations					
Revenue	4	7,813	7,524	474	388
Cost of sales		(4,000)	(4,207)	(189)	(217)
Gross profit		3,813	3,317	285	171
Other items of income					
Other income	5	549	561	135	247
Other items of expense					
Distribution expenses		(1,760)	(1,549)	(5)	(5)
Administrative expenses		(769)	(925)	(55)	(86)
Finance costs	7	(380)	(351)	(195)	(185)
Other expenses	6	(115)	(161)	(51)	(24)
Share of results of associates, net of tax		79	70	-	-
Profit before tax from continuing operations	8	1,417	962	114	118
Income tax expense	11	(359)	(280)	23	1
Profit from continuing operations, net of tax		**1,058**	**682**	**137**	**119**
Discontinued operation					
Loss from discontinued operation, net of tax	12	-	(2)	-	-
Gain on disposal of discontinued operation	12	-	154	-	-
Profit net of tax		***1,058***	***834***	***137***	***119***

	Note	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Other comprehensive income:					
Net surplus from revaluation		1	6	-	-
Cash flow hedges		121	(97)	-	-
Fair value of available for sale financial assets		(2)	56	-	-
Foreign currency translation		486	5	-	-
Other comprehensive income for the year, net of tax		***606***	***(30)***	***-***	***-***
Total comprehensive income for the year		***1,664***	***804***	***137***	***119***
Profit attributable to:					
Johor Corporation		368	302	137	119
Non controlling interests		690	532	-	-
		1,058	834	137	119
Total comprehensive income attributable to:					
Johor Corporation		545	287	137	119
Non controlling interests		1,119	517	-	-
		1,664	***804***	***137***	***119***

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

Amounts in RM Million Unless Otherwise Stated

		Group		Corporation	
	Note	2011	2010	2011	2010
ASSETS					
Non-current assets					
Property, plant and equipment	14	8,658	7,225	164	334
Property development	23	124	117	25	25
Investment properties	15	2,062	1,904	286	390
Intangible assets	16	1,093	1,042	-	-
Land use rights	17	53	92	-	-
Investment in subsidiaries	18	-	-	2,513	2,508
Investment in associates	19	531	507	180	180
Deferred tax assets	21	120	86	24	27
Other investments	13	61	232	4	14
		12,702	11,205	3,196	3,478
Current assets					
Property development	23	494	556	157	190
Inventories	24	1,005	791	41	54
Trade and other receivables	22	1,070	876	1,302	1,305
Other currents assets	25	82	29	6	1
Other investments	13	253	169	153	10
Tax recoverable		-	32	66	57
Cash and bank balances	28	1,557	668	786	78
		4,461	3,121	2,511	1,695
Assets of disposal group classified as held for sale	20	112	58	99	-
		4,573	3,179	2,610	1,695
Total Assets		***17,275***	***14,384***	***5,806***	***5,173***

	Note	Group 2011	Group 2010	Corporation 2011	Corporation 2010
EQUITY AND LIABILITIES					
Current liabilities					
Tax payable		151	121	-	-
Loans and borrowings	30	5,030	2,151	3,542	461
Trade and other payables	31	1,519	1,452	1,024	824
Other current liabilities	32	-	2	-	-
Derivatives financial instruments	27	2	150	-	-
		6,702	3,876	4,566	1,285
Net current (liabilities) / assets		***(2,129)***	***(697)***	***(1,956)***	***410***
Non-current liabilities					
Other long term liabilities	29	357	149	201	3
Deferred tax liabilities	21	1,141	791	7	33
Loans and borrowings	30	2,690	4,508	28	2,982
Derivatives financial instruments	27	-	25	-	-
		4,188	5,473	236	3,018
Total liabilities		***10,890***	***9,349***	***4,802***	***4,303***
Net assets		***6,385***	***5,035***	***1,004***	***870***
Equity					
Capital reserves	33	955	998	55	55
Hedge reserves	33	(28)	(41)	-	-
Equity transaction reserves	33	(17)	-	-	-
Currency fluctuation reserves	33	(12)	(109)	-	-
Fair value adjustments reserves	33	53	30	-	-
Revenue reserves		926	518	949	815
		1,877	1,396	1,004	870
Non-controlling interests		4,508	3,639	-	-
Total equity		***6,385***	***5,035***	***1,004***	***870***
Total equity and liabilities		***17,275***	***14,384***	***5,806***	***5,173***

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Amounts in RM Million Unless Otherwise Stated

2010 Group	Capital reserves	Hedge reserves	Currency fluctuation reserves	Fair value adjustment reserve	Revenue reserves	Total	Non-controlling 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 subsidiaries	-	-	-	-	-	-	(115)	(115)
Acquisition of new subsidiaries	-	-	-	-	-	-	(4)	(4)
Additional interest in subsidiaries	-	-	-	-	-	-	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**

2011 Group	Capital reserves	Hedge reserves	Currency fluctuation reserves	Fair value adjustment reserve	Equity transaction reserve	Revenue reserves	Total	Non-controlling interests	Total equity
Opening balance at 1 January 2011	***998***	***(41)***	***(109)***	***30***	***-***	***518***	***1,396***	***3,639***	***5,035***
Profit net of tax	-	-	-	-	-	368	368	690	1,058
Other comprehensive Income									
Revaluation surplus	1	-	-	-	-	-	1	-	1
Foreign exchange adjustments	-	-	119	-	-	-	119	367	486
Cash flow hedges	-	13	-	54	-	-	67	54	121
Fair value of available for sale financial assets	-	-	-	(31)	-	30	(1)	(1)	(2)
Transfer from reserve to retained profit	-	-	(22)	-	-	13	(9)	9	-
Total other comprehensive income for the year	1	13	97	23	-	43	177	429	606
Total comprehensive income for the year	1	13	97	23	-	411	545	1,119	1,664
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(124)	(124)
Dilution of interest in subsidiaries	-	-	-	-	(44)	-	(44)	15	(29)
Acquisition of new subsidiaries	-	-	-	-	-	-	-	(82)	(82)
Acquisition of non-controlling interest in subsidiaries	-	-	-	-	(17)	-	(17)	(54)	(71)
Distribution of fund to State Government	-	-	-	-	-	(3)	(3)	-	(3)
Share buy-back by subsidiaries	-	-	-	-	-	-	-	(5)	(5)
	-	-	-	-	(61)	(3)	(64)	(250)	(314)
Closing balance at 31 December 2011	**999**	**(28)**	**(12)**	**53**	**(61)**	**926**	**1,877**	**4,508**	**6,385**

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011
Amounts in RM Million Unless Otherwise Stated
CONTINUED

Corporation	Capital Reserves	Revenue Reserves	Total Equity
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 and Opening balance at 1 January 2011	***55***	***815***	***870***
Total comprehensive income	-	137	137
Distribution of fund to State Government	-	(3)	(3)
Closing balance at 31 December 2011	***55***	***949***	***1,004***

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Amounts in RM Million Unless Otherwise Stated

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
OPERATING ACTIVITIES				
Profit before tax:				
Continuing operations	1,417	962	114	118
Discontinued operation	-	1	-	-
Adjustments:				
Property, plant and equipment:				
- Net gain on disposal	(4)	(1)	(17)	-
- Written off	2	11	-	-
- Depreciation	480	419	9	10
- Impairment loss	7	47	-	-
Investment property:				
- Changes in fair value	(37)	(22)	-	(17)
- Net (gain)/loss on disposal	(3)	-	(3)	2
Land use rights:				
- Amortisation	1	2	-	-
(Gain)/Loss on disposal of:				
- Subsidiaries	(98)	(110)	8	-
- Discontinued operation	-	(154)	-	-
- Partial interest in subsidiaries	-	(47)	(1)	(15)
- Associates	-	19	-	(79)
- Other investments	(41)	(108)	(3)	(109)
- Development expenditure	-	1	-	-
Investments:				
- Changes in fair value	(115)	(8)	(97)	(3)
- Allowance for diminution	-	4	20	15
Intangible assets:				
- Amortisation	9	10	-	-
- Written off	-	3	-	-
Dividend income	(3)	(3)	(186)	(141)
Gain on exchange differences	(151)	-	-	-
Amortisation of government grant	(13)	(22)	(3)	(6)
Allowance for impairment of receivables	13	3	24	21
Interest expense	380	351	195	185
Interest income	(6)	(12)	(10)	(4)
Share of results of associates	(79)	(70)	-	-
Operating profit/(loss) before changes in working capital	**1,759**	**1,276**	**50**	**(23)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011
Amounts in RM Million Unless Otherwise Stated
CONTINUED

	Group		Corporation	
	2011	**2010**	**2011**	**2010**
Changes in working capital				
Bank deposits not regarded as cash equivalents	(507)	(26)	(515)	(25)
Inventories	(219)	(196)	3	10
Property development cost	(106)	23	31	(26)
Receivables	(217)	142	20	(9)
Payables	499	(143)	186	43
Associates	70	(157)	-	-
Short term borrowings	-	(353)	-	-
Cash generated from/(used in) operations	**1,279**	**566**	**(225)**	**(30)**
Land and property development	-	(118)	-	-
Tax Refund	1	-	-	-
Tax Paid	(100)	(31)	-	-
Dividend received	-	3	151	28
Interest received	6	12	6	1
Net cash generated from/(used in) operating activities	**1,186**	**432**	**(68)**	**(1)**
INVESTING ACTIVITIES				
Proceeds from disposal of investment in:				
- Subsidiaries	-	531	5	50
- Associates	-	87	-	96
- Other investments	212	75	-	133
- Short term investments	-	-	13	-
Property, plant and equipment:				
- Proceeds from disposal	37	176	184	-
- Purchase	(1,326)	(1,012)	(12)	(10)
Investment property:				
- Proceeds from disposal	28	36	23	-
- Purchase	(29)	(131)	-	(3)
Intangible assets:				
- Addition	(8)	(18)	-	-
Land use rights:				
- Purchase	(2)	-	-	-
Acquisition of subsidiaries, net of cash acquired	(17)	(646)	-	-
Acquisition of associates	-	(168)	-	-
Purchase of:				
- Partial Interest in subsidiaries	(97)	-	(31)	(203)
- Partial interest in associates	-	-	-	(4)
- Other investments	(214)	(213)	(51)	(27)
Net cash flows (used in)/generated from investing activities	**(1,416)**	**(1,283)**	**131**	**32**

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
FINANCING ACTIVITIES				
Repayment of term loans and other long term borrowings	(894)	(662)	(3)	(2)
Repayment of hire purchase and leases	(7)	(12)	-	-
Drawndown of term loans and other long term borrowings	1,791	1,762	-	15
Government grant received	189	23	182	7
Interest paid	(380)	(351)	(47)	(45)
Dividend paid to minority interests	(124)	(9)	-	-
Distribution of fund to State Government	(3)	(2)	(3)	(2)
Net cash generated from/(used in) financing activities	**572**	**749**	**129**	**(27)**
Net increase/(decrease) in cash and cash equivalents	342	(102)	192	4
Cash and cash equivalents at 1 January	**512**	**527**	**21**	**17**
Effect of exchange rate changes on cash and cash equivalents	2	87	-	-
Cash and cash equivalents at 31 December	**856**	**512**	**213**	**21**
CASH AND CASH EQUIVALENTS				
Cash and bank balances	576	385	10	1
Fixed deposits	981	283	776	77
	1,557	668	786	78
Fixed deposits subject to restriction/pledged	(581)	(73)	(573)	(57)
Bank overdrafts	(120)	(83)	-	-
	856	512	213	21

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 2011

1. CORPORATE INFORMATION

Johor Corporation was incorporated under the Johor Corporation Enactment (No. 4, 1968), (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 2011 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 26 March 2012.

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 2011 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 2011, the Group and the Corporation adopted the following new and amended FRS and IC Interpretations.

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 March 2010
Amendments to FRS 132 Classification of Rights Issues

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

FRSs, Interpretations and Amendments effective for annual periods 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
- 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
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards
  - Additional Exemption for First-time Adopters
- Amendments to FRS 2 Group Cash-settled Share Based Payment
- Improvements to FRSs issued in 2010
- IC Interpretation 4 Determining whether an Arrangement contains a Lease
- IC Interpretation 18 Transfers of Assets from Customers

The adoption of the above new and amended 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 127 *Consolidated* and Separate Financial Statements revised

- A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss.
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity, and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 January 2011. The changes will affect future transactions with non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011
Amendments to IC Interpretation 14 *Prepayments of a Minimum Funding Requirement*	1 July 2011
FRS 124 *Related Party Disclosures*	1 January 2012
Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7 *Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets*	1 January 2012
Amendments to FRS 101 *Presentation of items of Other Comprehensive Income*	1 July 2012
FRS 10 *Consolidated Financial Statements*	1 January 2013
FRS 11 *Joint Arrangements*	1 January 2013
FRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
FRS 13 *Fair Value Measurement*	1 January 2013
FRS 119 *Employee Benefits*	1 January 2013
FRS 127 *Separate Financial Statements*	1 January 2013
FRS 128 *Investment in Associate and Joint Venture*	1 January 2013
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
Amendments to FRS 7: *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to FRS 132: *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 9 *Financial Instruments*	1 January 2015

Except as disclosed below, the directors do not expect any material impact on the financial statements in the period of initial application:

Amendments to FRS 112 Deferred Tax Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Amendments to FRS 101 Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Groups' financial position or performance.

FRS 9 *Financial Instruments*

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 139 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 10 *Consolidated Financial Statements*

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 12 *Disclosure of Interests in Other Entities*

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13 *Fair Value Measurement*

FRS 13 establishes a single source of guidance under FRS for all fair value measurement. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127 *Separate Financial Statements*

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128 *Investments in Associates and Joint Ventures*

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Amendments to FRS 7 Disclosures - *Offsetting Financial Assets and Financial Liabilities*

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities*

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 14 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called as 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition 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. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.9(a). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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 non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

c) Foreign operations

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.

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Freehold and leasehold plantation lands of the Group have not been revalued since they were last revalued in 1997. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of IAS 16 (Revised) Property, Plant and Equipment, these assets continue to be stated at their valuation less accumulated depreciation.

All expenditure relating to the development of oil palm field (immature field) is classified under estate development expenditure. This cost will be amortised over the useful life when the field reaches maturity. The maturity date for estate development expenditure is the point in time when such new planting areas achieve yields of at least 8.60 tonnes of fresh fruit bunches per hectare per annum or 48 months from the date of initial planting, whichever is earlier. Estate overhead expenditure is apportioned to profit or loss and estate development expenditure on the basis of proportion of mature to immature areas.

Subsequent to recognition, property, plant and equipment 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 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:

- Leasehold land	15 – 904 years
- Leasehold improvements and renovations	10 years
- Estate development expenditure	17 – 20 years from year of maturity
- Buildings	4 – 50 years
- Vessels, plant and machinery	3 – 25 years
- Restaurants and office equipment	5 – 15 years
- Furniture and fixtures	4 – 20 years
- Motor Vehicles	3 – 5 years

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011
CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

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 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.

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.

2.9 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 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 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.

2.10 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.

2.11 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 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.

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. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 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.

2.13 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Associates (continued)

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.

2.14 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.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses (other than those relating to derivatives which qualify for hedge accounting, as explained in Note 2.32) arising from changes in fair value are recognised in profit or loss.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial assets (continued)

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 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.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of financial assets (continued)

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

The carrying amount of the financial asset 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.

2.16 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. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.18 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Land held for property development and property development costs (continued)

(ii) Property development costs (continued)

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.

2.19 Inventories

Inventories consist of raw material, stores, work-in-progress and completed shops and house. Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost method other than inventories relating to the Group's quick service restaurant business segment. These inventories, comprising raw materials, groceries, poultry and consumables, equipment and spares and finished goods, are determined on the first-in, first out method.

The cost of agricultural produce is based on the weighted average method and includes the cost of direct materials and an appropriate proportion of estate revenue expenditure, manufacturing costs and overhead costs 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.

2.20 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 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 installments.

2.22 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Financial liabilities (continued)

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.

2.23 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

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.

2.25 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Employee benefits (continued)

(b) Defined benefit plans

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting period on 7 year high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by a qualified actuary conducted every 2 years with the last actuarial report dated 13 January 2012 using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or any settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in personnel expenses in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, change in the present value of defined benefit obligation and any related actuarial gains and losses and past service cost that had not previously been recognised.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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 recognition

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Revenue recognition (continued)

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 2.18(ii).

d) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.17.

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. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Income taxes (continued)

b) Deferred tax (continued)

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.

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.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.32 Hedge Accounting

The Group uses derivatives to manage its exposure to commodity price risk (specifically fluctuations in palm oil prices). The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationship are classified as cash flow hedges. Cash flow hedging is applied when the Group hedges exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows.

(a) Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

Amounts recognised in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale occurs. Where the hedged item is a non-financial asset or a non-financial liability, the amounts recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Hedge Accounting (continued)

(a) Cash flow hedge (continued)

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

The Group uses forward commodity contracts for its exposure to volatility in the commodity prices. Refer to Note 27 for more details.

(b) Derivatives that are not designated or do not qualify for hedge accounting

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are directly recognised in profit or loss.

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.

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

a) Impairment of goodwill, brand name and franchise rights

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.

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, brands and franchise rights 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

b) Impairment of loans and receivables (continued)

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 and details of the Group's receivables at the reporting date are 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.

4. REVENUE

	Group		Corporation	
	2011	2010	2011	2010
Goods sold	6,969	5,438	149	168
Property and industrial development	251	260	122	53
Healthcare services	21	1,243	-	-
Hotel and tourism services	59	56	-	-
Management services	39	112	-	-
Sale of short term investments	10	20	10	19
Dividend income	3	3	186	141
Rental income	72	100	7	7
Parking and related services	118	112	-	-
Mailing and printing	32	37	-	-
Transportation services	43	45	-	-
Rendering of other services	196	98	-	-
	7,813	7,524	474	388

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5. OTHER INCOME

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

	Group		Corporation	
	2011	2010	2011	2010
- Amortization of government grant (Note 29)	13	22	3	6
- Changes in fair value of investment properties (Note 15)	37	22	-	17
- Changes in fair value of other investments	115	8	97	3
- Gain on disposal of:				
Investment properties	3	-	3	-
Property, plant and equipment	12	1	(17)	-
Subsidiaries/associates	98	110	8	79
Partial subsidiaries	-	47	-	15
Other investments	41	108	3	109
Land use rights	17	-	17	-
- Interest Income	6	12	10	4
- Net gain arising on recognition of agriculture	46	66	-	-

6. OTHER EXPENSES

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

	Group		Corporation	
	2011	2010	2011	2010
- Allowance for impairment of receivables	13	3	24	21
- Amortization of intangible assets (Note 16)	9	10	-	-
- Contribution for repurchase of unit trust	2	5	-	-
- Allowance for diminution of investments	-	4	20	15
- Impairment on amount due from customer on contract	8	-	-	-
- Impairment of property, plant and equipment	7	47	-	-
- Loss on disposal of:				
Associates	-	19	-	-
Property, plant and equipment	8	-	-	-
Investment properties	-	-	-	2
- Liquidated ascertain damages expenses for house purchasers/doubtful debt	-	2	-	-
- Intangible assets written off	-	3	-	-
- Legal and professional fees	5	2	-	-
- Amortisation of revaluation surplus	10	10	-	-

7. FINANCE COSTS

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Guaranteed Redeemable Islamic Bond	181	173	151	144
Term loan	114	101	-	-
Short term borrowings	60	63	42	38
Others	25	16	2	3
Total finance costs	380	353	195	185
Less amount capitalised to:				
Property, plant and equipment (Note 14)	-	(2)	-	-
	380	351	195	185

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Hire of property, plant and equipment	280	262	-	-
Property, plant and equipment				
- Depreciation (Note 14)	480	419	9	10
- Impairment (Note 14)	7	47	-	-
- Written off	2	11	-	-
Land use rights:				
- Amortisation (Note 17)	1	2	-	-
Rental of offices and buildings	5	5	2	1

9. EMPLOYEE BENEFITS EXPENSE

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Wages, salaries and bonus	866	731	10	12
Defined contribution retirement plan	65	57	1	1
Other employee benefits	174	167	-	-
	1,105	955	11	13

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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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-executive directors:				
- Fees	967	882	967	882
Executive directors:				
- Fees	3,531	1,900	-	98
- Remuneration	3,193	2,586	778	454
Other short term employee benefits including estimated monetary value of benefits-in-kind	91	194	-	105
Defined contribution retirement plan	889	598	93	60
	8,671	6,160	1,838	1,599
Other key management personnel:				
- Short-term employee benefits	4,576	2,289	2,203	1,724
	13,247	8,449	4,041	3,323

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.

11. TAX EXPENSE

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Current tax for the year:				
- Malaysia	157	146	-	-
- Foreign	137	80	-	-
Deferred tax:				
- Malaysia	5	10	(23)	(1)
- Foreign	60	44	-	-
Income tax attributable to continuing operations	359	280	(23)	(1)
Income tax attributable to discontinued operation (Note 12)	-	(3)	-	-
Share of tax of associates	21	23	-	-
Total tax expenses	380	300	(23)	(1)
The total tax expense for the year relates to the following:				
- Current year	312	232	-	-
- Over provisions in prior years	(18)	(6)	-	-
	294	226	-	-
Deferred tax:				
- Origination and reversal of temporary differences	71	70	-	14
- Over provisions in prior years	(6)	(16)	(23)	(15)
	65	54	(23)	(1)
Income tax attributable to continuing operations	359	280	(23)	(1)
Income tax attributable to discontinued operation (Note 12)	-	(3)	-	-
Share of tax of associates	21	23	-	-
Total tax expenses	380	300	(23)	(1)

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11. TAX EXPENSE (CONTINUED)

Reconciliation of effective tax expense:

	Group		Corporation	
	2011	2010	2011	2010
Profit before tax from continuing operations	1,417	962	114	118
Profit before tax from discontinued operation (Note 12)	-	1	-	-
	1,417	963	114	118
Tax at Malaysian statutory tax rate of 25% (2010: 25%)	354	241	28	29
Different tax rates in other countries	36	23	-	-
Non deductible expenses	106	118	32	52
Income not subject to tax	(130)	(94)	(69)	(67)
Deferred tax assets not recognised during the year	19	6	9	-
Recognition of previously unrecognized deferred tax asset	(2)	(1)	-	-
Others	-	6	-	-
Share of results of associates	21	23	-	-
Over provision in prior year:				
- Income tax	(18)	(6)	-	-
- Deferred tax	(6)	(16)	(23)	(15)
Tax expense	380	300	(23)	(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.

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

On 30 September 2010, the Group disposed of its indirect subsidiary, Natural Oleochemicals Sdn Bhd. The management sold this oleochemical division due to the strategic decision to place greater focus on 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
Land use rights	6
Deferred tax assets	7
Inventories	107

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

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

	2010
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

Statement of comprehensive income disclosures

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

	Group 2010 9 months
Revenue	881
Cost of sales	(878)
Gross profit	3
Other income	28
Distribution expenses	(6)
Administrative expenses	(17)
Other expenses	-
Profit from operations	8
Finance cost	(7)
Results from operating activities	1
Income tax expense	
- Income tax (Note 11)	(3)
Loss from discontinued operation, net of tax	(2)

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13. OTHER INVESTMENTS

		Shares In Malaysia		Warrant In Malaysia
Group 2011	**Total**	**Unquoted**	**Quoted**	**Quoted**
Non - current:				
Available-for-sale financial assets	48	6	42	-
Financial assets at fair value through profit or loss	13	-	3	10
	61	6	45	10
Current:				
Available-for-sale financial assets	33	-	33	-
Financial assets at fair value through profit or loss	220	-	11	209
	253	-	44	209
	314	6	89	219
Representing items:				
At cost/amortised cost	6	6	-	-
At fair value	308	-	89	219
	314	6	89	219

13. OTHER INVESTMENTS (CONTINUED)

Group 2010	Total	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Warrant in Malaysia Quoted	Subordinated bond in Malaysia Unquoted	Fund 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

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13. OTHER INVESTMENTS (CONTINUED)

Corporation 2011	Total	Quoted Shares in Malaysia	Quoted Warrant in Malaysia
Non - current:			
Available-for-sale financial assets	4	4	-
	4	4	-
Current:			
Financial assets at fair value through profit or loss	153	8	145
	153	8	145
	157	12	145
Representing items:			
At cost/amortised cost	-	-	-
At fair value	157	12	145
	157	12	145

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

Certain subsidiaries investment in quoted shares amounting to RM38,103,682 (2010: RM9,756,433) 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.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Estate deve-lopment ex-penditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
Cost or valuation:							
At 1 January 2010	1,505	822	1,171	1,568	3,810	599	9,475
Additions	17	38	140	53	415	385	1,048
Disposals	(2)	-	(7)	(13)	(62)	(1)	(85)
Write off	(2)	-	(5)	(4)	(17)	(3)	(31)
Transfers	-	-	-	76	435	(510)	1
Disposal of subsidiaries	(73)	(33)	-	(90)	(684)	(51)	(931)
Acquisition of subsidiaries	5	33	464	149	174	21	846
Discontinued operation	-	(9)	-	(108)	(328)	-	(445)
Exchange differences	(1)	-	(55)	(40)	(65)	(40)	(201)
At 31 December 2010 and 1 January 2011	**1,449**	**851**	**1,708**	**1,591**	**3,678**	**400**	**9,677**
Additions	27	14	374	58	501	375	1,349
Disposals	(8)	(1)	-	(5)	(65)	-	(79)
Write off	-	-	(11)	(2)	(15)	-	(28)
Transfers:							
to investment properties	-	(38)	-	-	-	-	(38)
from property development cost (Note 23 (b))	-	-	-	2	-	-	2
Reclassification	-	14	-	72	250	(322)	14
Disposal of subsidiaries	(1)	-	-	(7)	(10)	-	(18)
Acquisition of subsidiaries	-	-	-	-	171	-	171
Exchange differences	-	-	122	170	125	60	477
At 31 December 2011	**1,467**	**840**	**2,193**	**1,879**	**4,635**	**513**	**11,527**

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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 2010	-	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 and 1 January 2011	**2**	**68**	**374**	**404**	**1,451**	**-**	**2,299**
Charge for the year (Note 8)	-	10	54	48	368	-	480
Disposals	(2)	(1)	-	(2)	(49)	-	(54)
Write off	-	-	(11)	(1)	(14)	-	(26)
Transfers to investment properties	-	(1)	-	-	-	-	(1)
Reclassification	-	-	-	1	(1)	-	-
Disposal of subsidiaries	-	-	-	(3)	(9)	-	(12)
Acquisition of subsidiaries	-	-	-	-	4	-	4
Exchange differences	-	-	3	2	14	-	19
At 31 December 2011	**-**	**76**	**420**	**449**	**1,764**	**-**	**2,709**

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 2010	59	-	12	28	6	1	108
Impairment loss (Note 8)	-	-	-	11	36	-	47
At 31 December 2010 and 1 January 2011	59	-	12	39	42	1	153
Impairment loss (Note 8)	3	2	-	(3)	5	-	7
At 31 December 2011	62	2	12	36	47	1	160
Net carrying amount:							
At 31 December 2010	1,388	783	1,322	1,148	2,185	399	7,225
At 31 December 2011	1,405	762	1,761	1,394	2,824	512	8,658

Corporation

At cost or Valuation							
At 1 January 2010	**1**	**273**	**79**	**65**	**82**	**2**	**502**
Addition	-	-	5	1	4	-	10
Disposals	-	-	-	(1)	(2)	-	(3)
Write off	-	-	-	-	(1)	-	(1)
Transfer	-	-	-	-	2	(2)	-
At 31 December 2010 and 1 January 2011	**1**	**273**	**84**	**65**	**85**	**-**	**508**
Addition	-	1	8	1	2	-	12
Disposals	-	(152)	(35)	(2)	(2)	-	(191)
Write off	-	-	-	(1)	(1)	-	(2)
Reclassification as held for sale	-	(1)	(20)	(11)	(21)	-	(53)
At 31 December 2011	**1**	**121**	**37**	**52**	**63**	**-**	**274**

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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 2010	-	12	45	39	71	-	167
Charge for the year (Note 8)	-	3	1	3	3	-	10
Disposals	-	-	-	(1)	(2)	-	(3)
Revaluation	-	-	-	-	(1)	-	(1)
At 31 December 2010 and 1 January 2011	**-**	**15**	**46**	**41**	**71**	**-**	**173**
Charge for the year (Note 8)	-	1	3	2	3	-	9
Disposals	-	(9)	(12)	(1)	(2)	-	(24)
Write off	-	-	-	(1)	(1)	-	(2)
Reclassification as held for sale	-	-	(18)	(10)	(19)	-	(47)
At 31 December 2011	**-**	**7**	**19**	**31**	**52**	**-**	**109**
Accumulated Impairment Losses							
At 1 January 2010	-	1	-	-	-	-	1
At 31 December 2010 and at 31 December 2011	-	1	-	-	-	-	1
Carrying Amount							
At 31 December 2010	1	257	38	24	14	-	334
At 31 December 2011	1	113	18	21	11	-	164

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of property, plant and equipment acquired under finance leases of the Group amounted to RM33 million (2010: RM28 million).

Included in additions of the Group is borrowing cost of RM Nil (2010: RM2 million) capitalised during the year (Note 7).

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM1,349 million (2010: RM1,048 million). The acquisition is settled through the following means:

	Group	
	2011	2010
Cash payment	1,326	1,012
Under finance lease	23	36
Total	1,349	1,048

As at 31 December 2011, property, plant and equipment of the Group and the Corporation with net book value of RM3,223 million (2010: RM2,770 million) and RM10 million (2010: RM10 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	
	2011	2010	2011	2010
Cost				
Freehold & leasehold land	1,063	265	1	1
Estate development expenditure	2,028	1,621	36	84
Buildings	1,833	1,604	53	65
Valuation				
Freehold land	1,219	1,252	-	-
Leasehold land	3	-	-	-
	6,146	4,742	90	150

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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	
	2011	2010	2011	2010
Net book value				
Freehold land	377	318	-	-
Buildings	1	1	-	-
	378	319	-	-

15. INVESTMENT PROPERTIES

	At Fair Value	
	2011	2010
Group		
At 1 January 2010	1,904	1,804
Additions	29	131
Disposals	(25)	(36)
Changes in fair value	37	22
Transfer	-	4
Transfer from property development cost (Note 23 (b))	18	-
Transfer from inventories	10	-
Transfer from property, plant and equipment (Note 14)	37	-
Transfer from land held for development (Note 23 (a))	138	-
Reclassification from as held for sale	7	-
Reclassification as held for sale (Note 20)	(93)	(21)
As at 31 December	2,062	1,904
Included in the above are:		
Freehold land	153	257
Short term leasehold land	10	10
Long term leasehold land	487	350
Buildings	1,412	1,287
As at 31 December	2,062	1,904

15. INVESTMENT PROPERTIES (CONTINUED)

	At Fair Value 2011	At Fair Value 2010
Corporation		
At 1 January	390	392
Additions	-	3
Disposals	(21)	(23)
Changes in fair value	-	17
Transfer from inventories	10	1
Reclassification as held for sale	(93)	-
As at 31 December	286	390
Included in the above are:		
Freehold land	41	160
Long term leasehold land	221	203
Buildings	24	27
As at 31 December	286	390

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 2011, investment properties of the Group and the Corporation with carrying amount of RM130 million (2010: RM215 million) and RM Nil (2010: RM21million) respectively are pledged as security for borrowings. Investment properties of certain subsidiaries with carrying amount of RM Nil (2010: RM70 million) are in the process of being transferred to the names of subsidiaries. Investment properties of the Corporation with carrying amount of RM55 million (2010: RM79 million) are registered in the names of subsidiaries and are in the process of being transferred to the name of the Corporation.

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16. INTANGIBLE ASSETS

Group	Goodwill	Concession Rights and Franchise Fee	Franchise Rights	Brand name	Others	Total
Cost:						
At 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 and 1 January 2011	42	91	726	86	141	1,086
Acquisition of subsidiaries	13	-	-	-	-	13
Addition	-	8	-	-	-	8
Reclassification	-	-	-	-	2	2
Exchange translation differences	-	-	-	-	37	37
At 31 December 2011	55	99	726	86	180	1,146
Accumulated amortisation						
At 1 January 2010	3	34	-	-	-	37
Amortisation	-	10	-	-	-	10
Written off	-	(3)	-	-	-	(3)
At 31 December 2010 and 1 January 2011	3	41	-	-	-	44
Amortisation (Note 6)	-	9	-	-	-	9
At 31 December 2011	3	50	-	-	-	53
Net carrying amount						
At 31 December 2010	39	50	726	86	141	1,042
At 31 December 2011	52	49	726	86	180	1,093

16. INTANGIBLE ASSETS (CONTINUED)

Brands and franchise rights

The Group's brands and franchise rights were acquired through business combinations. Brands relate to the Group's Integrated Poultry and Ancillary segments whereas franchise rights relate to the Group's Restaurant segment.

Concession rights

The concession rights arose from a 15 year Concession Agreement with the ultimate holding corporation for a subsidiary to manage, operate and maintain a multi-storey car park together with other parking facilities at Persada Johor International Convention Centre. The Group anticipates that the cost will be recovered through future income derived from the car park operations. The income is guaranteed by the ultimate holding corporation pursuant to the Concession Agreement. The Concession Agreement has a remaining amortisation period of 5.8 years (2010: 6.8 years).

Franchise fees

Franchise fees consists of the initial franchise fee paid for the set up of new restaurants and renewal franchise fees which are paid upon the expiry of the initial franchise period. Franchise fees are amortised on a straight-line basis over a period of 10 years.

Supplier relationship

The supplier relationship arose from the acquisition of palm oil plantations in Papua New Guinea and reflect the net present value of the future income stream from purchasing of fresh fruit bunches produced by neighbouring smallholders. These assets have an indefinite useful life and are tested annually for impairment.

Amortisation expense

The amortisation of concession rights and franchise fees are included in the "Administrative expenses" line item in the Statement of Comprehensive Income.

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16. INTANGIBLE ASSET (CONTINUED)

Impairment testing of intangible assets with indefinite useful lives

For the purpose of impairment testing, intangible assets with indefinite useful lives have been allocated to the following cash-generating units ("CGU"):

	Brandname		Franchise rights		Goodwill		Supplier relationship		Intangible assets with finite useful lives		Total	
Group	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Restaurants	-	-	726	726	25	15	-	-	-	-	751	741
Integrated poultry	75	75	-	-	11	10	-	-	37	37	123	122
Ancillary	11	11	-	-	4	4	-	-	-	-	15	15
Bulk mailing and printing services	-	-	-	-	2	2	-	-	-	-	2	2
Parking operator	-	-	-	-	2	2	-	-	10	11	12	13
Shipping and forwarding agent	-	-	-	-	3	1	-	-	-	-	3	1
Provision of sea transportation and related services	-	-	-	-	2	2	-	-	-	-	2	2
Insurance broker	-	-	-	-	2	2	-	-	-	-	2	2
Agricultural fertilizer and biotechnology research and development	-	-	-	-	3	3	-	-	-	-	3	3
Palm oil milling	-	-	-	-	-	-	177	140	-	-	177	140
Others	-	-	-	-	-	-	-	-	3	1	3	1
	86	***86***	***726***	***726***	***54***	***41***	***177***	***140***	***50***	***49***	***1,093***	***1,042***

16. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used in value-in-use calculations

The recoverable amount of the CGUs have been determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management.

The key assumptions on which management has based its cash flow projections are as follows:

Restaurants, integrated poultry and ancillary segments

(a) Cash flows were projected based on financial budgets approved by management covering a ten year period.

(b) The growth rate used to extrapolate the cash flows of the Restaurants, Integrated Poultry and Ancillary segments beyond the 10 year period is 4% (2010 : 4%) which does not exceed the average historical growth rate over the long term for the industry or the estimated GDP growth rate of the country.

(c) There will be no material changes in the structure and principal activities of the CGUs.

(d) 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 disputes, adverse changes in economic conditions or other unusual factors.

(e) There will be no material changes in the present legislation or regulations, rates and bases of duties, levies and other taxes affecting the CGU's activities.

(f) A pre-tax discount rate of 9.65% was applied in determining the recoverable amounts of the CGUs. The discount rate was estimated based on the weighted average cost of capital of the respective CGUs.

(g) There will be no significant changes in the prevailing existing financing facilities and interest rates.

(h) There will be no significant fluctuations in the foreign exchange rates.

Other segments

(a) Cash flows were projected based on actual operating results covering a five year period.

(b) Revenue was projected to grow at approximately 5% - 25% per annum.

(c) Budgeted gross profit margins were projected at between of 4% - 44% per annum.

(d) A pre-tax discount rate of 10% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the CGU's existing rates of borrowing.

The values assigned to the key assumptions represent management's assessment of future trends in the industry.

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17. 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 2010	75	35	110
Discontinued operation	-	(7)	(7)
At 31 December 2010 and 1 January 2011	75	28	103
Addition	-	2	2
Disposal of subsidiaries	-	(1)	(1)
Reclassification	(41)	-	(41)
At 31 December 2011	34	29	63
Accumulated Amortisation			
At 1 January 2010	10	-	10
Amortisation for the year (Note 8)	-	2	2
Discontinued operation	-	(1)	(1)
At 31 December 2010 and 1 January 2011	10	1	11
Amortisation for the year (Note 8)	-	1	1
Disposal of subsidiaries	-	(1)	(1)
Reclassification	(1)	-	(1)
At 31 December 2011	9	1	10
Accumulated Impairment Losses			
At 1 January 2010	-	2	2
Reclassification	-	(2)	(2)
At 31 December 2010 and 31 December 2011	-	-	-
Carrying amount			
At December 2011	25	28	53
At December 2010	65	27	92

18. INVESTMENT IN SUBSIDIARIES

	Corporation 2011	Corporation 2010
Shares, at cost:		
Quoted shares in Malaysia	935	909
Unquoted shares in Malaysia	1,720	1,727
Unsecured preference shares *	986	986
Less: Accumulated impairment	(1,128)	(1,114)
	2,513	2,508
Market value for quoted shares	3,027	2,298

* 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:

	2011	2010
- Johor Land Berhad	386	386
- Kulim (Malaysia) Berhad	456	440
	842	826

The subsidiaries audit reports with modified opinion are indicated in the list of subsidiaries and associates on page 259 to 286.

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2011

(a) Acquisition of additional equity interest in Sindora Berhad

During the financial year, the Group via its subsidiary, Kulim (Malaysia) Berhad acquired an additional 22,076,182 ordinary shares in Sindora Berhad ("Sindora") representing 23.71% of the issued and paid-up share capital of Sindora for a total purchase consideration of RM70,598,000. Following the acquisition, Sindora became a wholly owned subsidiary of the Group.

(b) Incorporation of Ayamas Shoppe (Sabah) Sdn Bhd

On 11 March 2011, KFCH announced that it had via its wholly-owned subsidiary, Ayamas Shoppe 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.

(c) Acquisition of additional equity interest in Orkim Sdn Bhd

During the year, the Group through its subsidiary, E.A. Technique Sdn Bhd acquired an additional 380,000 ordinary shares in Orkim Sdn Bhd ("Orkim") representing 1.1% of the issued and paid share capital of Orkim Sdn Bhd for a total purchase consideration of RM866,000. Following the acquisition of the additional interest, Orkim became a subsidiary of the Group.

The acquisition of Orkim had the following efffect on the Group's Assets and liabilities on the acquisition date:

	Recognised value on acquisition RM
Property, plant and equipment	167
Investment is associates	15
Cash and cash equivalents	13
Receivables	6
Non-controlling interest	(19)
Borrowing	(128)
Payables	(6)
Net identifiable assets	48
Less: Non-controlling interest on acquisition	(31)
Group's share of net assets	17
Goodwill on acquisition	13
Consideration paid, satisfied in cash	30
Cash and cash equivalents acquired	(13)
Net cash outflow	17

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2011 (continued)

(c) Acquisition of additional equity interest in Orkim Sdn Bhd (continued)

Book values at the date of these acquisitions were determined based on the applicable FRSs immediately before these acquisitions. The book value at the date of acquisition of identifiable assets and liabilities recognised on acquisition approximates their fair values. From the date of acquisition , Orkim has contributed RM12,784,000 to the Group's profit net of tax. The effect of net profits contributed by the other acquired companies are not material in relation to the consolidated net profit for the year.

(d) Disposal of equity interest in Ayamazz Sdn Bhd

On 2 August 2011, KFCH announced that it had through KFC Marketing Sdn Bhd entered into a Sale and Purchase of Shares incorporating Shareholders' Agreement with Ayamazz Sdn Bhd and Mohamed Hashim bin Mohd Kamil ("Intrapreneur").

The agreement enables the intrapreneur to subscribe/purchase ordinary shares representing up to 25% equity interest in Ayamazz Sdn Bhd arising from the implementation of the Group's Intrapreneur Scheme.

During the year, the Group disposed of 10%of its interest in Ayamazz Sdn Bhd for a cash consideration of RM50,000.

(e) Disposal of equity interest in Langsat Bulkers Sdn Bhd

On 20 October 2011, the Group via its subsidiary, Tanjung Langsat Port Sdn Bhd, disposed of 60% of its entire equity interest in Langsat Bulkers Sdn Bhd for a total cash consideration of RM630,000.

(f) Disposal of Sindora Ventures Sdn Bhd

During the year, the Corporation disposed of 100% of its equity interest in Sindora Ventures Sdn Bhd (SVSB) and its subsidiaries for a consideration of RM1.

The disposal had the following effect on the financial position of the Group at the reporting date:

	RM
Property, plant and equipment	6
Land use rights	1
Investment property	2
Trade and other receivables	3
Fixed deposits	2
Preference shares	(2)
Trade and other payables	(110)
Total net liabilities disposed	(98)
Gain on disposal	98
Proceed from disposal	-

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal 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

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2010 (continued)

(a) Acquisition of Kula Palm Oil Limited (CTP (PNG) Limited) (continued)

Effect of acquisition

The acquisition of the 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

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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

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 share holdings 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

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 the 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	-
Decrease in the Group's net profit at the end of the financial year	(9)
Statement of financial position:	
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

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2010 (continued)

(c) Disposal of equity interest in Natural Oleochemicals Sdn Bhd and its subsidiaries

In September 2010, the Group via its subsidiary, Kulim (M) Bhd disposed of its entire equity interest in Natural Oleochemicals Sdn Bhd and its subsidiaries as disclosed in Note 12.

(d) Partial disposal of equity interest in KPJ Healthcare Berhad

During the year, the Corporation disposed of 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
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

19. INVESTMENT IN ASSOCIATES

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Quoted shares in Malaysia, at cost	132	133	132	132
Less: Accumulated impairment	-	-	-	-
	132	133	132	132
Unquoted shares in Malaysia	125	124	48	48
Unquoted shares Outside Malaysia	-	26	-	-
Share of post acquisition retained profits and reserves less losses	274	224	-	-
	531	507	180	180
Market value for quoted shares	153	159	153	159

Summary of financial information on associates:

	Country of incorporation	Effective ownership interest	Revenue	Profit	Total assets	Total liabilities
2011						
KPJ Healthcare Berhad^	Malaysia	40.67%	1,896	147	1,899	910
Bertam Properties Sdn Bhd	Malaysia	20.00%	82	17	207	47
Panca Pesona Sdn Bhd	Malaysia	40.00%	16	-	30	-
TPM Management Sdn Bhd	Malaysia	40.00%	11	7	132	30
Union Industries Sdn Bhd	Malaysia	23.86%	5	-	7	1
Synthomer Sdn Bhd (Formerly known as Revertex (M) Sdn Bhd)	Malaysia	29.51%	530	36	300	141
Orkim Challenger Sdn Bhd	Malaysia	8.13%	15	6	4	50
Orkim Discovery Sdn Bhd	Malaysia	8.13%	15	6	4	50
Orkim Reliance Sdn Bhd	Malaysia	8.13%	14	6	6	50
			2,584	225	2,589	1,279

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19. INVESTMENT IN ASSOCIATES (CONTINUED)

Summary of financial information on associates (continued):

	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

^ Listed on the Main Market of Bursa Malaysia Securities Berhad

20. ASSETS HELD FOR SALE

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Assets classified as held for sale:				
Property, plant and equipment	-	5	6	-
Investment in an associate	13	13	-	-
Land and development expenditure	6	4	-	-
Investment properties (Note 15)	93	36	93	-
	112	58	99	-

Included in assets classified as held for sale are mainly:

i) RM13 million (2010: RM13.5 million) relating to disposal of MM Vitaoils Sdn Bhd, an associate of Sindora Berhad. The Group has received to date an amount of RM1,850,000 as partial payment from the buyer. The negotiation with the buyer on the completion of the sale is still in progress.

21. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

	Group		Corporation	
	2011	2010	2011	2010
Property, plant and equipment	(1)	2	-	-
Provisions	24	22	23	-
Unutilised tax losses	61	22	1	7
Unutilised reinvestment allowances	-	-	-	20
Others	41	41	-	-
	125	87	24	27
Offsetting	(5)	(1)	-	-
Deferred tax assets (after offsetting)	120	86	24	27
Property, plant and equipment	(1,117)	(713)	(7)	(2)
Investment properties	3	3	-	-
Unutilised tax losses	53	18	-	-
Provisions	-	4	-	-
Receivables	-	(24)	-	(24)
Revaluation reserves	(86)	(52)	-	(7)
Others	1	(28)	-	-
	(1,146)	(792)	(7)	(33)
Offsetting	5	1	-	-
Deferred tax liabilities (after offsetting)	(1,141)	(791)	(7)	(33)

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21. DEFERRED TAX (CONTINUED)

Movement of deferred tax assets and liabilities during the year are as follows:

	Group		Corporation	
	2011	2010	2011	2010
At 1 January	(705)	(451)	(6)	(6)
(Charged)/credited to Statement of Comprehensive Income				-
- Property, plant and equipment	33	(2)	1	-
- Investment properties	(6)	(1)	-	-
- Recognised in profit or loss	-	(62)	-	-
- Recognised in other comprehensive income	-	28	-	-
- Tax losses	(127)	22	(7)	6
- Provisions	30	17	29	18
- Receivables	-	(24)	-	(24)
- Foreign exchange adjustment	5	-	-	-
- Others	-	(3)	-	-
	(770)	(476)	17	(6)
Acquisition of subsidiaries	-	(240)	-	-
Disposal of subsidiaries	3	-	-	-
Currency translation differences	(254)	12	-	-
Others	-	(1)	-	-
At 31 December	(1,021)	(705)	17	(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 are recognised as follows:

	Group	
	2011	2010
Unabsorbed capital allowance	129	31
Unutilised tax losses	302	214
	431	245

22. TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2011	2010	2011	2010
Current				
Trade receivables	766	587	69	31
Less: Allowance for doubtful debts	(79)	(40)	(18)	(4)
	687	547	51	27
Other receivables	418	148	46	76
Less: Allowance for doubtful debts	(194)	(14)	(45)	(1)
	224	134	1	75
Deposits	128	125	31	24
	1,039	806	83	126
Amount due from related parties	-	-	1,285	2,004
Less: Allowance for doubtful debts	-	-	(96)	(903)
	-	-	1,189	1,101
Amount due from associates	39	89	30	78
Less: Allowance for doubtful debts	(8)	(19)	-	-
	31	70	30	78
	1,070	876	1,302	1,305

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.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group		Corporation	
	2011	2010	2011	2010
Neither past due nor impaired	448	349	29	4
1 to 30 days past due not impaired	113	69	16	9
31 to 60 days past due not impaired	26	14	-	-
61 to 90 days past due not impaired	12	17	-	-
91 to 120 days past due not impaired	4	17	-	-
More than 121 days past due not impaired	84	81	6	14
Impaired	79	40	18	4
	766	587	69	31

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23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Future Development

	Group		Corporation	
	2011	2010	2011	2010
At cost				
Freehold land	46	10	-	-
Leasehold land	26	18	3	3
Development expenditure	45	52	22	19
At 1 January	**117**	**80**	**25**	**22**
Cost incurred during the year				
Freehold land	4	66	-	-
Leasehold land	3	9	-	-
Development expenditure	1	2	-	1
	8	77	-	1
Less charged to Statement of Comprehensive Income:				
Freehold land	-	(31)	-	-
Development expenditure	-	(11)	-	-
	-	(42)	-	-
Transfer from/(to) current development				
Freehold land (Note 23 (b))	(35)	-	-	-
Leasehold land (Note 23 (b))	(3)	-	-	-
Development expenditure (Note 23 (b))	175	2	-	2
Transfer to investment properties (Note 15)	(138)	-	-	-
	(1)	2	-	2
At 31 December	124	117	25	25
At cost:				
Freehold land	15	46	-	-
Leasehold land	26	26	3	3
Development expenditure	83	45	22	22
At 31 December	124	117	25	25

23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Current Development

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
At cost				
Freehold land	28	28	-	-
Leasehold land	35	35	-	-
Development expenditure	1,108	1,016	622	568
At 1 January	1,171	1,079	622	568
Cost incurred during the year				
Development expenditure	261	161	47	63
	261	161	47	63
Cost recognised as an expense in Statement of Comprehensive Income:				
- previous year	(614)	(513)	(432)	(409)
- current year	(164)	(101)	(78)	(23)
	(778)	(614)	(510)	(432)
Transfer from/(to):				
Future development				
Freehold land (Note 23 (a))	35	-	-	-
Leasehold land (Note 23 (a))	3	-	-	-
Development expenditure (Note 23 (a))	(175)	(2)	-	(9)
Property, plant & equipment (Note 14)	-	(44)	(2)	-
Inventories	(5)	(24)	-	-
Investment properties (Note 15)	(18)	-	-	-
	(160)	(70)	(2)	(9)
At 31 December	494	556	157	190

Included in the development expenditure during the year are the following item:

	Group 2011	Group 2010
Interest expenses (Note 7)	-	2

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23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Current Development (continued)

Development land for the Group with carrying amount of RM372 million (2010: RM346 million) are pledged as security for borrowings.

Development land of the Corporation at carrying amount of RM148 million (2010: RM180 million) are charged to a licensed bank for the Redeemable Secured Certificates facility amounting to RM195.3 million (2010: RM195.3 million).

As at 31 December 2011, land with carrying amount of RM285 million (2010: RM339 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 RM Nil (2010: 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 RM7 million (2010: RM24 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	
	2011	2010	2011	2010
Stores and materials	54	197	4	1
Stock of produce	643	429	2	1
Finished goods	258	87	-	-
Work in progress	-	1	-	-
	955	714	6	2
Shops and houses	18	40	3	7
Land and buildings	32	37	32	45
	1,005	791	41	54

Inventories of the Corporation at carrying amount of RM1 million (2010: RM2 million) are pledged as security for borrowings.

Inventories of the Corporation with carrying amount of RM12 million (2010: RM12 million) are registered in the name of subsidiaries.

25. OTHER CURRENT ASSETS

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Prepayments	78	24	6	1
Amount due from customers on contracts (Note 26)	4	5	-	-
	82	29	6	1

26. AMOUNT DUE FROM CUSTOMERS ON CONTRACTS

	Group 2011	Group 2010
Construction contract costs incurred to date	85	42
Attributable profits	8	2
	93	44
Less: Progress billings	(89)	(39)
Amount due from customers on contracts (Note 25)	4	5

27. DERIVATIVES FINANCIAL INSTRUMENTS

	Group Notional amount 2011	Group Notional amount 2010	Group Carrying amount 2011	Group Carrying amount 2010
Cash flow hedges				
Commodity forward contracts				
- Current liabilities	313	204	2	150
- Non-current liabilities	-	33	-	25
	313	237	2	175

The Group, via its subsidiary, NBPOL has entered into commodity forward contracts to hedge its exposure to movements in palm oil prices. These forward contracts have been designated as a hedge of highly probable forecast sales of crude palm oil and related products. It is not the group's policy to engage in speculative hedging activities.

There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

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 income statement in the same period as the physical sales transaction occurs to which the hedges relate.

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27. DERIVATIVES FINANCIAL INSTRUMENTS (CONTINUED

The cash flow hedges of the highly probable forecast sales of crude palm oil and related products were assessed to be highly effective and as at 31 December 2011, a net unrealised gain of RM120,801,000 (2010: net unrealised loss of RM98,372,000), including the related deferred tax liability of RM51,772,000 (2010: deferred tax asset of RM42,159,000) was included in other comprehensive income in respect of these contracts.

The losses retained in equity at the reporting date are expected to mature and affect the profit or loss as follows:

	Group	
	2011	2010
Within 12 months	1	105
After 12 months	-	18
	1	123

28. CASH AND BANK BALANCES

	Group		Corporation	
	2011	2010	2011	2010
Cash at banks and on hand	576	385	10	1
Fixed deposits with:				
Licensed banks	955	277	776	77
Licensed finance institutions	26	6	-	-
Cash and bank balances	1,557	668	786	78

Included in the deposits with licensed banks are the following amount subject to restrictions:

	Group		Corporation	
	2011	2010	2011	2010
- Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	8	17	-	-
- Restricted usage under the Restructuring Corporate Master Plan	422	4	422	4
- Restricted usage under the Redeemable Secured Certificates Scheme	151	53	151	53
	581	74	573	57

28. CASH AND BANK BALANCES (CONTINUED)

The currency profile of cash and cash equivalent is as follows:

	Group		Corporation	
	2011	2010	2011	2010
- Ringgit Malaysia	1,345	632	786	78
- US Dollar	63	26	-	-
- Indonesia Rupiah	20	2	-	-
- PNG Kina	87	6	-	-
- Australia Dollar	1	-	-	-
- Pound Sterling	15	-	-	-
- Others	26	2	-	-
	1,557	668	786	78

The weighted average interest rates of deposits, bank and cash balances that were effective at the reporting date were as follows:

	Group		Corporation	
	2011	2010	2011	2010
- Deposits with licensed banks	2.81%	3.19%	2.88%	7.16%
- Deposits with licensed financial institutions	3.42%	2.50%	-	-

Deposits of the Group and of the Corporation have an average maturity 284 days (2010: 267 days) and 644 days (2010: 644 days) respectively.

Included in cash and bank balances of the Group is an amount of RM4 million (2010: RM20 million) of which the utilisation is subject to the Housing Developers (Housing Development Account) Regulations 2002.

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29. OTHER LONG TERM LIABILITIES

	Group		Corporation	
	2011	2010	2011	2010
Government grant	217	42	182	3
Other long term payables	59	64	-	-
Land lease rental received in advance	75	40	19	-
Others	6	3	-	-
	357	149	201	3
Government Grant				
At cost				
At 1 January	170	185	3	20
Grant received during the year	189	23	182	7
At 31 December	359	208	185	27
Accumulated Amortisation				
At 1 January	129	144	-	18
Amortisation (Note 5)	13	22	3	6
At 31 December	142	166	3	24
Balance as at 31 December	217	42	182	3

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	
	2011	2010
Under 1 year	5	5
1 - 2 years	5	5
2 - 3 years	5	5
Over 3 years	44	49
Carrying amount	59	64
Estimated fair value	28	31

29. OTHER LONG TERM LIABILITIES (CONTINUED)

Land lease rentals received in advance:

	Group 2011	Group 2010
At Cost		
At 1 January	45	55
Additions	36	-
Reversal	-	(10)
At 31 December	81	45
Accumulated amortisation		
At 1 January	5	4
Realisation of income for the year	1	1
Balance as at 31 December	6	5
Carrying amount as at 31 December	75	40

This represents money received in advance from sub leases for period of 30 to 60 years.

30. LOANS AND BORROWINGS

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Non-current				
Secured:				
- Redeemable secured certificates	-	182	-	182
- Finance lease	19	21	-	-
- Term loans	1,817	1,010	-	-
- Islamic debt securities	360	383	-	-
Unsecured:				
- Guaranteed redeemable Islamic bonds	-	2,769	-	2,769
- Term loans	466	112	-	-
- Federal government loans	28	31	28	31
	2,690	4,508	28	2,982

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30. LOANS AND BORROWINGS (CONTINUED)

	Group		Corporation	
	2011	2010	2011	2010
Current				
Secured:				
- Bank overdrafts	80	75	-	-
- Revolving credits	458	432	-	-
- Islamic committed revolving credit facility/ Scheduled payment arrangement	408	400	400	400
- Redeemable secured certificates	190	-	190	-
- Finance lease	10	8	-	-
- Term loans	475	1,000	-	-
- Islamic debt securities	-	26	-	-
- Bridging loans	34	-	-	-
Unsecured:				
- Bank overdrafts	40	12	-	-
- Revolving credits	168	23	-	-
- Term loans	178	103	-	-
- Federal government loans	61	61	61	61
- Other short tem borrowings	-	-	-	-
- Bankers Acceptance	35	9	-	-
- Advances from shareholder of a subsidiary	2	2	-	-
- Guaranteed redeemable islamic bond	2,891	-	2,891	-
	5,030	2,151	3,542	461
Total loans and borrowings	7,720	6,659	3,570	3,443

As highlighted in Note 41(1)(a), as at 31 December 2011, the total borrowings of the Group and Corporation amounted to approximately RM7.7 billion and RM3.6 billion respectively of which RM3.48 billion is due on 31 July 2012 comprising Islamic Committed Revolving Credit Facility ("CRCF") of RM0.40 billion, Redeemable Secured Certificates ("RSC") of RM0.19 billion and Guaranteed Redeemable Islamic Bond ("GRIB") of RM2.891 billion respectively.

The Corporation had on 16 August 2011 entered into a sales and purchase agreement to dispose off its plantation assets to Mahamurni Plantations Sdn Bhd ("MPSB"), a wholly-owned subsidiary of Kulim (Malaysia) Berhad ("KMB"), comprising six (6) estates (together with all buildings, plant and machineries erected thereon), all located in the state of Johor with a total land area measuring approximately 13,687 hectares for a total cash consideration of RM700 million.

Subsequent to financial year end, partial sales proceeds amounting to RM0.375 billion have been received and being utilized as partial settlement of CRCF. Consequently, the balance of borrowings that will be due on 31 July 2012 is reduced to RM3.195 billion.

30. LOANS AND BORROWINGS (CONTINUED)

As at the date of this report, the Board of Directors has approved the appointment of investment bankers as Joint Lead Arrangers and Joint book-runners for the issuance of Sukuk Wakalah, which amounts to RM3 billion to meet its financial obligations. The Federal Government of Malaysia will guarantee the Corporation's obligations under the Sukuk issuance. The provision of guarantee is subject to conditions stipulated by the Federal Government that have been agreed by the Corporation.

The table below summarizes the repayment terms of the Group's and the Corporation's loans and borrowings:

2011	Year of Maturity	Carrying amount	Under 1 year	Under 1-2 years	Under 2-5 years	Over 5 years
Secured:						
- Bank Overdrafts	On demand	80	80	-	-	-
- Revolving credits	-	458	458	-	-	-
- Islamic committed revolving credit facility/ Scheduled payment arrangement ("CRCF/SPA")	2012	408	408	-	-	-
- Redeemable Secured Certificate ("RSCs")	2012	190	190	-	-	-
- Finance lease	2011-2015	29	10	10	9	-
- Term loans	2011-2021	2,292	475	385	1,211	221
- Islamic debt securities	2011-2015	360	-	-	140	220
- Bridging loan	2011-2013	34	34	-	-	-
Unsecured:						
- Bank Overdrafts	On demand	40	40	-	-	-
- Revolving credits	-	168	168	-	-	-
- Term loan	2011-2015	644	178	29	294	143
- Federal government loans	2011-2022	89	61	7	11	10
- Guaranteed redeemable islamic bonds ("GRIBs")	2012	2,891	2,891	-	-	-
- Bankers' Acceptance	On demand	35	35	-	-	-
- Advances from shareholder of a subsidiary	On demand	2	2	-	-	-
Total		7,720	5,030	431	1,665	594

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30. LOANS AND BORROWINGS (CONTINUED)

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 facility/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 redeemable 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)

	Group	
	2011	2010
Finance lease liabilities		
Minimum lease payments:		
- Not later than 1 year	11	10
- Later than 1 year and not later than 2 years	10	9
- Later than 2 years and not later than 5 years	10	13
	31	32
Future finance charges on finance leases	(2)	(3)
Carrying amount of finance lease liabilities	29	29
Non-current	19	22
Current	10	7
	29	29

	Group		Corporation	
	2011	2010	2011	2010
	%	%	%	%
Weight average effective interest rates of borrowings at the reporting date:				
- Bank overdrafts	8.34	7.39	-	-
- Revolving credits	5.22	4.66	-	-
- Term loans	4.06	5.34	-	-
- Federal government loans	4.73	5.70	4.73	5.70
- Other short term borrowings	-	3.73	-	-
- Bridging loan	7.63	-	-	-
- Finance lease	4.16	4.46	-	-

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30. LOANS AND BORROWINGS (CONTINUED)

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 2011					
- Fixed	4,137	167	303	515	5,122
- Floating	600	430	1,366	202	2,598
	4,737	597	1,669	717	7,720
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

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 2011					
- Fixed	3,543	7	10	10	3,570
	3,543	7	10	10	3,570
As at 31 December 2010					
- Fixed	61	2,957	11	14	3,043
- Floating	400	-	-	-	400
	461	2,957	11	14	3,443

30. LOANS AND BORROWINGS (CONTINUED)

Estimated fair values

Except as disclosed below and the Federal Government Loans, the carrying amounts of all borrowings at the reporting date approximate their fair values:

	Group		Corporation	
	Carrying amount	Fair value	Carrying amount	Fair Value
2011				
Term loans - fixed rate	2,292	2,292	-	-
Guaranteed Redeemable Islamic bonds	2,891	2,891	2,891	2,891
Redeemable Secured Certificates	190	190	190	190
2010				
Term loans – fixed rate	2,215	2,215	-	-
Guaranteed Redeemable Islamic bonds	2,769	2,456	2,769	2,456
Redeemable Secured Certificates	182	174	182	174

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 conditions 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. As a result, it is impracticable to estimate the fair value of Federal Government loans outstanding.

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30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Corporation (continued)

On 31 July 2002, the Group implemented its debt restructuring scheme under the Group's CRMP pursuant to the Debt Restructuring Agreement entered into between the Corporation, its subsidiaries and the respective lenders. In the restructuring exercise, RM4.16 billion loans were restructured which comprise of RM2.8 billion for Johor Corporation and RM1.4 billion for the subsidiaries. The lenders had also granted hair cuts to the restructured unsecured loans amounting to RM729.09 million.

With the implementation of the scheme, all the loans of Johor Corporation were converted into the following instruments:

(i) Islamic Committed Revolving Credit Facility ("CRCF")/Scheduled payment arrangement ("SPA") under Conventional/ Syariah principles of Murabahah (cost plus) of RM400.0 million. The tenure and profit rates of the instruments are as follows:

	Tenure	Profit
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		

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Corporation (continued)

(iii) RM230.3 million nominal amount of Redeemable Secured Certificates ("RSCs") under the Syariah principles of Qardhul Hassan with no profit rate are 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.

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 0.8 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, 18, 23 and 24.

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30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(b) The bank overdraft granted to Damansara Assets Sdn Bhd ("DASB") is secured by the letter of support from the Corporation. The term loans are secured by way of legal charges over certain properties of DASB. The term loans of DASB are repayable over a period of 6 years commencing 3 months after the date of initial disbursement facility.

On 31 July 2009, DASB through its subsidiary, obtained Short Term Revolving Credit ("STRC") to finance the resheduled bond payment to the 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, whichever is earlier.

The STRC is secured by:

(i) assignment of proceeds to be received from the disposal of investment properties of the subsidiary;

(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.

(c) Pursuant to a Islamic Programme Agreement between Tanjung Langsat Port Sdn Bhd ("TLP") and MIDF - Amanah Investment Bank Berhad ("MIDF Investment") and a Sukuk Trust Deed between TLP and Equity Trust (Malaysia) Berhad dated 25 April 2008, TLP obtained RM250 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 facilities is repayable on maturity ranging between 7 years to 12 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 6.90% and 6.98% and 7.44% (2010: 5.79% to 6.40% and 5.79% to 6.40%) per annum and profit is payable semi-annually on each tranche and Commercial Paper for Sukuk and MCP respectively.

The limit of the facilities is RM385 million and TLP had fully utilised the facilities at year end.

Proceeds from the Sukuk and MCP were utilised for the following purposes:

(i) Repayment of previous 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 issuance of Sukuk and MCP; and

(v) For capital expenditure and working capital requirement of TLP.

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

The Sukuk is secured on a pari passu basis over:

(i) First Party Deed of Assignment on

(a) 83.5 acres of land identified as Plot 25, Tanjung Langsat Industrial Area, Johor beneficially owned by TLP pursuant to the sale and purchase agreement dated 30 October 1999 betweenTLP and the Corporation;

(b) 50 acres of land identified as plot 25B, Tanjung Langsat Industrial Area, Johor beneficially owned by TLP pursuant to the sale and purchase agreement dated 9 August 2000 between TLP and the Corporation;

(c) 20 acres of land identified as Plot 25F, Tanjung Langsat Industrial Area, Johor beneficially owned by TLP pursuant to the sale and purchase agreement dated 10 August 2007 between TLP and the Corporation.

(ii) A debenture incorporating a fixed and floating charge over the existing and future assets of TLP;

(iii) An assignment of all insurance policies in form and substance satisfactory to MIDF Investment;

(iv) An assignment of all Revenue of TLP; and

(v) 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.

(d) On 5 January 2011, the Group via its indirect subsidiary, Langsat Marine Base Sdn Bhd ("LMB") entered into banking facility agreement, Comodity Murabahah Term Financing - i Facility (CMTF-i) of up to RM250 million with maturity date on 24 January 2012. The bank had approved the extension of time for repayment to 23 April 2012.

The facility is repayable by bullet payment at the end of facility tenure i.e. 1 year after the first drawdown or upon completion of the proposed disposal of 13,999 hectares of the Plantation Assets by the ultimate holding corporation, whichever is earlier. The margin of profit charged are at Base Financing Rate (BFR) plus 4% per annum or 10% whichever is higher.

The purpose of the facility were to part finance the capital expenditure of Tanjung Langsat Port Sdn Bhd ("TLP"), a related company, redeem commercial papers of a face value of RM25 million, defray all fees and expenses related to the facility and fund the payment of the profit portion.

The loan was secured of several parcels of LMB's land measuring approximately 83 acres, third party charge over the Corporation's land approximately 180 acres and third party charge over marketable securities comprising of KPJ Healthcare ("KPJ") shares.

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30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(e) On 4 August 2011, the Group via its indirect subsidiary, Jedcon Engineering Survey Sdn Bhd ("JES") entered into Facility Agreement with a licensed bank for a bridging term loan facility of up to a maximum aggregate sum of RM50 million.

The facility is repayable by bullet repayment on the end of the Tenor (i.e. 6 months from the date when all Conditions Precedent are fulfilled) or upon receipt of proceeds from placement of the shares, whichever is earlier. The facility is subject to a fixed rate at 7.50% and 7.70% for first and second year.

The purpose of the facility was to part finance the acquisition of quoted shares and warrants in Kulim (Malaysia) Berhad.

The facility was secured by a third party memorandum of legal charge to be created by JES in favour of a the bank over 17.5 million quoted shares which was financed by the facility and purchased by the Corporation prior to the drawdown of the facility. The total outstanding amount of the facility must not exceed 50% of the market value of the quoted shares. The Corporation shall partially repay the facility or top up with additional quoted shares if it breaches the 50% limit as determined by bank.

The facility was also secured by the agreement itself, a charge over Interest Reserve Account borne by Corporation, the security debentures and letter of authorisation.

(f) On July 7, 2010, the Group via its indirect subsidiary, Johor Logistics Sdn Bhd ("JLSB") entered into Facility Agreement with a licensed bank for a bridging term loan facility of up to a maximum aggregate sum of RM8.8 million.

The facility is repayable by bullet repayment on the last day of the Tenor (i.e. 1 year after the first drawdown) or upon receipt of proceeds from placement of the shares, whichever is earlier. The facility is subject to a fixed rate interest of 6.5% per annum.

The purpose of the facility was to part finance the acquisition of quoted shares. The facility was secured by a first party memorandum of legal charge to be created by JLSB in favour of the bank over 12.83 million quoted shares which was finance by the facility and purchased by JLSB prior to the drawdown of the facility.

The facility was also secured by the agreement itself, a charge over Interest Reserve Account, third party charge over the quoted shares, letter of authorisation and letter of subordination.

31. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2011	2010	2011	2010
Trade payables	579	729	64	45
Other payables	732	644	190	272
Retention money	136	-	136	-
Trade accruals	60	53	46	37
Accrued billings (property development)	2	2	-	-
Amount due to other shareholders of subsidiaries	7	7	-	-
Amount due to subsidiaries	-	-	588	470
Provision	3	15	-	-
Amount due to associates	-	2	-	-
	1,519	1,452	1,024	824

32. OTHER CURRENT LIABILITIES

	Group	
	2011	2010
Progress billings payables	-	2

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33. RESERVES

(a) Capital reserves

The capital reserves of the Group and of 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 occurred.

(c) Equity transaction reserves

The equity transaction reserves comprise the differences between the share of non-controlling interests in subsidiaries acquired/disposed and the consideration paid/received.

(d) Currency fluctuation reserves

The currency fluctuation 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.

(e) 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.

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	
	2011	2010
Paid/Payable to subsidiaries:		
Purchases of fresh fruit bunches	37	68
Management fees	8	5
Purchase of investment properties	-	1
Guaranteed return to a subsidiary	3	3
Receipt/Receivable from subsidiaries:		
Sale of property, plant and equipment	183	25
Interest income	3	3
Dividend	152	108

35. COMMITMENTS

a) Capital commitments

	Group 2011	Group 2010	Corporation 2011	Corporation 2010
Authorised capital expenditure not provided for in the financial statements:				
- Contracted for	451	160	50	28
- Not contracted for	416	360	-	-
	867	520	50	28
Analysed as follows:				
- Property, plant and equipment	757	462	-	-
- Development expenditure	50	28	50	28
- Investment in other corporations	29	29	-	-
- Investment properties	31	1	-	-
	867	520	50	28

b) Non-cancellable operating lease commitments - as lessee

The Group's quick services restaurants business segment has entered into non-cancellable operating lease agreements for the use of land and buildings. These leases have an average tenure of 15 years with no renewal or purchase options included in the contracts of the leases. Certain contracts also include escalation clauses or contingent rental arrangements computed based on sales achieved while others include fixed rentals for an average of 3 years. These are no restrictions placed upon the Group's by entering into these leases.

The Group's indirect subsidiary, NBPOL, has entered into non-cancellable operating lease agreements for the use of mini estate land, for terms of 20 or 40 years, and state-owned land for terms of 99 years. These leases are renewable.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group 2011	Group 2010
The future minimum lease payments:		
- Not later than 1 year	151	30
- Later than 1 year and not later than 5 years	248	-
- More than 5 years	104	-
	503	30

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36. CONTINGENCIES

Secured

	Corporation 2011	Corporation 2010
Bank/Corporate Guarantee given to third parties	-	1

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		Corporation	
	2011	2010	2011	2010
Potential claims by third parties	-	9	-	-
	-	9	-	-

(a) At the reporting date, the Group via its indirect subsidiary, New Britain Palm Oil Limited ("NBPOL"), has contingent liabilities in respect of legal claims in the ordinary course of business pertaining to land disputes, employee issues and GST disputes. NBPOL has disclaimed all liability in these 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.

(b) In March 2011, one of the debtors of Tanjung Langsat Port Sdn Bhd ("TLP"), a Group's subsidiary, had written to the subsidiary giving preliminary notice of claim on the product loss due to the fire at Tanjung Langsat Port in 2008. However, the claim needs to be resolved by Dispute Resolution Committee under clause 26.1 of the Storage Agreement which was entered between TLP and the debtor.

The claimant is seeking for damages for product losses and uninsured losses of approximately USD99 million arising out of the closure of the Facility as a result of fire incident in 2008. Both parties had appointed the arbitrators and the matter now is pending the commencement of arbitration. TLP may have a counterclaim amounting to RM115 million for the loss of fees payable by the claimant to TLP for the facilities and cost incurred by TLP in respect of the repair works carried out to the destroyed premises.

The Arbitral Tribunal has been constituted and parties are in the midst of complying with the Tribunal's procedural directions. The arbitration is fixed for hearing on 2 May 2013 to 10 May 2013.

36. CONTINGENCIES (CONTINUED)

Unsecured (continued)

(c) One of the contractors involved in the construction of certain TLP's property, plant and equipment had submitted claim for interest on late payments amounting to RM12,625,141. However, TLP disputes the amount claimed and is in the process of discussion.

(d) On 25 November 2011, Impian Ekspresi Sdn. Bhd. ("IESB"), Kuan Choo Property Management Sdn. Bhd. and Pembinaan Gapadu Berhad ("Plaintiffs") initiated a specific performance suit against the Group's subsidiary, Damansara Assets Sdn Bhd ("DASB") ("Defendants") for alleged failure to fulfill the Conditions Precedent and Conditions Subsequent pursuant to the Joint Venture Agreement ("JVA") dated 7 January 2009 and the Supplementary Agreement dated 31 January 2011. The Plaintiffs are claiming for damages in the sum of RM67,633,528 in lieu or in addition to specific performance. This includes the deposit of RM50,000,000 paid by IESB to the subsidiary under the JVA. The Defendants have filed their defence on 27 December 2011. DASB has been advised that it has a relatively equal chance of defending the suit and accordingly no provision is made for the claims.

The case was fixed for case management on 30 March 2012 and for trial on 4 to 7 June 2012.

37. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments of the Group and Johor Corporation as at 31 December are categorised into the following classes:

Group	2011	2010
Loans and receivables:		
Trade and other receivables	1,070	876
Cash and cash equivalents	1,557	668
	2,627	1,544
Financial assets at fair value through profit or loss - held for trading:		
Other investments	219	166
Available-for-sale financial assets:		
Other investments (at fair value)	89	228
Other investments (at cost less impairment)	6	7
	314	401
Financial liabilities measured at amortised cost:		
Trade and other payables	1,519	1,452
Loans and borrowings	7,720	6,659
	9,239	8,111

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37. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

The financial instruments of the Group and Johor Corporation as at 31 December are categorised into the following classes: (continued)

Group	2011	2010
Derivatives liabilities designated as hedging instruments:		
Current	2	150
Non-current	-	25

Corporation	2011	2010
Loans and receivables:		
Trade and other receivables	1,302	1,305
Cash and cash equivalents	786	78
	2,088	1,383
Financial assets at fair value through profit or loss - held for trading		
Other investments	145	-
Available-for-sale financial assets:		
Other investments (at fair value)	12	24
Other investments (at cost less impairment)	-	-
	157	24
Financial liabilities measured at amortised cost:		
Trade and other payables	1,204	824
Loans and borrowings	3,570	3,443
	4,774	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 management team. 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 applies cash flow hedge accounting on those hedging relationships that qualify for 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.

The Group seeks to invest cash assets safely and profitably. The Group has no significant concentration of credit risk and it is not the Group's policy to hedge its credit risk. The Group has in place, for significant operating subsidiaries, policies to ensure that sales of products and services are made to customers with an appropriate credit history and sets limits on the amount of credit exposure to any one customer. For significant subsidiaries, there were no instances of credit limits being materially exceeded during the reporting periods and management does not expect any material losses from non-performance by counterparties.

<u>Exposure to credit risk</u>

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.

Financial guarantees have not been recognised in the financial statements as the fair value on initial recognition was not material.

<u>Credit risk concentration profile</u>

Other than the amounts due from the subsidiaries to the Corporation, the Group and the Corporation is not exposed to any significant concentration of credit risk in the form of receivables due from a single debtor or from groups of debtors.

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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 and investments 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 and 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 financial assets and liabilities. The Group's and the Corporations objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As at 31 December 2011, the total borrowings of the Group and Corporation amounted to approximately RM7.7 billion and RM3.6 billion respectively of which RM3.48 billion is due on 31 July 2012 comprising Islamic Committed Revolving Credit Facility ("CRCF") of RM0.40 billion, Redeemable Secured Certificates ("RSC") of RM0.19 billion and Guaranteed Redeemable Islamic Bond ("GRIB") of RM2.891 billion respectively.

As at the date of this report, the Board of Directors has approved the appointment of investment bankers as Joint Lead Arrangers and Joint book-runners for the issuance of Sukuk Wakalah, which amounts to RM3 billion to meet its financial obligations. The Federal Government of Malaysia will guarantee the Corporation's obligations under the Sukuk issuance. The provision of guarantee is subject to conditions stipulated by the Federal Government that have been agreed by the Corporation.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2011 Group	On demand or within one year	One to five years	Over five years	Total
Financial liabilities:				
Trade and other payables	1,519	-	-	1,519
Loans and borrowings	4,770	3,308	652	8,730
Forward commodity contracts (settled gross)				
- Gross payments	(392)	-	-	(392)
- Gross receipts	78	-	-	78
Total undiscounted financial liabilities	5,975	3,308	652	9,935

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Liquidity risk (continued)

2011 Corporation	On demand or within one year	One to five years	Over five years	Total
Financial liabilities:				
Trade and other payables	1,024	-	-	1,024
Loans and borrowings	3,570	18	10	3,598
Total undiscounted financial liabilities	4,594	18	10	4,622

Financial guarantees have not been included in the above maturity analysis as no default has occurred.

2010 Group	On demand or within one year	One to five years	Over five years	Total Total
Financial liabilities:				
Trade and other payables	1,452	-	-	1,452
Loans and borrowings	2,152	3,805	702	6,659
Forward commodity contracts (settled gross)				
- Gross payments	-	-	-	-
- Gross receipts	-	-	-	-
Total undiscounted financial liabilities	3,604	3,805	702	8,111

2010 Corporation				
Financial liabilities:				
Trade and other payables	824	-	-	824
Loans and borrowings	461	2,968	14	3,443
Total undiscounted financial liabilities	1,285	2,968	14	4,267

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. Borrowings issued at variable rates expose the Group to cash flow interest rate risk whereas those issued at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

c) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

At the reporting date, a change of 100 basis points ("bp") in interest rates would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Corporation	
	2011	2010	2011	2010
Interest rate				
- 100 bp increase in interest rates	616	599	278	337
- 100 bp decrease in interest rates	(616)	(599)	(278)	(337)

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 operates internationally and is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The foreign currencies in which these transactions are denominated are principally United States Dollars ("USD") and Papua New Guinea ("PNG") Kina.

It is not the Group's policy to hedge its transactional foreign currency risk exposure.

The Group also has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. It is not the Group's policy to hedge foreign currency translation risk. The Group maintains bank accounts denominated in foreign currencies, primarily in USD, as a natural hedge against foreign currency risk.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

	Group Denominated in	
2011	USD	PNG Kina
Trade receivables	347	-
Trade payables	(56)	-
Loans and borrowings	(1,000)	-
Derivative financial instruments	(2)	-
Net exposure in the statement of financial position	(711)	-

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

d) Foreign currency risk (continued)

	Group Denominated in	
2010	**USD**	**PNG Kina**
Trade receivables	216	60
Trade payables	(9)	(93)
Loans and borrowings	(755)	(137)
Derivative financial instruments	(175)	-
Net exposure in the statement of financial position	(723)	(170)

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.

	Profit net of tax		Other comprehensive income net of tax	
	2011	**2010**	**2011**	**2010**
USD/PNG KINA				
- strengthened 5%	(160)	(93)	318	6
- weaken 5%	160	93	(318)	(6)

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.

f) Commodity price

The Group derives a significant proportion of its revenues from the sale of palm oil products. The Group uses derivative financial instruments (forward sales and purchases of Malaysian palm oil) to guarantee a minimum price for the sale of its own palm oil and to close out positions previously taken out. Cash flow hedge accounting is applied on such derivatives rice risk.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

f) Commodity price (continued)

At the reporting date, a 10% fluctuation on palm oil prices would have the following effect on the Group's hedge reserve within equity:

	2011	2010
10% increase in palm oil prices	(16)	(12)
10% decrease in palm oil prices	16	12

g) Fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair values:

	Note
Trade and other receivables	22
Loans and borrowings	30
Trade and other payables	31

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Fair values of forward commodity contracts are calculated by reference to forward rates quoted at the reporting date for contracts with similar maturity profiles.

Financial Guarantees

The Company provides financial guarantees to banks for credit facilities granted to certain subsidiaries. The fair value of such guarantees is not expected to be material as the probability of the subsidiaries defaulting is remote.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

g) Fair value (continued)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2011, the Group held the following financial instruments carried at fair value in the statement of financial position:

2011 Group	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
- Quoted shares	89	-	-	89
- Quoted warrant	219	-	-	219
	308	-	-	308
Financial liabilities measured:				
Derivative financial instruments	-	2	-	2

2010 Group	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
- Quoted shares	80	-	-	80
- Quoted warrant	166	-	-	166
	246	-	-	246
Financial liabilities measured:				
Derivative financial instruments	-	175	-	175

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

g) Fair value (continued)

Fair value hierarchy (continued)

2011

Corporation	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
- Quoted shares	12	-	-	12
- Quoted warrant	145	-	-	145
	157	-	-	157

2010

Corporation	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
- Quoted shares	24	-	-	24
	24	-	-	24

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	
	2011	2010
Bank borrowings (Note 30)	7,720	6,659
Less: Cash and cash equivalents (Note 28)	(1,557)	(668)
Net debt	6,163	5,991
Total Equity	6,385	5,035
Debt-to-equity ratios	0.96	1.19

39. CAPITAL MANAGEMENT (CONTINUED)

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.

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 determine 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 health care 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, health care 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.

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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 - 2011								
External sales	3,533	27	494	396	3,350	13	-	7,813
Intersegment sales	-	-	-	-	-	-	-	-
Total sales	3,533	27	494	396	3,350	13	-	7,813
Results								
Segment results (external)	1,043	14	273	43	296	74	-	1,743
Unallocated income								31
Unallocated costs								(56)
Profit from operations								1,718
Finance costs								(380)
Share of results of associates	-	-	-	7	-	72	-	79
Profit before tax								1,417
Tax expenses								(359)
Profit for the year								1,058

40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
Group - 2011							
Other information							
Segment assets	8,249	181	2,659	509	2,686	2,531	16,815
Associates	1	186	162	24	-	158	531
Unallocated assets							(71)
Consolidated total assets							17,275
Segment liabilities	2,959	2	1,752	440	1,034	4,750	10,937
Unallocated liabilities							(47)
Consolidated total liabilities							10,890
Capital expenditure	947	-	-	3	393	8	1,351
Depreciation & amortisation	268	1	6	22	136	47	480

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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	Dis-continued Operation	Group
Group - 2010								
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

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

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40. SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format - Business segments

	Sales (External)		Total Assets		Capital Expenditure	
	2011	2010	2011	2010	2011	2010
Group						
Malaysia	5,426	6,064	12,208	10,859	696	421
Indonesia	20	20	25	17	-	-
Papua New Guinea	277	243	4,075	3,001	655	313
United Kingdom	2,074	109	413	-	-	-
Rest of Europe	-	1,076	-	-	-	-
Other countries	16	12	13	-	-	-
	7,813	7,524	16,734	13,877	1,351	734
Associates			532	507		
Unallocated assets			9	-		
Total assets			17,275	14,384		

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

1. Johor Corporation

(a) As at 31 December 2011, the total borrowings of the Group and Corporation amounted to approximately RM7.7 billion and RM3.6 billion respectively of which RM3.48 billion is due on 31 July 2012 comprising Islamic Committed Revolving Credit Facility ("CRCF") of RM0.40 billion, Redeemable Secured Certificates ("RSC") of RM0.19 billion and Guaranteed Redeemable Islamic Bond ("GRIB") of RM2.891 billion respectively.

The Corporation had on 16 August 2011 entered into a sales and purchase agreement to dispose off its plantation assets to Mahamurni Plantations Sdn Bhd ("MPSB"), a wholly-owned subsidiary of Kulim (Malaysia) Berhad ("KMB"), comprising six (6) estates (together with all buildings, plant and machineries erected thereon), all located in the state of Johor with a total land area measuring approximately 13,687 hectares for a total cash consideration of RM700 million.

Subsequent to financial year end, partial sales proceeds amounting to RM0.375 billion have been received and being utilized as partial settlement of CRCF. Consequently, the balance of borrowings that will be due on 31 July 2012 is reduced to RM3.195 billion.

As at the date of this report, the Board of Directors has approved the appointment of investment bankers as Joint Lead Arrangers and Joint book-runners for the issuance of Sukuk Wakalah, which amounts to RM3 billion to meet its financial obligations. The Federal Government of Malaysia will guarantee the Corporation's obligations under the Sukuk issuance. The provision of guarantee is subject to conditions stipulated by the Federal Government that have been agreed by the Corporation.

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

1. Johor Corporation (continued)

(b) 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.

2. Johor Land Berhad

(a) At the Extraordinary General Meeting of Johor Land Berhad ("JLB") held on 8 November 2011, the shareholders approved the proposed selective capital reduction and repayment exercise pursuant to Section 64 of the Companies Act, 1965, whereby the entire selected shares of JLB (including treasury shares but excluding shares held by Johor Corporation ("JCorp") and its related company, Damansara Assets Sdn. Bhd. ("DASB") shall be cancelled via capital repayment of RM1.69 for each share cancelled. Upon completion of the exercise, JLB will become a wholly owned subsidiary of JCorp (88.18% direct shareholding and 11.82% indirect shareholding through DASB) and the resultant issued and paid up capital shall be RM445,745,488 comprising 445,745,488 ordinary shares of RM1.00 each.

On 13 February 2012, the High Court of Malaya granted the orders-in-terms of the Petition for the selective capital reduction and repayment exercise ("SCR"). The Court order for the proposed SCR dated 13 February 2012 was lodged with the Companies Commission of Malaysia on 21 February 2012 and the cheques for the capital repayment pursuant to the SCR were despatched to the entitled shareholders of the Company on 28 February 2012.

(b) On 12 November 2011, JLB entered into a conditional joint venture agreement with a third party for the development of commercial units on a piece of land measuring approximately 7 acres with equity participation of 60% from JLB and JLB shall be empowered to lead the development as the development manager. Certain conditions stipulated in the joint venture agreement have yet to be completed at the financial position date.

3. Johor Paper & Publishing Sdn Bhd

(a) During the financial year, Langsat Marine Base Sdn Bhd ("LMB"), a subsidiary of Johor Paper & Publishing Sdn Bhd ("JPP"), had entered into sale and purchase agreement with its related company to purchase a piece of land measuring 10 acres known as PLO 46A, situated at Tanjung Langsat Industrial Area, Pasir Gudang for a total consideration of RM15.246 million. The land was for a lease term of 60 years.

(b) On 4 August 2011, Jedcon Engineering Survey Sdn Bhd ("JES"), a subsidiary of JPP had entered into Facility Agreement with a licensed bank for a bridging term loan facility of up to a maximum aggregate sum of RM50 million. The purpose of the facility was to part finance the acquisition of quoted shares and warrants.

(c) On 5 January 2011, LMB entered into banking facility agreement, Commodity Murabahah Term Financing Facility (CMTF-i) of up to RM250 million with maturity date on 24 January 2012. The bank had approved the extention of time for repayment to 23 April 2012.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad

(a) During the financial year, Kulim (Malaysia) Berhad ("KMB") announced the completion and approval of the following proposals:

(i) 11 February 2011: Increase in authorised share capital of the Company from RM200,000,000 comprising 400,000,000 shares of RM0.50 each to RM500,000,000 comprising 2,000,000,000 subdivided shares of RM0.25 each ("proposed increase in authorised share capital");

(ii) 17 February 2011: Share split involving the sub-divison of every one (1) existing ordinary share of RM0.50 each held in the Company or ("share(s)") into two (2) ordinary shares of RM0.25 each ("sub-divided share(s)") ("proposed share split");

(iii) 17 February 2011: Bonus issue of new sub-divided shares ("bonus share(s)") on the basis of one (1) bonus share for every one (1) sub-divided share held after the proposed share split ("proposed bonus issue"); and

(iv) 24 February 2011: Issue of free warrants in the Company ("warrant(s)") on the basis of one (1) warrant for every eight (8) sub-divided shares held after the proposed share split and the proposed bonus issue ("proposed free warrants issue").

(b) KMB had on 16 August 2011 announced the proposed acquisition of plantation assets from JCorp by Mahamurni Plantations Sdn Bhd ("MPSB"), a wholly-owned subsidiary of KMB, of six (6) estates (together with all buildings and mills (including their plant and machineries) erected thereon), all located in the state of Johor with a total land area measuring approximately 13,687 hectares for a total cash consideration of RM700 million.

Of the above proposed acquisition, the following was completed as at year end:

(i) The sales and purchase agreement ("SPA") between MPSB and JCorp for the acquisition of the oil palm plantation land (together with all buildings erected thereon together with assets, equipments, appliances, and plant and machineries located within the oil palm plantation) known as "Sungai Papan Estate" for a total cash consideration of RM183,300,000 and SPA between MPSB and JCorp Hotels and Resorts Sdn Bhd ("JHRSB") (formerly known as Kumpulan Penambang (J) Sdn Bhd), a wholly-owned subsidiary of JCorp, for the acquisition of the oil palm plantation land (together with all buildings erected thereon together with assets, equipments, appliances, and plant and machineries located within the oil palm land) known as "Part of Siang Estate" for a total cash consideration of RM191,600,000. Payments were effected on 31 December 2011.

The proposed acquisitions that are yet to be completed as at year end are as follows:

(i) a SPA between MPSB and JCorp for the proposed acquisition of the land currently planted with oil palm cultivation (together with all buildings and the palm oil mill ("Pasir Panjang Mill") erected thereon (together with assets, equipments, appliances, and plant and machineries located within the land and Pasir Panjang Mill)) known as "Part of Pasir Panjang Estate" for a total cash consideration of RM71,783,000; and

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad (continued)

The proposed acquisitions that are yet to be completed as at year end are as follows: (continued)

(ii) a SPA between MPSB and Johor Foods Sdn Bhd ("JFSB"), a wholly-owned subsidiary of JCorp, for the proposed acquisition of the land currently planted with oil palm cultivation (together with all buildings and the palm oil mill ("Palong Mill") erected thereon (together with assets, equipments appliances, and plant and machineries located within the land and Palong Mill)) known as "Mungka, Kemedak and Palong Estate" for a total cash consideration of RM253,317,000.

(c) On 5 December 2011, KMB announced that Sindora Berhad ("SB") had successfully became a wholly-owned subsidiary on even date under the conditional take-over offer to acquire all the remaining ordinary shares of RM1.00 each in Sindora Berhad not already owned by the KMB for a cash offer price of RM3.10 per share.

(d) KMB had on 10 January 2012 announced, in reference to the announcement on 9 January 2012 by NBPOL, a 50.68% owned subsidiary of the Company, that NBPOL is seeking authority from its shareholders to disapply pre-emption rights for a potential new issue of shares of up to a maximum of five percent of the current issued share capital of NBPOL. The purpose of the potential new issue of shares is to acquire the non-controlling interest in certain subsidiaries of NBPOL.

The issuance of the new shares by NBPOL, if so approved by the shareholders of NBPOL, will dilute the KMB's shareholding in NBPOL from 50.68% to 48.26%, thus potentially rendering NBPOL an associate of the KMB. The resolution seeking approval from the shareholders of NBPOL to disapply their pre-emption rights for the potential issue of new shares up to a maximum of five percent of the current issued share capital of NBPOL was approved by the shareholders of NBPOL on 30 January 2012.

(e) On 27 December 2007, KFC Holdings (Malaysia) Bhd ("KFCH") announced the purchase of a piece of land (including all factory, building, structures , infrastructure and facilities built or erected on the land) measuring 20.533 acres that forms part of a leasehold industrial land (expiring on 30 January 2041) held under document of title HS (D) 2276, PTD 1384, Mukim Hulu Sungai Johor, Kota tinggi, Johor for a cash consideration of RM6.15 million cash from Sindora Berhad ("SB").

SB has obtained the approval for the subdivision of the Land from Jawatankuasa Hasil Bumi, Johor on 4 May 2011 and is now pending the issuance of the separate document of title to the said Property under SB's name. The Conditions Precedent will be fulfilled upon issuance of the separate document of title to the said property.

(f) Sindora Berhad had on 27 February 2008 proposed lease of up to twenty (20) acres or 871,200 square feet of an area of land within Tanjung Langsat Port identified as PLO 46, Tanjung Langsat Industrial Complex, Mukim of Sungai Tiram, District of Johor Bahru, State of Johor by Johor Shipyard and Engineering Sdn. Bhd. ("JSESB") from Tanjung Langsat Port Sdn. Bhd.("TLPSB") (a wholly owned subsidiary of Johor Corporation) for a period of 30 years for a total lease rental of up to RM21.78 million or RM25 per square feet.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad (continued)

On 28 March 2011 the parties to the Agreement of Lease had mutually agreed as follows:

(i) Extend the condition precedents fulfilment period to 28 September 2011;

(ii) Extend the delivery of Plot 1 to 42 months from the date of the Agreement for Lease; and

(iii) Extend the delivery of Plot 2 to 46 months from the date of the Agreement for Lease

Subsequently, on 2 June 2011, TLPSB issued a notice to JSESB to terminate the Agreement for Lease due to JSESB's failure to obtain the necessary approvals from the relevant authorities to built a shipyard on the proposed site. Therefore, the Proposed Lease of Tanjung Langsat Land has been aborted.

(g) On 11 July 2011, KFCH announced the purchase of part of the freehold vacant commercial land measuring approximately 3.095 acres or 134,818 sq ft on part of Lot PTD 156352 (previously under part of Lot 84134) located within Bandar Dato' Onn ("BDO") ("Parcel 2") at a total consideration of RM9,167,624 or RM68 per sq. ft. from JLB.

(h) On 19 September 2011, the Group via its subsidiary, QSR, announced the re-organisation of its group structure resulting in QSR acquiring the following wholly-owned subsidiaries from its other subsidiaries:

Target Companies	Vendor	Cost RM '000
Pizza Hut Restaurants Sdn. Bhd	Pizza Hut Holdings (Malaysia) Sdn Bhd	44,134
Multibrand QSR Holdings Pte. Ltd	Pizza Hut Holdings (Malaysia) Sdn Bhd	10,000
		54,134

(i) On 19 September 2011, KFCH announced the re-organisation of its group structure resulting in KFCH acquiring the following subsidiaries from its other subsidiaries:

Target Companies	Vendor	Cost RM '000
KFC (Sarawak) Sdn. Bhd.	KFC (East Malaysia) Sdn. Bhd.	2,198
KFC (Sabah) Sdn. Bhd.	KFC (East Malaysia) Sdn. Bhd.	4.363
KFC (Peninsular Malaysia) Sdn Bhd	KFC Restaurants Holdings Sdn. Bhd.	9,250
Kentucky Fried Chicken (Malaysia) Sendirian Berhad	KFC Restaurants Holdings Sdn. Bhd.	2,406
Asbury's (Malaysia) Sdn. Bhd	KFC Restaurants Holdings Sdn. Bhd.	1,145
WQSR Holdings (S) Pte. Ltd.	KFC Restaurants Holdings Sdn. Bhd.	10,000
KFC (East Malaysia) Sdn. Bhd	KFC Restaurants Holdings Sdn. Bhd.	6,038
Ayamas Shoppe Sdn. Bhd.	Ayamas Food Corporation Sdn. Bhd.	1,829
Rasamas Holdings Sdn. Bhd.	Ayamas Food Corporation Sdn. Bhd.	3,000
		40,229

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad (continued)

(j) On 14 December 2011, QSR announced that it had received a letter of offer from Massive Equity Sdn. Bhd. ("MESB") dated 14 December 2011, stating MESB's intention to acquire substantially all businesses and undertakings of QSR, including substantially all the assets and liabilities of QSR, at an aggregate cash consideration equivalent to:

(i) RM6.80 per ordinary share of RM1.00 each held in QSR ("QSR Share") multiplied by the total outstanding QSR shares (less treasury shares, if any) at a date to be determined later; and

(ii) RM3.79 per warrant of QSR ("QSR Warrant") multiplied by the total outstanding number of QSR Warrants in issue at a date to be determined later.

(hereinafter referred to as the "QSR Offer")

MESB had also on even date made an offer to acquire the entire businesses and undertakings of KFC Holdings (Malaysia) Bhd ("KFCH"), including all of the assets and liabilities of KFCH ("KFCH Offer"). The KFCH Offer and the QSR Offer are inter-conditional.

The boards of directors of QSR and KFCH had on 21 December 2011 announced that they (save for the interested directors under the QSR Offer and KFCH Offer) had accepted the QSR Offer and KFCH Offer respectively, subject to the execution of the relevant sale and purchase agreement.

The QSR Offer and KFCH Offer are in the midst of being implemented for the approval of the relevant shareholders and warrant holders. Full details will be announced in due course.

(k) During the year, SB's 51%-owned subsidiary, E.A. Technique Sdn Bhd has acquired additional 4,600,000 equity shares of RM1 each, representing approximately 12% equity interest in Orkim Sdn. Bhd. ("Orkim"), making Orkim a 49.9% owned associate of the KMB.

On 31 January 2011, KMB 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 KMB.

(l) On 14 January 2011, the Group via its indirect subsidiary New Britain Palm Oil Limited ("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 USD14.4 million (net of duties and taxes payable) pursuant to the Conditional Sale and Purchase Agreement dated 17 December 2010. This transaction was completed during the current financial year.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad (continued)

(m) On 31 March 2011, 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 principal amount outstanding under Tranche 2 shall be repaid at maturity.

(n) 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.

(o) 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.

5. Damansara Assets Sdn Bhd

(a) On 31 January 2011, Damansara Assets Sdn Bhd ("DASB") entered into a Supplemental Agreement ("SA") with Impian Expresi Sdn. Bhd. to amend or add clauses to the Joint Venture Agreement ("JVA). Pursuant to the SA, all parties mutually agreed that the remaining Conditions Precedent that have not been fulfilled or satisfied as at 31 January 2011 were suspended and were made Conditions Subsequent to be satisfied no later than 28 February 2011.

One of the Conditions Subsequent is to execute Sale and Purchase Agreements ("SPAs") with Kuan Choo Property Management Sdn. Bhd. (registered owner and developer of VSQI), Malton Berhad (registered owner of VSQII) and Pembinaan Gapadu Berhad (developer of VSQII) to dispose VSQI and VSQII in consideration for office space entitlement with a market value of RM200 million to DASB as provided in the JVA.

As all Conditions Subsequent were not fulfilled on or before the expiry of the SA on 28 February 2011, the SPAs are not executed and the disposal of investment properties was aborted.

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

6. Damansara Realty Sdn Bhd

(a) On 6 November 2009, Damansara Realty Berhad ("DBhd") proposed to undertake the following proposals:

(i) 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 RM0.50 each in 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 0.60 new IKSB Share and payment of approximately RM0.32 in exchange for every one (1) DBhd share held;

(ii) the proposed acquisitions by IKSB of the following companies from JCorp group of companies:

- 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

- 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 RM54.80 million.

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 RM0.80 per IKSB Share and the remaining RM120.07 million to be set off against the amount due from JCorp for proposal (iii);

(iii) 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 (ii); and

(iv) the proposed transfer of the listing status of DBhd on the Main Market of Bursa Malaysia Securities Berhad to IKSB.

(b) 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 approppriate announcement will be made upon resolution of the said issues.

7. Tanjung Langsat Port Sdn Bhd

(a) On 17 August 2008, a fire occured at Tank 1 (T-1) located at Tanjung Langsat Port which is owned by Tanjung Langsat Port Sdn Bhd ("TLP"). The tank contained 17,800 cubic meters of Unleaded Gasoline. The fire spread to Tank 2 (T-2) which held 11,200 cubic meters of Naptha on the second day. The fire was finally put off on 20 August 2008.

During the financial year ended 31 December 2009, TLP submitted insurance claims to the insurer for the fire extinguishment exercise expenses, repair expenses on affected newby facilities, tank reconstruction, refurbish of existing facilites and consequential losses.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

7. Tanjung Langsat Port Sdn Bhd (continued)

TLP had appointed a contractor to rebuild T-1 and T-2. However, the construction of the storage tanks were delayed till the completion of the waste disposal and demolishing works, inspection by insurer and related authorities. The TLP's management expects that part of the storage tanks operation will resume in June 2012.

TLP is in active discussion with the insurer and has appointed lawyers to follow up on their behalf.

(b) On 28 December 2011, the TLP's Board of Directors was informed pertaining to the proposed acquisitions of certain property, plant and equipment by JCorp.

The proposed acquisitions form part of a larger restructuring scheme as required by the relevant authorities. The scheme, among others, involves refinancing of TLP's existing borrowing.

The completion of the proposed acquisitions as mentioned above is subject to the completion of the refinancing scheme. As at the date of this financial statements, the scheme has yet to be finalised.

8. Larkin Sentral Management Sdn Bhd

(a) In 2004, the Group's indirect subsidiary, Larkin Sentral Management Sdn Bhd ("LSM"), entered into a first 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 share holding in ASJ and DJ, whichever is higher, for a repurchase price of RM1 and RM0.50 for each unit of ASJ and DJ respectively. In this scheme, the indirect subsidiary company's role is to purchase from PJB new units of ASJ and DJ units which PJB is required to repurchase from unit holders of ASJ and DJ. The scheme also allows the unit holders to resell the unit at the aforesaid price to the maximum of 10% of the total unit-holding per annum.

In June 2008, the scheme for ASJ was terminated and from thereafter, ARB managed the unit trust.

Prior to 2010, LSM had entered into a four parties agreements with PJB and ARB for the repurchase of DJ. In 2010, LSM entered into another tripartite agreement (the sixth) 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 financial year end, LSM is liable to the extent of the remaining units of DJ in circulation under the scheme. If all the remaining units of DJ as at 31 December 2011 were repurchased on the assumption that the prevailing market price of DJ per unit is nil, the maximum total repurchase amount is RM85,776,500 (2010 : RM89,403,000). No provision for liability arising from the aforesaid scheme is made in the financial statements due to inherent key variables involved, such as prevailing market price at the date of repurchase and number of unit to be repurchased, which are not readily determinable.

LIST OF SUBSIDIARIES AND ASSOCIATES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS				
A PALM OIL				
ACTIVE COMPANIES				
Dami Australia Pty Ltd	Research and production of oil palm seeds	Australia	28.97	28.11
EPA Management Sdn Bhd	Investment holding and provision of plantation management services and consultancy	Malaysia	57.16	55.47
Kula Palm Oil Limited	Oil palm cultivation and processing	Papua New Guinea	23.18	22.48
Kulim (Malaysia) Berhad #	Oil palm plantation investment holding and property investment	Malaysia	57.16	55.47
Kulim Energy Sdn Bhd	Investment holding and oil palm plantation	Malaysia	57.16	55.47
Kulim Plantations (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.47
Kumpulan Bertam Plantations Berhad	Oil palm plantation	Malaysia	54.01	52.41
Mahamurni Plantations Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.47
New Britain Nominees Limited	Operate as legal entity for New Britain Palm Oil Ltd. share ownership plan	Papua New Guinea	28.97	28.11
New Britain Oils Limited	Refinery	United Kingdom	28.97	28.11
New Britain Palm Oil Ltd $	Oil palm plantation	Papua New Guinea	28.97	28.11
New Britain Plantation Services Pte Limited	Sale of germinated oil palm seeds	Singapore	28.97	28.11
Plantation Contracting Services Limited	Contractual earthworks and roadworks projects	Papua New Guinea	28.97	28.11
Poliamba Limited	Oil palm cultivation	Papua New Guinea	18.85	18.27
Pristine Bay Sdn Bhd	Investment holding	Malaysia	78.15	77.29
PT Kulim Agro Persada	Management service	Indonesia	57.16	55.47

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Ramu Agri-Industries Limited	Oil palm, cultivation of sugar cane and other agriculture produce products	Papua New Guinea	28.97	28.11
Selai Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.47
SIM Manufacturing Sdn Bhd	Manufacturers and dealers in rubber products of all kinds and articles made from rubber	Malaysia	51.44	49.92
The Secret of Secret Garden Sdn Bhd	Trading and marketing of personal care products	Malaysia	57.16	55.47
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.47
United Malayan Agricultural Corporation Bhd	Oil palm plantation	Malaysia	57.16	55.47
DORMANT COMPANIES				
Cita Tani Sdn Bhd	Cultivation of sugar cane and other agriculture produce	Malaysia	51.45	49.97
Dumpu Limited	Landholding	Papua New Guinea	28.97	28.11
EPA Futures Sdn Bhd	Dormant	Malaysia	57.16	55.47
KCW Roadworks Sdn Bhd	Dormant	Malaysia	42.87	-
Nexsol (Malaysia) Sdn Bhd	Dormant	Malaysia	29.16	28.29
Palma Bumimas Sdn Bhd	Biocompost	Malaysia	42.87	41.60
Panquest Ventures Limited	Dormant	British Virgin Island	57.16	55.47
Pembangunan Mahamurni Sdn Bhd	Investment holding	Malaysia	57.16	55.47
Skellerup Foam Products (Malaysia) Sdn Bhd	Dormant	Malaysia	57.16	55.47
Skellerup Industries (Malaysia) Sdn Bhd	Holding company and manufacturing of rubber products	Malaysia	57.16	55.47
Skellerup Latex Products (M) Sdn Bhd	Dormant	Malaysia	57.16	55.47

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
B PROPERTY				
ACTIVE COMPANIES				
Advance Development Sdn Bhd	Property developer	Malaysia	98.15	98.82
Damansara Realty Berhad #	Investment holding, construction and project management	Malaysia	54.24	54.24
Damansara Realty (Johor) Sdn Bhd	Property development	Malaysia	54.24	54.24
Damansara Realty (Pahang) Sdn Bhd	Property holding and development	Malaysia	32.54	32.54
Damansara Realty (Terengganu) Sdn Bhd	Property development	Malaysia	54.24	54.24
Damansara Realty Management Services Sdn Bhd	Management service and general insurance business	Malaysia	54.24	54.24
DHealthcare Centre Sdn Bhd	Healthcare service provider	Malaysia	76.88	76.66
DRP Construction Sdn Bhd	Construction, property development and investment (inactive)	Malaysia	54.66	54.24
Istiwa Sdn Bhd	Property Development and advertising	Malaysia	54.24	54.24
Johor Land Berhad	Property developer	Malaysia	98.82	98.82
JOLS Construction Sdn Bhd	Construction, refurbishment, inspection and sanitization service	Malaysia	54.24	54.24
Kesang Properties Sdn Bhd	Property development	Malaysia	54.25	54.25
Pembinaan Prefab Sdn Bhd	Dormant	Malaysia	98.15	98.82
Synthomer Sdn Bhd (formely known as Revertex (Malaysia) Sdn Bhd)	Processing of rubber and chemical product	Malaysia	29.51	29.72
Tebing Aur Sdn Bhd	Contract management and construction	Malaysia	54.26	54.24

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
B PROPERTY (CONTINUED)				
DORMANT COMPANIES				
Armada Tijarah Sdn Bhd	Sand extraction and trading	Malaysia	54.26	54.24
Beta Series Sdn Bhd	Management services	Malaysia	54.26	54.24
Damansara Forest Product (Malaysia) Sdn Bhd	Quarrying (under members' voluntary liquidation)	Malaysia	54.26	54.24
Damansara Realty (Selangor) Sdn Bhd	Property development and construction works	Malaysia	54.26	54.24
Damansara Realty Management (Timber Operations) Sdn Bhd	Timber operations and its related activities	Malaysia	54.26	54.24
Insan Kualiti Sdn Bhd	General trading	Malaysia	54.26	54.24
Kesang Construction and Engineering Sdn Bhd	The business of general contracting	Malaysia	54.26	54.24
Kesang Equipment Hire Sdn Bhd	Buying, selling and renting of machinery	Malaysia	54.26	54.24
Kesang Industries Sdn Bhd	Investment holding	Malaysia	54.26	54.24
Kesang Kastory Enterprise Sdn Bhd	Importation and distribution of food stuffs	Malaysia	51.55	51.53
Kesang Leasing Sdn Bhd	Lease, hire purchase and loan financing	Malaysia	54.26	54.24
Kesang Mining Corporation Philippines	Gold mining	Philippines	21.86	21.70
Kesang Pharmaceuticals Sdn Bhd	Manufacturing, whole selling and trading of pharmaceutical products	Malaysia	54.26	54.24
Kesang Processing and Management Corporation	Gold mining and provision of management services to KMCP	Philippines	21.86	21.70
Kesang Quarry Sdn Bhd	Quarrying	Malaysia	37.98	37.97
Kesang Trading Sdn Bhd	Property development and trading of office equipment	Malaysia	54.26	54.24
Pedas Quarry Sdn Bhd	Quarrying	Malaysia	29.84	29.83

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
B PROPERTY (CONTINUED)				
COMPANIES ON WINDING UP PROCESS				
Chendering Motel Sdn Bhd	Inactive (under members' voluntary liquidation)	Malaysia	54.26	54.24
Damansara Forest Products (Malaysia) Sdn Bhd	Timber operations (under members' voluntary liquidation)	Papua New Guinea	54.26	54.24
Damansara-Batai (PNG) Ltd	Inactive (under members' voluntary liquidation)	Papua New Guinea	46.12	46.10
Damansara-Pai (PNG) Ltd	Development of oil palm plantation (under members' voluntary liquidation)	Papua New Guinea	46.12	46.10
Damansara-Siau (PNG) Ltd	Inactive (under members' voluntary liquidation)	Papua New Guinea	46.12	46.10
Kesang Associates Sdn Bhd	Investment holding (under members' voluntary liquidation)	Malaysia	54.26	54.24
Kesang Land Sdn Bhd	Inactive (under members' voluntary liquidation)	Malaysia	54.26	54.24
Kesang Resort & Hotels Sdn Bhd	Investment holding (under members'voluntary liquidation)	Malaysia	54.26	54.24
Pembinaan Nadzri Sdn Bhd	Construction (under members' voluntary liquidation)	Malaysia	19.68	19.53
Syarikat Timor Jaya Plantation Sdn Bhd	Investment holding (under members' voluntary liquidation)	Malaysia	54.26	54.24
C RESTAURANT/FOOD				
ACTIVE COMPANIES				
Ayamazz Sdn Bhd (formerly known as Rasa Gourmet Sdn Bhd)	Push-cart selling food and refreshment	Malaysia	14.21	16.77

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Cilik Bistari Sdn Bhd (formerly known as Roda Kapital Sdn Bhd)	Selling/distributor of boardgame	Malaysia	15.79	16.77
Efinite Value Sdn Bhd	Customer service call centre	Malaysia	15.79	32.40
Integrated Poultry Industry Sdn Bhd	poultry processing plant	Malaysia	15.79	16.77
Kampuchea Food Corporation Limited	Quick service restaurants	Cambodia	16.96	17.82
Kennel Foods Sdn Bhd	Operator of KFC restaurant	India	15.75	16.77
Kentucky Fried Chicken (Malaysia) Sendirian Berhad	Restaurants	Malaysia	17.23	16.77
Kentucky Fried Chicken Management Pte Ltd	Restaurants	Singapore	15.79	16.77
KFC (B) Sdn Bhd	Restaurants	Brunei	7.24	7.70
KFC (Peninsular Malaysia) Sdn Bhd	Restaurants, commissary, investment holding	Malaysia	15.79	16.16
KFC (Sabah) Sdn Bhd	Restaurants	Malaysia	15.79	15.09
KFC (Sarawak) Sdn Bhd	Restaurants	Malaysia	15.79	16.77
KFC Events Sdn Bhd	Sales of food products, vouchers	Malaysia	15.79	16.16
KFC Holdings (Malaysia) Bhd #	investment holding	Malaysia	15.79	16.77

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
KFC IC Assets Sdn Bhd (formerly known as Paramount Management Sdn Bhd)	Management of college/learning institution	Malaysia	15.79	16.77
KFC India Holdings Sdn Bhd (formerly known as Orient Palm Sdn Bhd)	Investment holding	Malaysia	15.79	16.77
KFC Manufacturing Sdn Bhd	Bakery, trading in consumables, investment holding	Malaysia	15.79	16.77
KFC Marketing Sdn Bhd	Sales and marketing of food products	Malaysia	15.79	16.77
KFCH Education (M) Sdn Bhd (formerly known as Paramount Holdings (M) Sdn Bhd)	Management of college/learning institution	Malaysia	15.79	16.77
Ladang Ternakan Putihekar (N.S.) Sdn Bhd	Breeder farms	Malaysia	15.79	16.77
Mauritius Food Corporation Pvt Ltd	Investment holding	Mauritius	15.79	16.77
MH Integrated Farm Berhad	Property holding	Malaysia	15.79	16.77
Multibrand QSR Holdings Pte Ltd	Investment holding	Singapore	31.14	32.40
Mumbai Chicken Pvt Ltd	Restaurants	India	15.79	16.77
Pintas Tiara Sdn Bhd	Property holding	Malaysia	15.79	16.77
PHD Delivery Sdn Bhd	Delivery of pizzas	Malaysia	31.14	32.40
Pizza Hut Restaurants Sdn Bhd	Quick service restaurants	Malaysia	31.14	32.40
Pizza Hut Singapore Pte Ltd	Quick service restaurants	Singapore	31.14	32.40
Pune Chicken Restaurants Pvt Ltd	Restaurants	India	15.79	16.77
QSR Brands Bhd #	Investment holding & provision of management services	Malaysia	32.51	32.40

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
QSR Ventures Sdn Bhd	Investment holding	Malaysia	32.51	32.40
Rasamas BC Sdn Bhd	Restaurants	Malaysia	15.51	15.09
Rasamas Holding Sdn Bhd	Restaurants	Malaysia	15.79	16.77
Rasamas Sdn Bhd (Brunei Darussalam)	Restaurants	Brunei	7.28	7.70
Rasamas Wangsa Maju Sdn Bhd	Restaurant	Malaysia	14.21	15.09
Region Food Industries Sdn Bhd	Sauce manufacturing plant	Malaysia	15.79	16.77
Roaster's Chicken Sdn Bhd	Investment holding	Malaysia	15.79	16.77
SPM Restaurants Sdn Bhd	Meals on wheels, property holding	Malaysia	15.79	16.77
Usahawan Bistari Ayamas Sdn Bhd	Ayamas Corner	Malaysia	15.79	16.77
WQSR Holdings (S) Pvt Ltd	Investment holding	Singapore	15.79	16.77
DORMANT COMPANIES				
Agrotech Farm Solutions Sdn Bhd	Broiler farm	Malaysia	15.79	15.79
Asbury's (Malaysia) Sdn Bhd	Property holding	Malaysia	15.79	16.77
Ayamas Contract Farming Sdn Bhd	Dormant	Malaysia	15.79	16.77
Ayamas Food Corporation (S) Pte Ltd	Dormant	Singapore	15.79	16.77
Ayamas Franchise Sdn Bhd	Dormant	Malaysia	15.79	16.77
Ayamas Marketing (M) Sdn Bhd	Dormant	Malaysia	15.79	16.77
Ayamas Selatan Sdn Bhd	Dormant	Malaysia	15.79	16.77
Ayamas Shoppe (Brunei) Sdn Bhd	Dormant	Brunei	7.28	7.70
Ayamas Shoppe (S) Pte Ltd	Dormant	Singapore	15.79	16.77

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Bakers' Street Sdn Bhd	Restaurant	Malaysia	15.79	17.23
Cemerlang Sinergi Sdn Bhd	Dormant	Malaysia	15.79	16.77
Chippendales (M) Sdn Bhd	Dormant	Malaysia	15.79	16.77
Enfinite Revenue Sdn Bhd	Biodiesel	Malaysia	15.79	16.77
Gratings Solar Sdn Bhd	Dormant	Malaysia	15.79	16.77
Helix Investments Limited	Investment holding	Singapore	15.79	55.47
Hiei Food Industries Sdn Bhd	Dormant	Malaysia	12.76	13.58
Integrated Poultry Industry (Kampuchea) Private Limited	Broiler & Processing Production	Cambodia	15.79	-
KFC (East Malaysia) Sdn Bhd	Investment holding	Malaysia	15.79	16.77
KFC Restaurant Holdings Sdn Bhd	Investment holding	Malaysia	15.79	16.77
Ph Property Holdings Sdn Bhd	Dormant	Malaysia	31.14	32.40
Pizza Hut Holdings (Malaysia) Sdn Bhd	Investment holding	Malaysia	31.14	32.40
Pizza Hut Delco Sdn Bhd	Dormant	Malaysia	31.14	32.40
Pizza (Kampuchea) Private Limited	Operator of Pizza Hut Restaurants	Cambodia	17.27	17.82
QSR Captive Insurance Limited	Dormant	Singapore	31.14	32.40
Rangeview Sdn Bhd	Dormant	Malaysia	15.79	16.77
Rasamas Bangi Sdn Bhd	Restaurants	Malaysia	15.79	16.77
Rasamas Batu Caves Sdn Bhd	Restaurants	Malaysia	15.79	16.77
Rasamas Bukit Tinggi Sdn Bhd	Operator of Rasamas Restaurant	Malaysia	15.51	15.09
Rasamas Butterworth Sdn Bhd	Restaurant	Malaysia	15.51	15.09

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Rasamas Endah Parade Sdn Bhd (formerly known as Bima Permata Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	15.79	16.77
Rasamas Kota Bahru Sdn Bhd (formerly known as Dominion Brand Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	14.22	15.09
Rasamas Larkin Sdn Bhd	Restaurants	Malaysia	15.79	16.77
Rasamas Melaka Sdn Bhd (formerly known as Prisma Circle Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	14.22	15.09
Rasamas Mergong Sdn Bhd (formerly known as Smart Revenue Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	15.79	16.77
Rasamas Nilai Sdn Bhd (formerly known as Midland Brand Sdn Bhd)	Operator of Rasamas Restaurant	Malaysia	14.22	15.09
Rasamas Terminal Larkin Sdn Bhd (formerly known as Bold Ocean Sdn Bhd)	Dormant	Malaysia	14.22	14.96
Restoran Keluarga Sdn Bhd	Operator of KFC Restaurant	Malaysia	15.79	16.77
Restoran Sabang Sdn Bhd	Restaurants	Malaysia	15.79	16.77
SBC Coffee Holdings Sdn Bhd	Dormant	Malaysia	31.14	32.40
Seattle's Best Coffee Sdn Bhd	Restaurants	Malaysia	15.79	16.77
Signature Chef Dining Services Sdn Bhd	Restaurants	Malaysia	15.79	16.77
Signature Chef Food Services and Catering Sdn Bhd	Restaurants	Malaysia	15.79	16.77

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Sterling Distinction Sdn Bhd	Dormant	Malaysia	31.14	32.40
Wangsa Progresi Sdn Bhd	Property holding	Malaysia	15.79	16.77
WP Properties Holdings Sdn Bhd	Investment holding activities	Malaysia	15.79	16.77
Yayasan Amal Bistari	Corporate Social Responsibilities'	Malaysia	20.28	21.46
Yes Gelato Sdn Bhd	Dormant	Malaysia	12.61	13.42
D HEALTHCARE				
ACTIVE COMPANIES				
Ampang Puteri Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Bandar Baru Klang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Bukit Mertajam Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Damansara Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Diaper Technology Industries Sdn Bhd	Providing IT Services and rental of software	Malaysia	32.23	39.89
Fabricare Laundry Sdn Bhd	Laundry services	Malaysia	40.67	38.30
FP Marketing (S) Pte Ltd	Distributor of pharmaceutical products	Singapore	40.67	42.55
Hospital Penawar Sdn Bhd	Specialist hospital	Malaysia	12.20	12.77
Hospital Pusrawi SMC Sdn Bhd	Specialist hospital	Malaysia	20.74	13.28
Ipoh Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	39.86	41.89
Jeta Gardens Waterford Trust (Australia)	Retirement Home	Australia	20.74	-

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Johor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Kajang Specialist Hospital Sdn Bhd (formerly known as Hospital Sentosa Sdn Bhd)	Specialist hospital	Malaysia	40.67	42.55
Kedah Medical Centre Sdn Bhd	Specialist hospital	Malaysia	18.57	19.42
Kota Kinabalu Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	39.45	41.27
KPJ Education Services Sdn Bhd	College	Malaysia	40.67	-
Advanced Health Care Solutions Sdn Bhd	IT System	Malaysia	30.50	-
KPJ Healthcare Berhad #	Investment holding	Malaysia	40.67	42.55
Kuantan Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	31.32	32.99
Kuching Specialist Hospital Sdn Bhd (formerly known as Puteri Healthcare Sdn Bhd)	Specialist hospital	Malaysia	28.47	29.79
Kumpulan Perubatan (Johor) Sdn Bhd	Investment holding and specialist hospital management	Malaysia	40.67	42.55
Lablink (M) Sdn Bhd	Lab and pathology services	Malaysia	40.67	42.55
Maharani Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	50.21
Medical Supplies (Sarawak) Sdn Bhd	Pharmaceutical dealer and outlets	Malaysia	30.50	31.91
Open Access Sdn Bhd	Pharmacy operator	Malaysia	40.67	42.55
Pahang Specialist Hospital Sdn Bhd (formerly known as Evolusi Spektra (M) Sdn Bhd)	Specialist hospital	Malaysia	40.67	42.55
Pasir Gudang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Penang Specialist Hospital Sdn Bhd	Development, education and general trading	Malaysia	40.67	42.55
Perdana Specialist Hospital Sdn Bhd (formerly known as Pusat Pakar Darul Naim Sdn Bhd)	Specialist hospital	Malaysia	24.81	25.77
Perlis Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
PharmaCARE Sdn Bhd	Trading and chain of pharmacy	Malaysia	40.67	42.55
Pharmaserv Alliances Sdn Bhd	Distributor of pharmaceutical products	Malaysia	40.67	42.55
Point Zone (M) Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
PT Khasanah Putera Jakarta Medical	Specialist hospital	Indonesia	30.50	31.99
PT Khidmat Perawatan Jasa Medika	Specialist hospital	Indonesia	80.00	80.00
Pusat Pakar Kluang Utama Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Pusat Pakar Tawakal Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Puteri Nursing College Sdn Bhd	Nursing college	Malaysia	40.67	42.55
Puteri Specialist Hospital (Johor) Sdn Bhd	Specialist hospital	Malaysia	40.67	32.40
Selangor Specialist Hospital Sdn Bhd (formerly known as Selangor Medical Centres Sdn Bhd)	Specialist hospital	Malaysia	24.40	25.53
Sentosa Medical Centre Sdn Bhd)	Specialist hospital	Malaysia	40.67	42.55
Seremban Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Sibu Geriatic Health & Nursing Center Sdn Bhd	Geriatric health & nursing centre	Malaysia	40.67	42.55
Sibu Medical Centre Corporation Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
SMC Healthcare Sdn Bhd	Specialist hospital	Malaysia	20.74	21.70
Sri Kota Refractive and Eye Centre Sdn Bhd	Eye Centre	Malaysia	32.54	-
Sterile Services Sdn Bhd (formerly known as Nat Trekker (M) Sdn Bhd)	Sterile services	Malaysia	26.44	27.66
Taiping Medical Centre Sdn Bhd	Specialist hospital	Malaysia	40.67	42.55
Tawakal Holdings Sdn Bhd	Investment holdings	Malaysia	40.67	42.55
DORMANT COMPANIES				
Amity Development Sdn Bhd	Dormant	Malaysia	20.74	21.70
Bayan Baru Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	22.36	22.36
Freewell Sdn Bhd	Ladies sanitary napkin manufacturer	Malaysia	32.53	34.04
KPJ Mediktv Sdn Bhd	Dormant	Malaysia	40.67	42.55
Malaysian Institute of Healthcare Management Sdn Bhd	Institute of healthcare management	Malaysia	30.50	31.91
Pharmacare Surgical Technologies Sdn Bhd	Manufacturing of surgical thread	Malaysia	40.26	42.55
Renal Link Sentosa Sdn Bhd	Dormant	Malaysia	40.67	42.55
Renalcare Perubatan (M) Sdn Bhd	Haemodialysis services	Malaysia	40.67	42.55

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
E TIMBER/INTRAPRENEUR VENTURE				
ACTIVE COMPANIES				
Delmar Marine Ventures Sdn Bhd	Vessel owning	Malaysia	10.20	13.83
E.A. Technique (M) Sdn Bhd	Provision of sea transportation and related services	Malaysia	29.16	22.20
Epasa Shipping Agency Sdn Bhd	Shipping and forwarding agent services	Malaysia	42.87	32.65
General Access Sdn Bhd	Field clearing, earthwork, road construction and resurfacing	Malaysia	45.15	32.56
Granulab (M) Sdn Bhd	Trading granular synthetic bone graft	Malaysia	51.45	39.18
Guadalcanal Plains Palm Oil Limited	Operate as legal entity for New Britain Palm Oil Ltd	Solomon Islands	23.18	22.49
Jejak Juara Sdn Bhd	Rubber plantation	Malaysia	46.31	100.00
Johor Shipyard and Engineering Sdn Bhd	Ship building, fabrication of steel structures, engineering services and consultancy	Malaysia	29.16	22.20
Julang Sempurna Sdn Bhd	Trading in Biochemical Fertilizer	Malaysia	34.30	26.12
Metro Equipment Systems (M) Sdn Bhd	Trading of parking and other related equipments	Malaysia	42.88	43.52
Metro Parking (B) Sdn Bhd	Parking operator and other transport related services	Brunei	24.81	35.74
Metro Parking (HK) Ltd	Parking operator and other transport related services	Hong Kong	23.58	26.21
Metro Parking (M) Sdn Bhd	Parking operations and the provision of related consultancy services	Malaysia	42.88	47.65
Metro Parking (S) Pte Ltd	Parking operator and consultancy services	Singapore	30.01	33.35
Metro Parking (Sabah) Sdn Bhd	Parking operator and other transport related services	Malaysia	42.88	47.65
Metro Parking Management (Philippines) Inc.	Parking operator and other transport related services	Philippines	43.40	35.74

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
E TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Metro Parking Services (India) Private Limited	Parking operator and consultancy services	India	42.88	47.65
Microwell Bio Solutions Sdn Bhd (formerly known as Microwell Sdn Bhd)	Business in agriculture and natural products, water treatment, biotechnology research and development	Malaysia	34.30	26.12
MIT Insurance Brokers Sdn Bhd	Insurance Brokers	Malaysia	51.45	39.18
MM Vitaoils Sdn Bhd	Producer and wholesale of palm oil and other edible oil and fats	Malaysia	19.83	15.24
Orkim Challenger Sdn Bhd	Vessel owning	Malaysia	4.53	6.15
Orkim Discovery Sdn Bhd	Vessel owning	Malaysia	4.53	6.15
Orkim Energy Sdn Bhd	Vessel owning	Malaysia	11.23	15.37
Orkim Express Sdn Bhd	Vessel owning	Malaysia	6.80	9.22
Orkim Leader Sdn Bhd	Vessel owning	Malaysia	6.80	9.22
Orkim Marine Sdn Bhd	Vessel owning	Malaysia	11.33	15.37
Orkim Merit Sdn Bhd	Vessel owning	Malaysia	6.80	9.22
Orkim Power Sdn Bhd	Vessel owning	Malaysia	6.80	9.22
Orkim Reliance Sdn Bhd	Vessel owning	Malaysia	4.53	6.15
Orkim Sdn Bhd	Investment holding	Malaysia	11.33	15.37
Orkim Ship Management Sdn Bhd	Vessel owning	Malaysia	11.33	15.37
Pro Office Solutions Sdn Bhd	Bulk mailing services	Malaysia	51.45	41.15
Sindora Berhad #	Intrapreneur venture business, oil palm plantation and investment holding	Malaysia	57.17	43.53
Sindora Development Sdn Bhd	Property Developer	Malaysia	57.17	43.53

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
1 CORE BUSINESS (CONTINUED)				
E TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Sindora Timber Sdn Bhd	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	Malaysia	51.45	39.18
Sindora Wood Products Sdn Bhd	Property letting	Malaysia	57.17	43.53
Smart Parking Management System Sdn Bhd	Trading of parking and other related services	Malaysia	42.88	33.35
DORMANT COMPANIES				
Sindora Timber Products Sdn Bhd	Dormant	Malaysia	57.17	43.53
Sindora Trading Sdn Bhd	Dormant	Malaysia	57.17	43.53
Tiram Fresh Sdn Bhd	Mushroom cultivation business	Malaysia	51.45	35.26
2 INTRAPRENEUR				
A SME				
ACTIVE COMPANIES				
Akli Resources Sdn Bhd	Provider of in-house and external training programme	Malaysia	54.30	52.70
Amazing Cuisine Sdn Bhd ^	Cold-cuts and sausages production	Malaysia	90.00	90.00
Aquapreneur Sdn Bhd ^	Breeding of tiger prawns	Malaysia	48.00	48.00
Ayamas Farms & Hatchery Sdn Bhd	Broiler farm	Malaysia	14.18	15.09
Ayamas Feedmill Sdn Bhd	Broiler farm	Malaysia	13.38	14.25
Bistari Young Entrepreneur Sdn Bhd	Producing, promoting and marketing Catur Bistari and services related	Malaysia	75.00	75.00
Edaran Badang Sdn Bhd	Dealer in agricultural parts	Malaysia	42.88	41.60

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Effective Corporate Resources Sdn Bhd	Advisors and consultants in company company management, administration and finance	Malaysia	91.50	93.00
Exquisite Livestock Sdn Bhd	Commercial cattle farming	Malaysia	51.44	49.92
Extreme Edge Sdn Bhd	Computer equipment supplier and services	Malaysia	57.16	55.47
HC Duraclean Sdn Bhd	Franchisor of cleaning services	Malaysia	75.00	86.97
Healthcare IT Solutions Sdn Bhd (formerly known as Niche Galary (M) Sdn Bhd)	IT Services	Malaysia	35.20	38.30
Healthcare Technical Services Sdn Bhd ~	Project management and engineering maintenance services	Malaysia	50.16	50.73
IPPJ Sdn Bhd	Entrepreneurial training programmes and seminars	Malaysia	79.00	95.00
JCIA Services Sdn Bhd	Corporate assurance and consulting services	Malaysia	100.00	100.00
Johor Skills Development Centre Sdn Bhd	Industrial training centre	Malaysia	75.00	75.00
JTP Montel Sdn Bhd	Cultivation of bananas	Malaysia	34.00	37.44
JTP Trading Sdn Bhd	Trading of tropical fruits	Malaysia	45.73	49.92
KCW Electrical Sdn Bhd	Electrical installation services	Malaysia	42.87	41.60
KCW Hardware Sdn Bhd	Hardware supplier	Malaysia	42.87	41.60
KCW Kulim Marine Services Sdn Bhd	Marine Maintenance	Malaysia	42.87	41.60
Kulim Civilworks Sdn Bhd	Facilities management	Malaysia	42.87	41.60
Kulim Livestock Sdn Bhd	Breeding and sales of cattle	Malaysia	51.44	49.92
Kulim Nursery Sdn Bhd	Oil palm nursery and other related services	Malaysia	51.45	41.60

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Kulim Top Plant Sdn Bhd	Production of oil palm clones	Malaysia	34.30	31.19
M.N. Koll (M) Sdn Bhd	Commercial cleaning and landscape	Malaysia	86.67	87.30
Maruah Emas Sdn Bhd	Islamic pawnshop	Malaysia	91.19	92.59
Optimum Status Sdn Bhd	Mill maintenance and fabrication	Malaysia	42.87	41.60
Perfect Synergy Trading Sdn Bhd	Fertilizer supplier	Malaysia	42.87	41.60
Pinnacle Platform Sdn Bhd	Software maintenance and supplier	Malaysia	57.16	55.47
Pro Biz Solution Sdn Bhd ^	Business centre	Malaysia	85.00	85.00
Pro Communication Services Sdn Bhd ^	Billboard and multimedia advertisement	Malaysia	75.00	75.00
Pro Corporate Management Services Sdn Bhd	Corporate secretarial services and share registrar	Malaysia	100.00	100.00
Rajaudang Aquaculture Sdn Bhd	Management services and breeding of tiger prawns	Malaysia	75.00	75.00
Rasamas Subang Sdn Bhd (formerly known as Supreme Delight Sdn Bhd)	Restaurant	Malaysia	14.18	15.09
Rasamas Taman Universiti Sdn Bhd	Restaurants	Malaysia	14.04	14.94
Rasamas Tebrau Sdn Bhd	Restaurants	Malaysia	14.06	14.96
Renown Value Sdn Bhd	Cultivation of pineapples and other agricultural produce	Malaysia	42.88	41.60
Semangat Juara Sdn Bhd	Broiler farm	Malaysia	11.81	12.58
Skop Yakin (M) Sdn Bhd	Dormant	Malaysia	36.54	38.30
Southern Poultry Farming Sdn Bhd	Broiler farm	Malaysia	14.18	90.00
Sovereign Multimedia Resources Sdn Bhd	Trading of computer hardware and software	Malaysia	75.00	75.00

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Special Appearance Sdn Bhd	Production house and event management	Malaysia	51.45	49.92
Superior Habour Sdn Bhd	Aquaculture operations for food consumption	Malaysia	44.59	43.27
Syarikat Pengangkutan Maju Bhd	Investment holding and bus services	Malaysia	90.01	87.63
Synergy Poultry Farming Sdn Bhd	Poultry broiler farm	Malaysia	13.35	84.75
Tepak Marketing Sdn Bhd	Contract packing	Malaysia	8.66	40.31
Teraju Farma Sdn Bhd	Supplier of pharmaceutical products	Malaysia	37.22	31.91
Teraju Fokus Sdn Bhd	Security services	Malaysia	30.00	30.00
TMR Urusharta (M) Sdn Bhd	Facilities management	Malaysia	96.30	97.00
Ventures Poultry Farm Sdn Bhd	Poultry broiler farm	Malaysia	14.18	90.00
B NON-SME				
ACTIVE COMPANIES				
Advanced Global Corporate Resources Sdn Bhd ^	Providing management services	Malaysia	91.50	93.00
Akademi JCorp Sdn Bhd	Operator of Strategic Business Schooland Corporate Training Programmes	Malaysia	100.00	100.00
Akademi Mutawwif Sdn Bhd ^	Training of Mutawwif	Malaysia	100.00	100.00
Aquabuilt Sdn Bhd ^	Rental of tiger prawns hatchery	Malaysia	100.00	100.00
Asia Logistics Council Sdn Bhd	GHELS & GCEL systems for Asia Pacific Region	Malaysia	74.00	74.00
Bertam Properties Sdn Bhd	Estate management	Malaysia	20.00	20.00
BP Plantations Sdn Bhd	Plantation	Malaysia	20.00	20.00
Bukit Damansara Development Sdn Bhd	Investment holding, ownership of buildings	Malaysia	100.00	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Century Nexus (M) Sdn Bhd	Management of Khairat Insurance	Malaysia	100.00	100.00
Convenue Marketing Sdn Bhd	Marketing of convention centre	Malaysia	79.00	95.00
Damansara Assets Sdn Bhd	Property management	Malaysia	100.00	100.00
Damansara REIT Managers Sdn Bhd	REITs management company	Malaysia	100.00	100.00
DPIM Consult Sdn Bhd	Management consultant	Malaysia	100.00	100.00
Dusun Damai Sdn Bhd	Marketing and managing orchards	Malaysia	100.00	100.00
East Johor Marine Farms Sdn Bhd ^	Rental of ponds for tiger prawns breeding	Malaysia	100.00	100.00
Great Allied Engineering Sdn Bhd	Autoblasting & painting	Malaysia	51.00	89.00
Harta Facilities Management Sdn Bhd	Facilities management	Malaysia	96.30	97.00
Hotel Selesa (JB) Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Hotel Selesa Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Intrapreneur Development Capital Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Intrapreneur Development Sdn Bhd	Investment holding	Malaysia	100.00	100.00
JCorp Hotels and Resorts Sdn Bhd (formerly known as Kumpulan Penambang (Johor) Sdn Bhd)	Investment holding	Malaysia	100.00	100.00
JKING Sdn Bhd ^	Producer of sports attire	Malaysia	98.75	93.75
Johor Capital Holdings 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

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Johor Logistics Sdn Bhd ^	Warehousing	Malaysia	51.00	100.00
Johor Silica Industries Sdn Bhd	Silica sand quarrying	Malaysia	100.00	100.00
Johor Ventures Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Kumpulan Perbadanan Johor Sdn Bhd	Management services	Malaysia	100.00	100.00
Langsat Marine Base Sdn Bhd (formerly known as Trilink Multiple Sdn Bhd)	Provision of marine base engineering services	Malaysia	51.00	60.00
Larkin Sentral Management Sdn Bhd ^	Property management	Malaysia	100.00	100.00
Larkin Sentral Sdn Bhd ^	Property contractor and developer	Malaysia	100.00	100.00
MC-JTP Concept Sdn Bhd	Rental and warehouse owner	Malaysia	25.50	100.00
Pacific Forest Industries Sdn Bhd	Timber activities	Malaysia	10.28	10.28
Panca Pesona Sdn Bhd	Industrial land and property developer	Malaysia	40.00	40.00
Pelaburan Johor Berhad	Management of unit trust	Malaysia	100.00	100.00
Penang Golf Resort Bhd	Management of Golf Course	Malaysia	20.00	20.00
Penawar Express Line Berhad ^	Express bus services	Malaysia	90.01	87.63
Permodalan Teras Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Premier Revenue Sdn Bhd	Insurance agent	Malaysia	100.00	100.00
PT Padang Industrial park	Industrial land development	Indonesia	55.00	55.00
Puteri Hotels Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Rajaudang Sdn Bhd ^	Investment holding and rental of ponds for breeding of tiger prawns	Malaysia	100.00	100.00
Rajaudang Trading Sdn Bhd	Wholesale activities	Malaysia	69.46	71.25
Sibu Island Resorts Sdn Bhd	Island resorts operator	Malaysia	100.00	100.00
SPMB Holdings Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Sri Gading Land Sdn Bhd	Industrial land development	Malaysia	51.00	51.00
Tanjung Langsat Port Sdn Bhd	Development of industrial land and provider of port services	Malaysia	100.00	100.00
Tanjung Tuan Hotel Sdn Bhd	Hotel operations	Malaysia	100.00	100.00
Techno SCP Sdn Bhd	Industrial land development	Malaysia	60.00	60.00
Tenaga Utama (Johor) Bhd	Investment holding	Malaysia	69.76	69.76
Tg. Langsat Development Sdn Bhd	Industrial land development	Malaysia	100.00	100.00
The World of Secret Garden Sdn Bhd ^	Personal care products	Malaysia	100.00	100.00
TMR ACMV Services Sdn Bhd	Maintenance of commercial air-conditioning and mechanical and ventilation services	Malaysia	96.30	97.00
TMR Koll Sdn Bhd	Provide engineering consultancy services	Malaysia	96.30	97.00
Total Project Management Sdn Bhd	Property management	Malaysia	100.00	100.00
TPM Management Sdn Bhd	Provider of Technical Services	Malaysia	40.00	39.00
TPM Technopark Sdn Bhd	Industrial land development	Malaysia	100.00	100.00
Union Industries Sdn Bhd	Manufacturing of window frames and wheel barrows	Malaysia	23.09	23.09
Yakin Tea Sdn Bhd ^	Rental of plantation	Malaysia	62.24	62.24
DORMANT COMPANIES				
Amiza Publishing Sdn Bhd ^	Book publishing and distributor	Malaysia	96.15	96.15
Asia Pacific Food Traders Sdn Bhd	Imports & exports of wholesale meat and related products	Malaysia	51.00	51.00
Bandar Baru Majidee Development Sdn. Bhd.	Property developer	Malaysia	100.00	100.00
Harta Consult Sendirian Berhad	Property management	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Jedcon Engineering Survey Sdn Bhd ^	Land survey services	Malaysia	51.00	51.00
Johor City Development Sdn Bhd ^	New township development	Malaysia	100.00	100.00
Johor Concrete Products Sdn Bhd	Trading in construction material	Malaysia	51.00	51.00
Johor Heavy Industries Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Johor Hotels International Sdn Bhd	Holding company	Malaysia	100.00	100.00
Johor Land (H) Sdn Bhd	Holding company	Malaysia	100.00	100.00
Johor Paper & Publishing Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Johor Tea Sdn Bhd	Tea plantation	Malaysia	100.00	100.00
Johor Toys Sdn Bhd	Dormant	Malaysia	86.24	86.24
JSEDC Properties Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Kilang Airbatu Perintis Sdn Bhd	Rental of land and coldroom services	Malaysia	88.22	88.22
LY Technologies (M) Sdn Bhd	Distributor of bus and body-parts	Malaysia	51.00	51.00
Marenban Limited	Dormant	Papua New Guinea	100.00	100.00
Meatpackers Sdn Bhd	Marketing of meat products	Malaysia	99.00	99.00
Mutiara Golf Properties Sdn Bhd	Dormant	Malaysia	20.00	20.00
Orion Tours Pte Ltd	Ceased operation	Singapore	100.00	100.00
Pagoh Highlands Resort Sdn Bhd	Dormant	Malaysia	60.00	60.00
Palley Investments Limited	Investment holding	British Virgin Island	100.00	100.00
Paper Automation Sdn Bhd ^	Trading in paper products	Malaysia	93.58	93.57
Persada Antarabangsa (Johor) Sdn Bhd	Convention centre management	Malaysia	100.00	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
PJB Capital Sdn Bhd	Portfolio management	Malaysia	100.00	100.00
Pro Office Services Sdn Bhd	Dormant	Malaysia	100.00	100.00
Rely-On-Us (M) Sdn Bhd	Franchisor of business centre operations	Malaysia	40.00	100.00
Sergam Berhad ^	Trading of steel bars and building materials	Malaysia	96.78	96.78
Sungei Gadut Quarry Sdn Bhd	Dormant	Malaysia	100.00	100.00
Technical Edge Sdn Bhd	Trading of motor vehicle spare parts	Malaysia	74.00	74.00
Tiram Air Sdn Bhd ^	Chartered aircraft services	Malaysia	70.00	70.00
Tiram Tours (S) Pte Ltd ^	Ceased operation	Singapore	100.00	100.00
Trapezoid Web Profile Sdn Bhd ^	Provision of project management & consultancy services and manufacturer of steel products	Malaysia	81.74	81.74
Triple Platform Sdn Bhd	Dormant	Malaysia	100.00	100.00
Tropika Landskap Sdn Bhd	Property developer	Malaysia	100.00	100.00
Westbury Tubular (M) Sdn Bhd ^	Building and construction work using tubular steel	Malaysia	41.69	41.69
COMPANIES IN WINDING UP PROCESS				
Asia Pacific Seafoods Pte Ltd !	Marketing of seafood products	Singapore	100.00	100.00
Australian Gold Field N.L.	Dormant	Australia	27.73	27.73
Buat Niaga Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Johor Aluminium Processing Sdn Bhd	Aluminium products	Malaysia	35.00	35.00
PJB Pacific Advisory Services Sdn Bhd	Dormant	Malaysia	75.00	75.00
Victoria Gold Mines	Dormant	Australia	27.73	27.73

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
COMPANIES IN WINDING UP PROCESS (CONTINUED)				
Warren Plantation (Mt.Hagen) Limited ^	Dormant	Papua New Guinea	100.00	100.00
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				
ACTIVE COMPANIES				
Waqaf An-Nur Corporation Berhad	Trustees and manager of waqaf	Malaysia	@	@
Bistari Johor Berhad	Entrepreneurship club	Malaysia	@	@
Capaian Aspirasi Sdn Bhd	Islamic Insurance agent and Amil Corporate Zakat	Malaysia	*	*
JCorp Intrapreneur (M) Bhd	Intrapreneurship club	Malaysia	@	@
Khairat Keluarga Perbadanan Johor Berhad	Employees deceased scheme	Malaysia	@	@
Tiram Travel Sdn Bhd	Sale of flight tickets and package for umrah, hajj and tourism	Malaysia	*	*
Yayasan Johor Corporation	Manage and administer funds for education and charitable purposes	Malaysia	@	@

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2011 %	Group Effective Interest Dec 2010 %
3 LIST OF NON-GOVERNMENT ORGANIZATIONS (CONTINUED)				
Incorporated under Companies Act, 1965, managed by Johor Corporation (continued)				
DORMANT COMPANIES				
D.I.M.A. Sdn Berhad	Logging transportation services	Malaysia	&	&
East Asian Marine Foods Sdn Bhd ^	Processing and marketing of marine products	Malaysia	&	&
Excellent Relations Sdn Bhd ^	To provide IT and other related services	Malaysia	&	&
Johor Deer Farm Sdn Bhd	Deer farming	Malaysia	&	&
Johor Land Constructions Sdn Bhd	Dormant	Malaysia	&	&
Johor Land Manufacturing	Dormant	Malaysia	&	&
Johor Tropical Products Sdn Bhd ^	Dormant	Malaysia	&	&
Johorcraft Sdn Bhd ^	Ceramic production and handicraft marketing	Malaysia	&	&
Kiras Sdn Bhd	Timber operation	Malaysia	&	&
Mahin Sdn Bhd	Processing of sawn timber	Malaysia	&	&
Malaysia Pharmacy (Retail) Sdn Bhd ^	Distributor and marketing of pharmaceutical products	Malaysia	&	&
Mengkibol Holdings Sdn Bhd	Investment holding	Malaysia	&	&
PharmaCare Medicine Shoppe Sdn Bhd ^	Pharmacy franchise	Malaysia	&	&
Quality Heights Sdn Bhd ^	Distributor and marketing of pharmaceutical products	Malaysia	&	&
Saujana Jaya Sdn Bhd	Coconut milk processing	Malaysia	&	&
Sports Communications Sdn Bhd ^	Promotion of motor sports	Malaysia	&	&
STPA Trading Sdn Bhd ^	Distribution of steel bars and building materials	Malaysia	&	&
T.T. Nusa Sdn Bhd ^	Holding company	Malaysia	&	&
Tajasukan Sdn Bhd ^	Investment holding	Malaysia	&	&
Vibrant Hectares Sdn Bhd	Processing of palm oil kernel	Malaysia	&	&
Vision Possible Berhad ^	Investment holding	Malaysia	&	&
Waqaf An-Nur Berhad	Dormant	Malaysia	@	@

LIST OF SUBSIDIARIES AND ASSOCIATES
CONTINUED

#	Listed on the Main Board of Bursa Malaysia Securities Berhad
$	Listed on Port Moresby Stock Exchange ("POMSOX") and London Stock Exchange
@	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
&	Subsidiaries of Waqaf An-Nur Berhad
~	Liquidated during the current year