JOHOR CORPORATION
Level 2, PERSADA JOHOR
Jalan Abdullah Ibrahim
80000 Johor Bahru
Johor, MALAYSIA.
Tel : 607 219 2692
Fax : 607 223 3175
Email : pdnjohor@jcorp.com.my
www.jcorp.com.my

JOHOR CORPORATION

2012 ANNUAL REPORT

JOHOR CORPORATION

Membina dan Membela

2012
ANNUAL REPORT

MISSION

- A state investment corporation contributing to state and national economic growth through an efficient and effective business model while upholding the community interest.
- A market-driven, profit-motivated, competitive business entity producing quality products and services.
- A catalyst, harnessing entrepreneurial talent and creativity, for economically, socially and environmentally sustainable business growth.
- Building businesses that add value to social capital and contribute to the prosperity and well-being of the community and nation.

VISION

- *"Membina dan Membela"*

COVER RATIONALE

Splashing surface of water ripples forming the image of a butterfly

The water element symbolises cleanliness, transparency and flexibility as a fundamental element of life. It has the capability to harmonise with spaces and steeps as a living substance strong enough to deform solid elements as hard as a rock albeit its mild nature in its liquid form.

The presence of external force towards the calm water surface breaks the surface tension, resulting in a reaction of change, engendering energy, which can be translated into a new paradigm shift for Johor Corporation (JCorp)'s corporate transformation journey to optimise its strategic growth prospects.

As the translated Malay proverbial 'water defies though pierced', it reflects on the accomplishments and stellar rise of JCorp, as the nation's most successful state investment corporation, driven by its people synergy and partnerships that have risen against all challenges, by building a diverse portfolio of industrial strength and ventures of new opportunities.

CONTENTS

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

YB DATO' KAMARUZZAMAN BIN ABU KASSIM
President & Chief Executive,
Johor Corporation

CORPORATE STATEMENT

DELIVERING ON THE PROMISE – A CONTINUING COMMITMENT

During 2012, a new chapter of Johor Corporation's corporate transformation journey was completed with the implementation of the Corporate Restructuring and Rationalisation Plan (CRRP). The restructuring objectives of the CRRP were asset rationalisation and value enhancement while the corporate exercises were designed to unlock and monetise the value of JCorp's assets to further optimise the Group's growth prospects.

Capital to support the CRRP was raised through the successful issuance of an Islamic Medium Term Notes Programme, termed Sukuk Wakalah Bil Istithmar, worth RM3.0 billion in nominal value, guaranteed by the Government of Malaysia.

In the second half of the year, JCorp successfully fulfilled its obligation to redeem a total of RM3.6 billion bond on its maturity date.

ECONOMIC REVIEW 2012

The world economy performed better than expected in the first quarter of the year, enjoying an upward trend owing partly to several policy actions taken by the European Union (EU) leaders resulting in improved investor confidence in the Euro area. The global economic growth trajectory in the second half of 2012 however was less impressive and manufacturing activity in the major economies trended down as reflected in lower Manufacturing Purchasing Managers Indices (PMIs) indicators.

The Malaysian economy remained surprisingly resilient. In the third quarter of 2012, Gross Domestic Product (GDP) growth moderated to a still commendable 5.2% year-on-year from a revised 5.6% in the second quarter. Growth was driven by strong domestic demand with impressive, albeit slightly slower, year-on-year growth in private consumption and public investment outlays. Net exports, meanwhile contracted further due to the deterioration in external demand for manufactured goods and commodities. The strength of the national economy was driven by increasing domestic consumer demand and the positive impact of the Economic Transformation Programme launched by the Federal Government.

CORPORATE STATEMENT

FINANCIAL PERFORMANCE

JCorp performed commendably, recording revenue of RM5.64 billion and delivering profit before tax of RM868 million for the year ended 31 December 2012. This result was achieved against the background of global economic challenges and lower commodity prices affecting major sectors of the economy and was partly attributable to the Group realising value in several core business sectors via divestment, acquisition, asset enhancement and discovery in new business sectors. The redemptions of obligations also helped minimise the liabilities of the Group.

The diversified nature of JCorp as an investment holding entity and our varied reach into multiple sectors of the Malaysian economy provided us with earnings growth. All sectors of the business - Palm Oils (Kulim) Food & Quick Service Restaurants, Healthcare, Property and Intrapreneur Ventures - have shown sustainable returns which has resulted in the profitability of the Group. Whilst JCorp have experienced a challenging year, by balancing its obligations and commitments, JCorp has remained steadfast on completing its strategic business transformation plan and its pledge to deliver on its potential and promises.

CORPORATE EVENTS

A proactive approach was taken to strengthen JCorp's balance sheet through the issuance of Sukuk Wakalah. The offering at an attractive price determined by a 'book-building' exercise was oversubscribed by 3.68 times, drawing a total value of RM11.05 billion.

Another significant corporate undertaking during the year was the acquisition of the substantial assets and liabilities of QSR Brands Bhd and KFC Holdings (Malaysia) Bhd which brought the food and quick service restaurants' corporate franchisors into a closer relationship with JCorp through the Group's 51% effective equity holdings besides Melati Asia Holdings Ltd, a joint venture with the Employees Provident Fund (EPF) and CVC Capital Partners. Previously the subsidiary companies of Kulim (Malaysia) Berhad, QSR Brands Bhd and KFC Holdings (Malaysia) Bhd which operate in 5 countries are now under the direct control of JCorp. The prospects for the Food and Quick Service Restaurant's business sector are immense.

DANA JOHOR

Beginning 2 July 2012, JCorp had launched Skim Dana Johor RM1 (SDJ1), a buy-back scheme benefiting over 35,000 unit holders. The scheme allowed unit holders to apply for buy-back at the price of RM1.00 per unit and/or a gratuity pay-back of 50 sen per unit. This scheme is an enhancement to the previous price improvement scheme namely Skim Belian Balik Bersyarat (SBBB) which had ended on 31 March 2012. JCorp thus far has contributed a total of RM226 million for both schemes.

CORPORATE GOVERNANCE

JCorp's policy of strict adherance to good Corporate Governance in its operations is fundamental to its capacity to remain vibrant and competitive amidst

CORPORATE STATEMENT

global uncertainties and the ever changing needs and the ways businesses operate today. JCorp has continuously pursued the tenets of good Corporate Governance in all its activities and in the business transactions of the subsidiary companies in the Group. JCorp takes pride in its standard of Corporate Governance and in the reputation built over the years.

JCorp has put in place a Corporate Governance structure with clear internal control systems, reporting and responsibility lines as well as procedures that are easily understood. Corporate Governance in JCorp is systematically ruled by a number of specific committees that cater to the different levels of decision-making processes pertaining to the operational, financial and strategic issues in business deliverance, consisting of the Board of Directors, Board of Audit Committee, Board of Tender Committee, Group Top Management Committee or TERAJU, Teraju Korporat, Executive Committee (EXCO) and Investment Review Committee (JAWS).

The effectiveness and efficiency of JCorp's Corporate Governance measures has also prevailed over the conduct of the 282 companies within the Group. Four listed entities have their own Corporate Governance statements that are bonded to stock exchanges and listing requirements in addition to JCorp's commitment of adherence to Johor State's Enactment as a statutory body.

These tenets are essential to the building of an enduring brand and sustained stakeholder value. JCorp also observes high standards of corporate conduct in line with the principles and guidelines of the revised Malaysian Code on Corporate Governance.

SIGNIFICANT ASSET ENHANCEMENT INITIATIVES

The rebranding and refurbishment of Plaza Kotaraya as Galleria@Kotaraya was a major milestone achieved by the Group's subsidiary Damansara Assets Sdn Bhd. The rejuvenation process was successfully accomplished through renovation works and upgrades worth over RM40 million to rejuvenate the image of Johor Bahru's up and coming Central Business District (CBD) nestled on 159 hectares and the city's reputation as a world class metropolis. Centrally located in the heart of the City Centre, Galleria@Kotaraya is a five-storey shopping complex on a 546,530 square-feet portion of the 4.45 hectares greater Kotaraya project. Galleria@Kotaraya is one of several initiatives taken by the Group to revamp, reshape and reconstruct the landscape of Johor Bahru in line with the Economic Transformation Plan for Johor Bahru city.

Another development underway is KOMTAR as part of the CBD initiatives that will consist of a newly redeveloped retail space, office tower and hotel block, which will collectively be known as Johor Bahru City Centre (JBCC).

CORPORATE STATEMENT

Refurbishment of The Puteri Pacific Hotel, Johor Bahru has also started in 2012. It was part of a long-term asset enhancement plan: providing a refreshing new look, more comfortable rooms and facilities to better cater to customers' needs. It also helped to address its ability to compete for business against new hotels in the city.

The Bandar Dato' Onn development continues to monetise the potential value of Johor Land Berhad's land bank given its strategic location within Iskandar Malaysia. This buoyant geographical location has given JCorp the opportunity to capitalise on the demand and needs arising from rapid growth within Iskandar Malaysia and its vicinity.

Tanjung Langsat Port Sdn Bhd (TLPSB) remains focused on being an Oil & Gas enabler business. The port, which is part of Government's Entry Point Projects (EPP) initiatives, plays a significant part in capturing opportunities and growing Johor's economy through the Oil & Gas sector. Dredging works to maintain good depth in navigation channels and alongside wharfs was done in 2012. This initiative, plus other infrastructure improvement programmes will ensure TLPSB's ability to optimise the utilisation of its port and facilities.

Once fully completed, Tanjung Langsat Industrial Area, the Palm Oil Industrial Cluster (POIC), and Tanjung Langsat Port (TLP) are poised to capture the spillover effects of the Refinery and Petrochemical Integrated Development (RAPID) project in Pengerang.

HUMAN CAPITAL DEVELOPMENT

On the back of the Group's commendable performance for 2012, JCorp's transformation journey can only be made possible through the high commitment and effective role play from all of its employees. This dedicated effort has strengthened our capabilities to match our current and future business needs. JCorp leverages the strengths of each subsidiary and the size of the Group as a whole to have the upper hand in the competitive advantage of each company. To ensure the Group's continued excellence and to support its mission and vision, the human capital development policy encompasses training and technology/knowledge transfers in a process of continuous improvement to systems, procedures and processes. Our internal training centres provide comprehensive tutoring and mentoring through structured programmes to synergise know-how held within the Group and provide sector-specific trainings to cater for each business sectors and subsidiaries.

CORPORATE STATEMENT

AWARDS AND RECOGNITIONS

During the year under review, the Group's achievements were acknowledged with a number of awards and recognitions.

Some of the awards received; amongst others was the highest 4-star rating on the Financial Management Accountability Index by the National Audit Department for the 5th consecutive year since 2007, signifying the Group's continuous initiative in upholding accountability and transparency. On the same note, the Group has also claimed international credentials for its innovative intrapreneurship schemes in the ADFIAP Awards 2012 garnering the Outstanding Development Project Award for SME Development.

Another credential was received by JCorp's subsidiary Kulim (Malaysia) Berhad as the Winner of The Edge Billion Ringgit Club Award 2012, standing out as the Highest Profit Growth Company – Highest Growth in Profit Before Tax over Three Years. Kulim has also brought cheer to the Group with its contribution towards conserving wildlife. Kulim Wildlife Defenders (KWD) was recognised at the Prime Minister's CSR Awards in The Best CSR category and subsequently sustained its winning record in the National Annual Corporate Report Award 2012 (NACRA 2012) with victory in the Industry Excellence Award (Main Board) – Plantations & Mining category.

KPJ Healthcare Bhd on the other hand, received an honourable acknowledgement – the Best Healthcare Service Provider of the Year in Frost & Sullivan's Malaysia Excellence Awards 2012 in their effort to salute and recognise Malaysia's best companies. This award has indirectly placed KPJ among the best regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service and strategic product development. This has in turn resulted in yet another recognition by Reader's Digest in their Most Trusted Brand Award 2012, whereby KPJ was announced as the Gold Winner for being the Best Private Hospital in Malaysia.

CORPORATE STATEMENT

CORPORATE SOCIAL RESPONSIBILITY

JCorp has a policy and strategy to manage its responsibility towards the betterment of the community and society as a whole. As part of the Group's CSR portfolio, The Group manages 42 societies and NGOs to ensure CSR initiatives reach the targeted audiences more effectively. The Group's main focus was on three components: firstly on community development via direct and indirect initiatives in the areas of education, entrepreneurial and community activities; secondly on social welfare initiatives improving the quality of life of marginalised individuals or communities; and thirdly through promoting sports via the sponsorship of major sporting activities to foster unity among people.

ACKNOWLEDGEMENTS

JCorp would like to record its appreciation to Dato' Paduka Ismee Bin Ismail and Dato' Haji Maliami Bin Hamad for their contributions during their tenure as directors of JCorp. Dato' Paduka Ismee Bin Ismail and Dato' Haji Maliami Bin Hamad had served as Board members since 1 November 2010 and 1 June 2012 respectively.

WORDS OF APPRECIATION

JCorp Board of Directors, would like to express its appreciation and gratitude to the State Government of Johor, the Federal Government of Malaysia and all relevant authorities, bankers and financial advisors, customers, strategic partners as well as all its stakeholders at large. JCorp is deeply beholden to all public shareholders and institutions that have invested in its PLCs and supported its corporate plans and business transactions during the year.

JCorp also appreciated the guidance, wisdom and expertise of its fellow directors on the Board in helping to advance the interests of the Group. The Group look forward to their continued insightful contributions as they deliver quality and add value to our businesses for all its stakeholders as well as the large community.

Finally, JCorp's appreciation also goes to its highly motivated management and personnel for their dedication and loyalty towards the Corporation, which were essential towards achieving the Group's outstanding performance and extraordinary achievements in the year under review.

It is the Group's sincere hope to stand tall together to face any challenges with renewed energy and determination to sustain and further improve JCorp's performance in the years ahead. JCorp looks forward to stakeholder's continued support as the Group is charted towards reaching its vision of being a corporation that excels in delivering quality and adding value, not only to its customers and stakeholders, but also to the society at large.

DATO' HAJI ABDUL GHANI BIN OTHMAN
Chairman
Johor Corporation

DATO' KAMARUZZAMAN BIN ABU KASSIM
President & Chief Executive
Johor Corporation

As the state's foremost
investment corporation arm,
JCORP GROUP of companies
continue to break
NEW BOUNDARIES,
by strategically transforming its business
frontiers to stir its
POTENTIAL for **GROWTH**

BOARD OF DIRECTORS

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

YBHG DATO' SRI DR ALI BIN HAMSA
Chief Secretary to the Government of Malaysia
Prime Minister's Office
Deputy Chairman, Johor Corporation

YB DATO' KAMARUZZAMAN BIN ABU KASSIM
President & Chief Executive
Johor Corporation

BOARD OF DIRECTORS

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

YB DATO' HAJI OBET BIN TAWIL
State Secretary of Johor
Chairman, Board of Tender Committee

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

YB TUAN HAJI MARSAN BIN KASSIM
State Financial Officer of Johor

YBHG DATUK DR REBECCA FATIMA STA MARIA
Secretary General
Ministry of International Trade and Industry

YBHG DATUK DR RAHAMAT BIVI BINTI YUSOFF
Director General
Economic Planning Unit
Prime Minister's Department

YBHG PUAN SITI ZAUYAH BINTI MOHD DESA
Secretary of Loan Management, Financial Market and Actuary Division
Ministry of Finance

YB DATIN PADUKA ZAINON BINTI HAJI YUSOF
Independent Director
Johor Corporation

ENCIK MOHAMED IZAHAM BIN ABDUL RANI
Secretary
Johor Corporation

BOARD OF DIRECTORS' PROFILE

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

Aged 67. He was appointed as the Chairman of Johor Corporation Board of Directors effective 3 May 1995. He holds a Bachelor in Economics (Hons.) from La Trobe University of Australia, Master of Political Economy, University of Australia and Master of Political Economy from University of Queensland. He is currently the Chief Minister of Johor.

2. **YBHG DATO' SRI DR ALI BIN HAMSA**
Deputy Chairman, Johor Corporation

Aged 58. 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 Philosophy Doctrate (Ph.D.) from Oklahoma State University in 1997, M.S. (Economics) from Oklahoma State University in 1986, B.A. (Hons.) from University of Malaya in 1979 and Diploma in Public Management from INTAN in 1980. He is currently the Chief Secretary to the Government of Malaysia, Prime Minister's Office.

3. **YB DATO' KAMARUZZAMAN BIN ABU KASSIM**
President & Chief Executive, Johor Corporation
Member, Board of Director

Aged 49. He was appointed as the President & Chief Executive and Director of Johor Corporation effective 1 December 2010. He holds a Bachelor Of 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, followed by 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**
Member, Board of Director

Aged 64. He was appointed as an Independent Director of Johor Corporation effective 9 September 2009. He holds a Bachelor of Arts from University of Malaya. He is currently the Chairman of Executive Committee, Housing, Local Government, Work And Public Amenities of the State of Johor.

5. **YB DATO' HAJI OBET BIN TAWIL**
Member, Board of Director

Aged 59. He was appointed as a Director of Johor Corporation representing the State Government effective 14 March 2011. He holds a Bachelor 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**
Member, Board of Director

Aged 55. He was appointed as a Director of Johor Corporation representing the State Government effective 15 August 2006. He holds a Bachelor of 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**
Member, Board of Director

Aged 58. He was appointed as a Director of Johor Corporation representing the State Government effective 28 June 2011. He holds a Bachelor of Accountancy (Hons.) from Universiti Malaya in 1979. He is currently the State Financial Officer of Johor.

BOARD OF DIRECTORS' PROFILE

8. YBHG DATUK DR REBECCA FATIMA STA MARIA

Member, Board of Director

Aged 56. She was appointed as a Director of Johor Corporation representing the Federal Government effective 1 July 2011. She holds a Bachelor of English Arts (Hons.) from Universiti Malaya, Master of Arts in Counselling from Universiti Pertanian Malaysia and Philosophy Doctrate in Adult Education (Ph.D.) 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

Member, Board of Director

Aged 56. 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 Doctrate in Economics (Ph.D.) 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 PUAN SITI ZAUYAH BINTI MOHD DESA

Member, Board of Director

Aged 54. She was appointed as a Director of Johor Corporation representing the Federal Government effective 11 March 2013. She graduated with MBA in International Banking from the University of Manchester, United Kingdom, B.Sc. (Hons.) in Quantity Surveying from University of Reading, United Kingdom and Diploma in Public Administrations from National Institute of Public Administration (INTAN). She is currently the Secretary of Loan Management, Financial Market and Actuary Division, Ministry of Finance.

11. YB DATIN PADUKA ZAINON BINTI HAJI YUSOF

Member, Board of Director

Aged 60. 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 of Arts (Hons.) from University of Malaya.

12. ENCIK MOHAMED IZAHAM BIN ABDUL RANI

Secretary, Johor Corporation

Aged 46. He was appointed as the Secretary of Johor Corporation effective 1 April 2011. He holds a Bachelor of Commerce (Accountancy) from the Australian National University, Canberra. He is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of Certified Practising Accountants of the Australian CPA. He is currently the Vice President, Finance & Legal Division of Johor Corporation.

BOARD OF INVESTMENT COMMITTEE

CHAIRMAN

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

MEMBERS

2. **YB DATO' HAJI AHMAD ZAHRI BIN JAMIL**
   Chairman of Executive Committee, Housing, Local Government, 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

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
   Special Administration Division

BOARD OF TENDER COMMITTEE

CHAIRMAN

1. **YB DATO' HAJI OBET BIN TAWIL**
   State Secretary of Johor
   Director of Johor Corporation

MEMBERS

2. **YB TUAN HAJI MARSAN BIN KASSIM**
   State Financial Officer of Johor
   Director of Johor Corporation

3. **YB DATO' KAMARUZZAMAN BIN ABU KASSIM**
   President & Chief Executive

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

SECRETARY

5. **ENCIK ABDUL RAHIM BIN MUSTAFA**
   Senior Manager
   Land Services Department

GROUP TOP MANAGEMENT COMMITTEE (TERAJU)

CHAIRMAN

1. **YB DATO' KAMARUZZAMAN BIN ABU KASSIM**
   President & Chief Executive

MEMBERS

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

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

4. **TUAN HAJI LUKMAN BIN HAJI ABU BAKAR**
   Managing Director
   Johor Land Berhad

5. **TUAN HAJI JAMALUDIN BIN MD ALI**
   Executive Director /
   Vice President
   Business Development
   Kulim (Malaysia) Berhad

6. **TUAN HAJI AMIRUDDIN BIN ABDUL SATAR**
   Managing Director
   KPJ Healthcare Berhad

7. **TUAN HAJI ABDUL RAHMAN BIN SULAIMAN**
   Vice President
   Property & Business Development
   Division

8. **TUAN HAJI YUSOF BIN RAHMAT**
   Vice President
   Amal Business & Waqaf
   Investment Division /
   Chief Executive Officer
   Waqaf An-Nur Corporation Berhad

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

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

JOINT SECRETARIES

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

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

TERAJU KORPORAT COMMITTEE

CHAIRMAN

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

MEMBERS

2. **TUAN HAJI ABDUL RAHMAN BIN SULAIMAN**
Vice President
Property & Business
Development Division

3. **TUAN HAJI YUSOF BIN RAHMAT**
Vice President
Amal Business & Waqaf
Investment Division /
Chief Executive Officer
Waqaf An-Nur Corporation Berhad

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

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

6. **TUAN HAJI SHEIK SHARUFUDDIN BIN SHEIK MOHD**
Chief Financial Officer
QSR Brands (M) Holdings Sdn Bhd

7. **TUAN HAJI YUSAINI BIN SIDEK**
Managing Director
Damansara REIT Managers
Sdn Bhd & Executive Director
Damansara Assets Sdn Bhd

8. **ENCIK AZLI BIN MOHAMED**
Chief Financial Officer
Kulim (Malaysia) Berhad

9. **TUAN HAJI MOHD RAZIF BIN AB. RAHIM**
Senior General Manager
Johor Land Berhad

10. **ENCIK MOHD SAHIR BIN RAHMAT**
Vice President
Corporate Services
KPJ Healthcare Berhad

11. **PUAN HAJAH AZIZAH BINTI AHMAD**
General Manager
Human Capital Development
& Administation Department

12. **ENCIK ONN BIN ISMAIL**
General Manager
Compliance &
Risk Management Division

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

14. **PUAN WAN SU BINTI ALI**
General Manager
Legal Department

JOINT SECRETARIES

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

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

EXECUTIVE COMMITTEE (EXCO)

CHAIRMAN

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

DEPUTY CHAIRMAN

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

MEMBERS

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

4. **PUAN WAN SU BINTI ALI**
   General Manager
   Legal Department

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

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

7. **PUAN HAJAH NORISHAH BINTI MOHD SETH**
   Deputy General Manager
   Business & Investment
   Waqaf An-Nur Corporation Berhad

8. **PUAN RABIATUL ADAWIAH BINTI ADNAN**
   Deputy General Manager
   Land Services Department

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

10. **TUAN HAJI ROSDI BIN YAACUB**
    Deputy General Manager
    TPM Technopark Sdn Bhd

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

12. **CIK NARIMAH BINTI ABDULLAH**
    Senior Manager
    Office of Senior Vice President / Chief Operating Officer

SECRETARY

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

INVESTMENT REVIEW COMMITTEE (JAWS)

CHAIRMAN

1. **TUAN HAJI JAMALUDIN BIN MD ALI**
   Executive Director / Vice President
   Business Development
   Kulim (Malaysia) Berhad

MEMBERS

2. **TUAN HAJI ABDUL RAHMAN BIN SULAIMAN**
   Vice President
   Property & Business Development Division

3. **TUAN HAJI AMIRUDDIN BIN ABDUL SATAR**
   Managing Director
   KPJ Healthcare Berhad

4. **TUAN HAJI BUKHARI BIN ABDUL RAHMAN**
   Managing Director
   Pro Office Solutions Sdn Bhd

5. **TUAN HAJI IBRAHIM BIN ABDUL SAMAD**
   Managing Director
   TPM Technopark Sdn Bhd

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

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

8. **PUAN RABIATUL ADAWIAH BINTI ADNAN**
   Deputy General Manager
   Land Services Department

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

SECRETARY

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

CORPORATE PROFILE & INFORMATION

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 through its Group of Companies involves in core businesses encompassing Palm Oils (Kulim), Specialist Healthcare Services, Foods & Quick Service Restaurants, Property, Support Services and Investment, Hospitality, Intrapreneur Venture as well as New Businesses.

JCorp has since become a prominent player in several of its core businesses, particularly in Specialist Healthcare Services as well as Foods & Quick Service Restaurants. The Palm Oils sector owns operations and business interests not only in Malaysia, yet encompasses Papua New Guinea, Solomon Islands and United Kingdom. The Food & Quick Service Restaurants sector spawns from Malaysia to Singapore, Brunei, Philippines, Cambodia and India. Meanwhile, the Specialist Healthcare Services sector domestically spearheaded by JCorp has been expanded to Indonesia, Australia and Thailand.

Over the 43 years since its incorporation, JCorp as a market-driven business entity is primarily focusing on the realisation of its goal underlined in its strategic business transformation plan while equally balancing its obligations and commitments. JCorp has translated its capacity to retain formidable financial and corporate performances amidst global economic uncertainties. Notwithstanding, with a strong business foundation, its human capital capacity, corporate ethical compliances and inculcation of virtuous values that are efficient and tactful, JCorp continues to magnify its market presence while exploring new businesses to continue discharging its role as a state development agent and implementing its corporate social responsibility.

REGISTERED OFFICE JOHOR CORPORATION

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

JOHOR CORPORATION OFFICE KUALA LUMPUR BRANCH

Level 11, Menara JCorp
No 249 Jalan Tun Razak
50400 Kuala Lumpur.
Telephone: 603-2787 2692
Fax: 603-2787 2700

WEBSITE

www.jcorp.com.my

AUDITOR

Ernst & Young
Suite 11.2, Level 11
Menara Pelangi
80400 Johor Bahru
Johor.

PRINCIPAL BANKER

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

CORPORATE MILESTONES

THE STORY OF GROWTH

• GROWTH • EXPANSION

1968
- Johor State Economic Development Corporation (JSEDC) was established

1970
- JSEDC started its operations

1972
- The State Government granted 3.5 hectares of land for the development of KOMTAR

1975
- 8.72% share acquisition in Kulim (Malaysia) Berhad

1977
- Appointed as the local management authority of Pasir Gudang
- 65% of Sindora Berhad's equity takeover

1988
- Takeover of Kemajuan Intisari Sdn Bhd & changed its name to Kumpulan Perubatan (Johor) Sdn Bhd (KPJSB)

1992
- Launching of Amanah Saham Johor (ASJ)

1994
- KPJSB established its Puteri Nursing College
- Listing of KPJ Healthcare Berhad in BSKL Main Board

1995
- JSEDC changed its name to Johor Corporation (JCorp)

1996
- Johor Land Berhad was listed in BSKL Main Board
- Kulim (Malaysia) Berhad took over 90% of interest in New Britain Palm Oil Ltd (NBPOL), the largest plantation company in Papua New Guinea

1998
- The opening of the first Waqaf An-Nur Clinic at Plaza Kotaraya

1999
- The listing of NBPOL in Port Moresby Stock Exchange, Papua New Guinea



CORPORATE MILESTONES

1968 1980 1990 2000 2010

• TRANSFOMATION • STRATEGIC EXPANSION

2005

- The launching of Al-'Aqar KPJ REIT by KPJ Healthcare Berhad
- Takeover of 36.7% of QSR Brands Bhd by Kulim

2006

- Kulim managed to take over the majority shareholding of QSR Brands Bhd with equity of 51.88%
- The first Waqaf An-Nur Hospital officially opened to the public
- The listing of Al-'Aqar KPJ REIT, the first Islamic Healthcare REIT in the world

2007

- Secondary Listing of NBPOL in the London Stock Exchange

2008

- Takeover of the majority shareholding of Sindora Berhad by Kulim

2009

- Delisting of Johor Land Berhad
- The official Launching of Tanjung Langsat Port's Liquid Cargo Jetty

2011

- JCorp managed to receive its fourth consecutive certification of the four-star Financial Management Accountability Index

2012

- Dana Johor RM1 Buy-Back Scheme (SDJ1) worth RM270 million
- Sukuk Wakalah Issuance worth RM3 billion & final CRMP Bond Redemption worth RM3.6 billion

2013

- JCorp's Audited Accounts 2012 was signed on 28 March 2013

AWARDS AND RECOGNITIONS

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 AWARD 2012

- Industry Excellence Award (Main Board)
  - Plantation & Mining (Winner), Awarded by The National Annual Corporate Report Award (NACRA).

2. PRIME MINISTER CSR AWARDS 2011

- Best 2011 CSR Programme: Environment, Awarded by The Ministry of Women, Family and Community Development.

3. THE EDGE BILLION RINGGIT CLUB 2012

- Highest Profit Growth Company – Highest Growth in Profit Before Tax Over Three Years, Awarded by The Edge.

4. OUTSTANDING ENTREPRENEURSHIP AWARD

- Awarded by Enterprise Asia

5. GLOBAL CSR AWARDS 2012

- Bronze Award (Workplace Practices)
  - Awarded by The Pinnacle Group International

KPJ HEALTHCARE BERHAD

1. Best Practices Award 2012 – Healthcare Service Provider of The Year by Frost & Sullivan
2. Reader's Digest Most Trusted Brand Award – Gold Winner for Private Hospital, Awarded by Reader's Digest
3. Employer of Choice Award 2012 – Silver Award from The Malaysia Institute of Human Resource Management
4. HR Leader of The Year Award – Silver Award from The Malaysia Institute of Human Resource Management
5. CSR Leadership Award 2012 from The Young Entrepreneur Organisation Malaysia (GMB)

AWARDS AND RECOGNITIONS

QSR BRANDS BHD & KFC HOLDINGS (MALAYSIA) BHD

KFC

1) Best Core Award (FAMILIES) – Yum

2) Best Advertising (BITES) for Breakfast Multigrain – Yum

3) Best Outstanding Team (SALES) Performance (PEPSICO)

4) Best CTR Skype (DIGITAL) Campaign from Microsoft Awards

5) Best Socially Devoted Brand (Q3) from Social Bakers Global

KFC MARKETING

1. Malaysia Women Weekly Magazine's Domestic Diva Awards 2012
   - Best in Home & Food – Ayamas Quik Burger Won under "Best Processed Meat".
   - Best in Home & Food – Ayamas Breaded Drummets & Midwings won under "Best Ready to Fry Frozen Meat"

PIZZA HUT

1) The Marketing Communication Effectiveness Awards (Effies) 2012 – Bronze

2) PHD Malaysia – Development Excellence 2012

JCORP IN THE MEDIA

JCORP IN THE MEDIA

Raja Zarith brings cheer to Sultanah Aminah Hospital

GOOD TIDINGS: The visit came with donations of medical equipment as well as gifts for children in the paediatric ward

JCorp looks to double-digit growth in 2013

IWH, JCorp to build affordable homes

JOHOR BARU: Johor Corp (JCorp) and Iskandar Waterfront Holdings Sdn Bhd (IWH) will jointly develop 8,300 units of affordable houses under the 1Malaysia Housing Programme.

The construction of the new houses will begin late this year and complete by late 2015. They will be made available to eligible applicants in nine locations within the Johor Baru district.

IWH managing director Tan Sri Lim Kang Hoo said there would be a good choice of apartments, townhouses or detached single-storey houses to match individual budgets and family requirements.

"The location of the projects in sub-urban areas was carefully selected for easy accessibility to the city here and to provide a ready pool of labour to neighbouring industries and the services sector," he said in a statement.

The house...

JCorp's personnel shuffle

JOHOR BARU: Johor Corporation (JCorp) has announced changes in the top management structure of the six companies in the group, namely Kulim (Malaysia) Bhd, KPJ Healthcare Bhd, QSR Brands Bhd/KFC Holdings (Malaysia) Bhd, Damansara Realty Bhd, Johor Land Bhd and Damansara Assets Sdn Bhd.

Its president and chief executive officer Kamaruzzaman Abu Kassim said the move is to enhance the performance of existing businesses.

The changes at KPJ saw the appointment of its current executive director Amiruddin Abdul Satar as its new managing director and chief executive officer effective January 1, 2013, replacing Datin Paduka Siti Sa'diah Sheikh Bakir, whose contract will expire by end of this year.

Amiruddin, 48 is an accountant by profession and holds an MBA from the University of Reading in Britain.

Datuk Ahmad Zaki Zahid, 42, was appointed as the new managing director for QSR/KFCH effective yesterday. He was also appointed as managing director for Massive Equity Sdn Bhd.

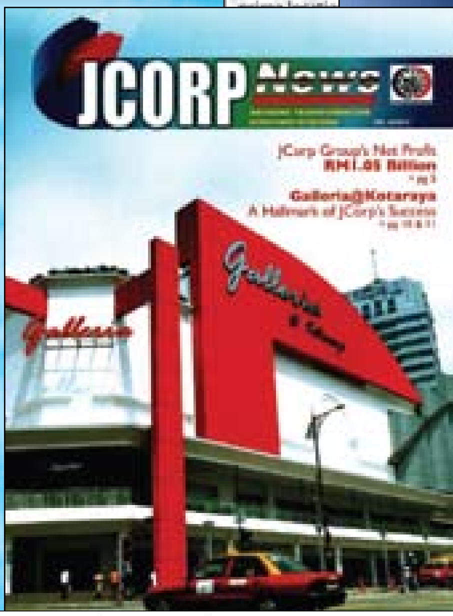
Ahmad Zaki replaced Jamaludin Md Ali, who is appointed as non-independent and non-executive director of QSR/KFCH and executive director of Kulim.

Ahmad Zaki has also relinquished his position as the executive director of Kulim, the managing director of Damansara Realty, the managing director of Damansara Assets and deputy chairman of Johor Land.

However, he remains as a non-executive director for Damansara Realty, Damansara Assets and Johor Land.

The executive director of Damansara REIT Managers Sdn Bhd, Yusaini Sidek, was appointed as executive director for Damansara Assets effective yesterday.

Johor Corporation Memartabatkan Peniaga Bumiputera di Bandaraya JB



JCorp draws RM1.2bil investments to 11 industrial areas

STAR - 29/11/2012 NEWS

KUALA LUMPUR: Johor Corp (Jcorp) has drawn domestic and foreign capital investments of RM1.2bil within a year, to its 11 industrial areas of 4,627.2ha, which are being developed to house factories for various industries.

The investments involve the industrial areas in Pasir Gudang, Tanjung Langsat, Taman Teknologi Johor, Tebrau (I and IV), Simpang Renggam II, Mengkibol, Pontian, Segamat II, Kluang and Senai.

"All the investments came in from November 2011 to the end of October this year," said its president and chief executive Kamaruzzaman Abu Kassim in a statement yesterday.

He also said Jcorp was actively promoting the Sedenak Industrial Area of 283.2ha, which was recently developed, and was slated to be an international small and medium industry hub.

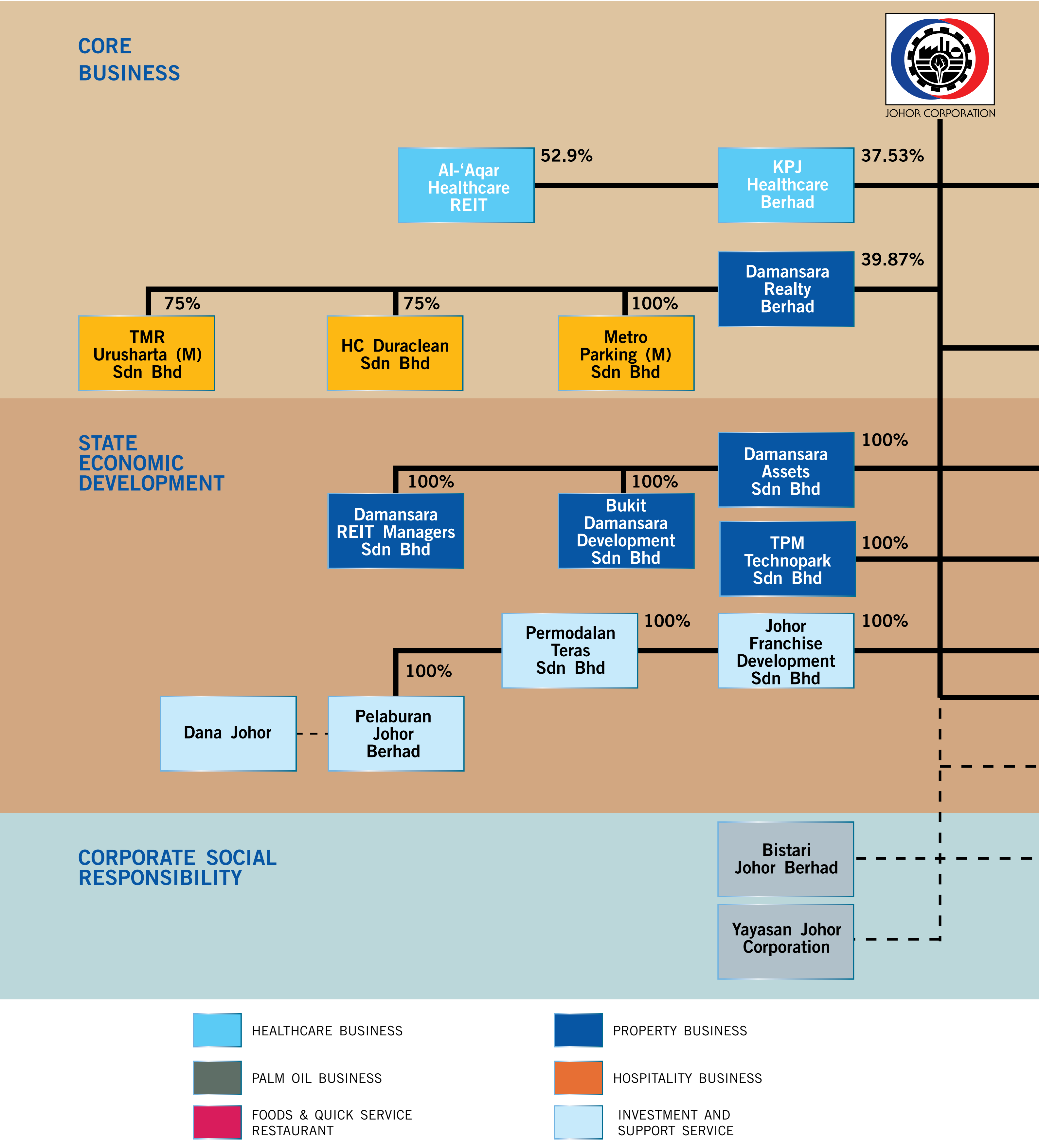
Kamaruzzaman said investors were also focusing on the Tanjung Langsat Industrial Complex (TLIC) and using the logistics facilities at Tanjung Langsat Port (TLP) in the Flagship D corridor development area of Iskandar Malaysia.

"We have succeeded to date in bringing in 60 investors who have invested a total of RM16bil in the TLIC, involving 628ha," he added.

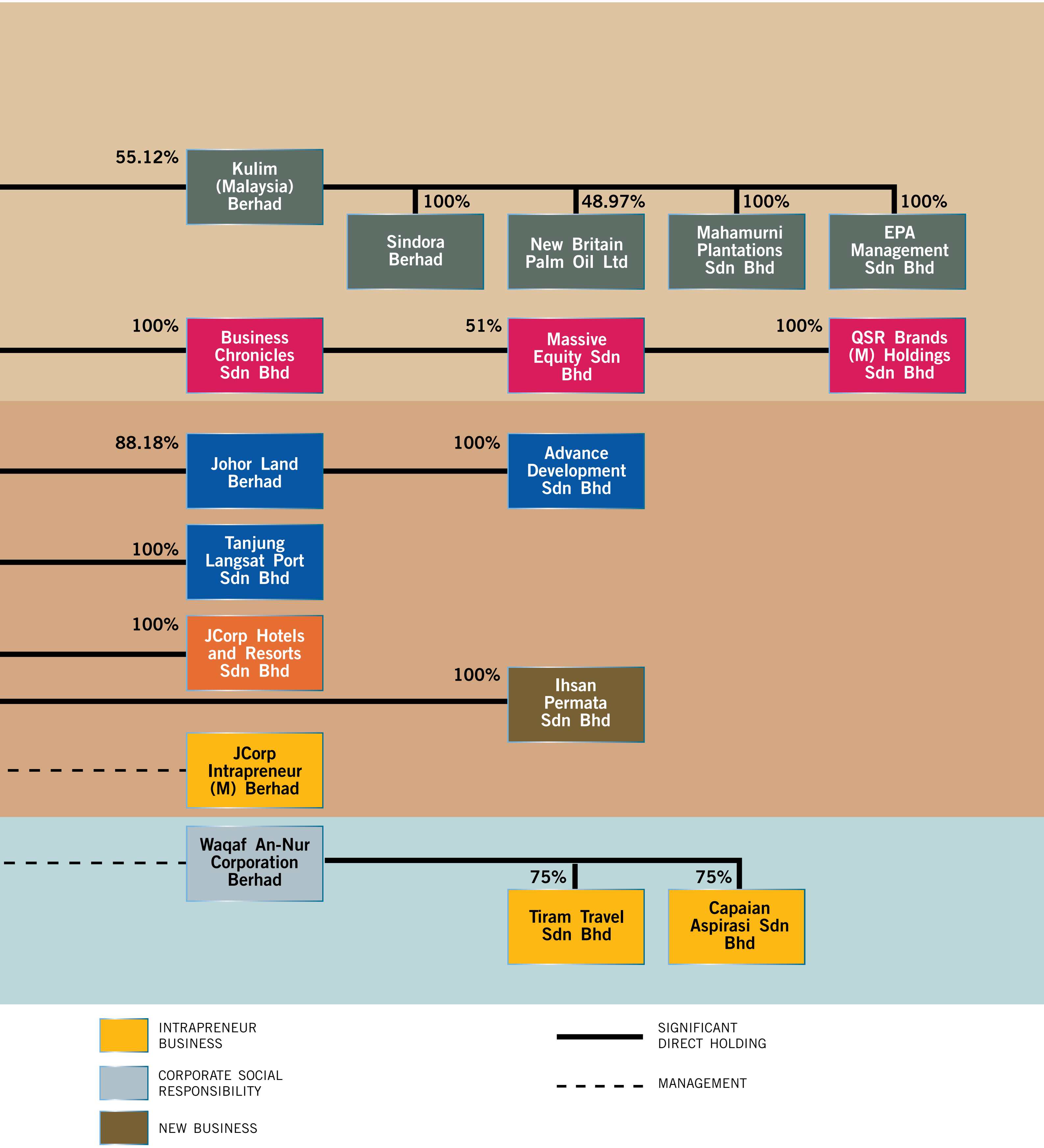
He said from the 628ha, some 122ha would involve oilfield services and equipment.

Kamaruzzaman said the Tanjung Langsat Industrial Area was also expected to attract new investments, particularly in the oil and gas industry. "We have also identified the TLP as a dynamic and competitive port." – Bernama

BUSINESS & CORPORATE STRUCTURE



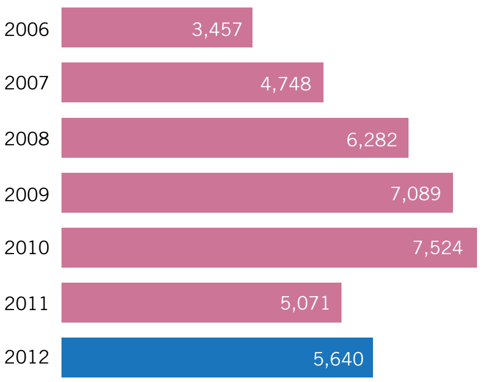
BUSINESS & CORPORATE STRUCTURE



FINANCIAL HIGHLIGHTS 2006-2012

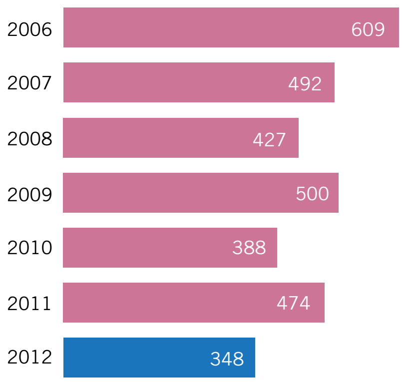
REVENUE (GROUP)

RM (MILLION)



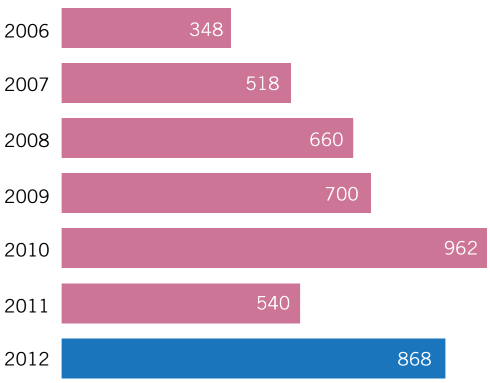
REVENUE (JCORP)

RM (MILLION)



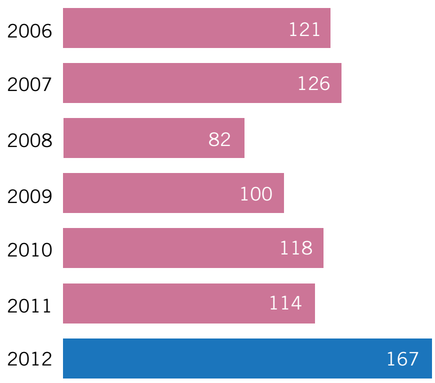
PROFIT BEFORE TAX (GROUP)

RM (MILLION)



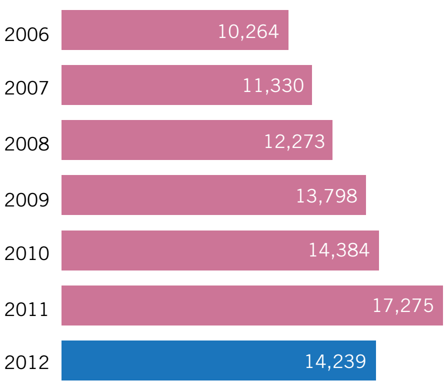
PROFIT BEFORE TAX (JCORP)

RM (MILLION)



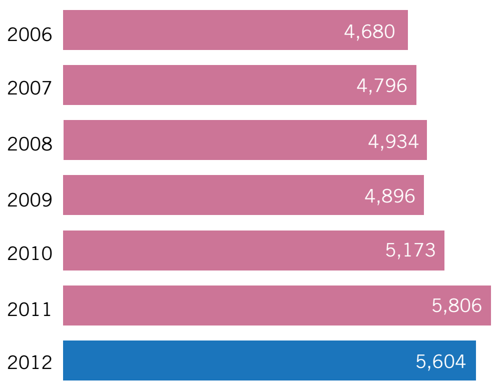
TOTAL ASSETS (GROUP)

RM (MILLION)



TOTAL ASSETS (JCORP)

RM (MILLION)



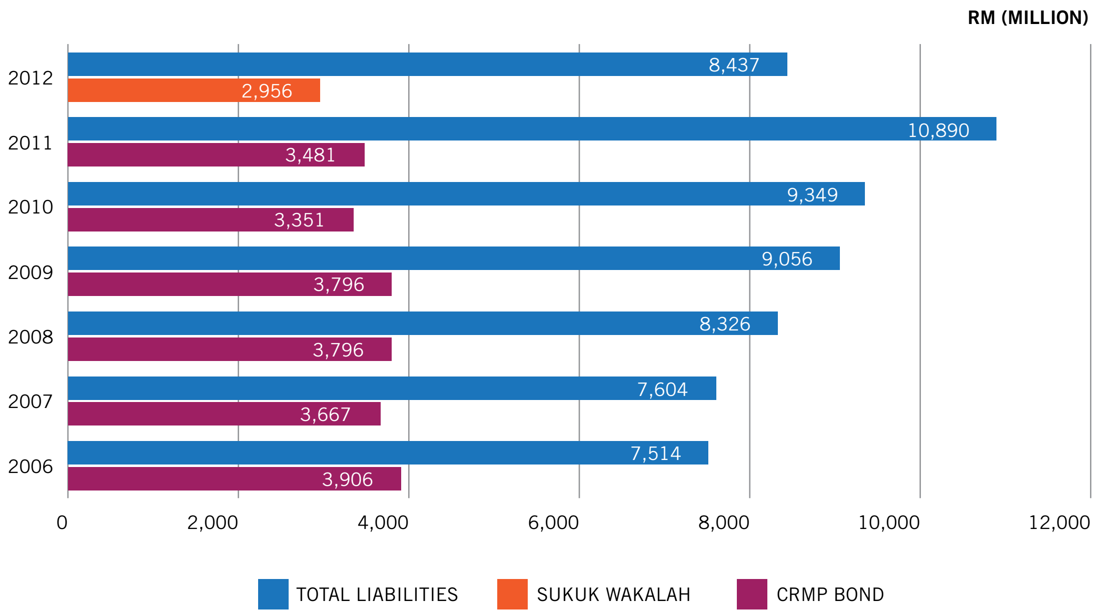
FINANCIAL HIGHLIGHTS 2006-2012

FINANCIAL HIGHLIGHTS 2006-2012 (RM MILLION)

GROUP	2006	2007	2008	2009	2010	2011	2012
Revenue	3,457	4,748	6,282	7,089	7,524	5,071	5,640
Profit Before Tax	348	518	660	700	962	540	868
Profit After Tax	262	478	464	446	834	1,058	860
Total Assets	10,264	11,330	12,273	13,798	14,384	17,275	14,239
Total Liabilities	7,514	7,604	8,326	9,056	9,349	10,890	8,437
Total Equities	2,750	3,726	3,947	4,742	5,035	6,385	5,802

JCORP	2006	2007	2008	2009	2010	2011	2012
Revenue	609	492	427	500	388	474	348
Profit Before Tax	121	126	82	100	118	114	167
Profit After Tax	115	126	77	99	119	137	203
Total Assets	4,680	4,796	4,934	4,896	5,173	5,806	5,604
Total Liabilities	4,251	4,241	4,302	4,165	4,303	4,802	4,408
Total Equities	429	555	632	731	870	1,004	1,196

TOTAL LIABILITIES (GROUP)



YBhg Tan Sri Dato' Setia Ambrin Bin Buang, Auditor General of Malaysia, handing over the Financial Statement Certificate of Johor Corporation to YB Dato' Kamaruzzaman Bin Abu Kassim, President & Chief Executive of Johor Corporation during the Exit Conference for Johor Corporation Accountability Index 2012 Certification on 28 March 2013, Putrajaya.

By remaining **FOCUSED** on
its **STRENGTH** of experience and
expertise, JCorp's more than four
decades of existence
has been a **DECISIVE** factor,
in its ability to create the
momentum of its **DRIVEN**
business **EXPANSION**

PROSPECT

2012 ECONOMIC REVIEW

2012 was a year of economic uncertainty. A deepening debt crisis in Europe continued to shake global financial stability and the fiscal cliff in the US posed a threat to the world's largest economy. The protracted upheaval undermined business and investor confidence.

In the European Union, lower government spending in order to cut deficits and reduce debt pushed some member countries into recession. Within the Eurozone, weaker member countries faced credit rating downgrades or required bail-outs and many applied austerity measures to begin balancing their budgets in order to start the recovery process. Subsequently, the threat by some nations to withdraw from the Union also exacerbated the situation, jeopardising the already fragile sentiment.

In the US, struggling with high unemployment, the economy had to endure series of setbacks. As consequence of the sub-prime housing loans crisis, a bank bailout programme worsened the country's debt position. Subsequently, the contentious debate that ensued in the Congress over raising the debt ceiling sparked volatility on global bourses. The nation also had to address the issue of the 'fiscal cliff' or the need to raise taxes and cut government spending to control the burgeoning deficit. Nevertheless, the US economy managed to report meager growth in 2012 on the back of the Federal Reserve's continued low interest rates policy, stimulus packages and quantitative easing. During the year, US equity markets delivered outstanding performances despite the volatility.

The instability in the developed world during 2012 saw investors favouring developing nations, particularly in Asia. In search of better returns, foreign investors flocked to our regional bourses. The emerging economies in the ASEAN region were their preferred investment destination as measured by expected yield, growth prospects and valuations. Malaysia was not an exception. Despite turbulence abroad and slower growth in China as the second largest economy in the world and Japan's difficulties, the Malaysian economy held up well and grew by 5.6% in 2012. Unaffected by the volatility on global bourses and the prospect of the coming general election, the benchmark FTSE of Bursa Malaysia KLCI recorded an annual gain of more than 10%.

ECONOMIC PROSPECTS

The global economy, as per projections by the International Monetary Fund (IMF), is expected to continue its growth momentum, albeit at a slow pace in 2013. In the Eurozone, the recovery process has been deferred because of the prolonged contraction and economies there are still at risk of defaulting unless an ultimate solution to resolve the crisis is reached without major complications. Nevertheless the risk of further meltdown has abated as a result of policy engagement. In the case of the US, the economy is benefiting from a resurgent housing market, rising consumer confidence and stimulus which has helped lower borrowing costs and lift the stock market. The effort to restore finances continues to strengthen sentiment and support investors' confidence. The improving unemployment situation should help underpin steadier growth in the world's most dominant economy in 2013.

In the ASEAN region, the emerging markets notably the Philippines, Indonesia, Thailand and Malaysia will continue to experience strong inward capital flows attracted by persistent and resilient growth prospects. The acceleration in economic activity will be buoyed by continuous support by both monetary and fiscal policy. The Malaysian economy, as projected by the local central bank, is expected to grow within the range of five to six percent in 2013. In Japan, despite falling into recession in 2012, extensive fiscal stimulus packages and further monetary easing will assist a return to growth in 2013. Moreover, continued weakness in the Japanese yen will facilitate a pickup in external demand. Dissipating fears of a hard landing in China will accelerate overall sentiment and confidence in the regional economies.

PALM OILS BUSINESS (KULIM)

The Palm Oils Business recorded a commendable performance during the year under review in terms of operations and profitability, and by achieving its corporate objective of delivering enhanced value to all stakeholders. The Division, led by Kulim (Malaysia) Berhad (Kulim) continued to strengthen its corporate governance framework and played a significant role in contributing towards JCorp Group's overall Corporate Responsibility agenda.

KULIM - POISED FOR NEW GROWTH

Kulim is on the threshold of a new phase in its history. The year saw Kulim exiting the Food & Quick Service Restaurants business. In May 2012, the dilution of the equity stake in New Britain Palm Oil Limited (NBPOL) was also completed, thus changing NBPOL's status to that of an associate company of the Group. Furthermore, measures to streamline the Intrapreneur Ventures (IV) businesses were also implemented.

As the result of these exercises, the Palm Oils Business, through Kulim emerged with a strengthened balance sheet and is strongly poised to make inroads into the market segments in which it operates as well as new areas of opportunity especially in servicing the Oil & Gas sector and undertaking selective property development.

However, notwithstanding the new frontiers to be explored and developed, Kulim's core growth driver going forward will still primarily be its Malaysian plantation business, supported by the results of its associate company NBPOL.

PALM OILS BUSINESS (KULIM)

KEY CORPORATE DEVELOPMENTS (KULIM)

Acquisition of 13,687 ha of JCorp Estates was undertaken by Kulim through Mahamurni Plantations Sdn Bhd (MPSB). This exercise involved the acquisition of six oil palm estates measuring approximately 13,687 hectares and two palm oil mills for a total consideration of RM700 million.

Stage 1 of the acquisition, completed in December 2011, saw Kulim adding approximately 6,000 hectares of oil palm estates belonging to the Sg. Papan Estate and Siang Estate. In 2012, another three estates, namely the Palong, Mungka and Kemedak estates as well as the Palong Cocoa Palm Oil Mill, were successfully transferred to MPSB. Through this second phase of the exercise, the Group secured another 5,600 hectares of oil palm estates and a 40-tonnes per hour (TPH) mill. At the time of writing, the final parcel incorporating the Pasir Panjang Estate and Pasir Panjang Mill, was in the process of being transferred to MPSB.

The exercise, whilst neutral in terms of the Group total land bank, was widely applauded by the investment community as it allows for Kulim's expansion in already productive areas in which it has hitherto been managing.

Change in Status of NBPOL to an Associate

On 1 May 2012, NBPOL's status changed from that of a subsidiary to a 48.97% associate company. This came about as a consequence of the issuance of new shares by NBPOL to minority shareholders of Kula Palm Oil Limited (KPOL) and Poliamba Limited in a share swap arrangement in order to streamline the group structure of NBPOL. This arrangement was implemented in recognition of local sensitivities and aspirations and will enhance the goodwill between NBPOL and the local provincial governments of Papua New Guinea (PNG). Following this exercise, NBPOL's financial results were equity-accounted from May 2012 onwards, whereas results from January to April 2012 were reclassified as "Discontinued Operations" in accordance with FRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

Capital Repayment by Food & Quick Service Restaurants Business

Following QSR and KFCH's decisions to dispose off almost all of their businesses and undertakings including their assets and liabilities to Massive Equity Sdn Bhd (MESB), QSR and KFCH entered into a conditional Business Sale Agreement on 18 May 2012 with Triple Platform Sdn Bhd now known as QSR Brands (M) Holdings Sdn Bhd, a wholly owned subsidiary of MESB and the special purpose vehicle used for the acquisition exercise. On the same date, the Board of Directors of QSR proposed a capital repayment exercise of RM6.80 per QSR share via a capital reduction exercise in accordance with Section 64 of the Companies Act and proposed to pay the warrant holders of QSR cash of RM3.79 for every outstanding QSR warrant. Similarly, the Board of Directors of KFCH also proposed a capital repayment exercise of RM4 per KFCH share and proposed to pay the warrant holders of KFCH cash of RM1 for every outstanding KFCH warrant. All the outstanding warrants of QSR and KFCH were to be subsequently cancelled.

ON 1 MAY 2012, NBPOL'S STATUS CHANGED FROM THAT OF A SUBSIDIARY TO A 48.97% ASSOCIATE COMPANY

Following the exercise on 27 December 2012, Kulim made an announcement of a special dividend entitlement of 90.94 sen per Kulim share, payable on 25 January 2013. On 28 December 2012, Kulim further announced that the exercise price of Kulim warrants would be adjusted to RM3.13 from RM3.85 previously, effective 12 January 2013.

With the distribution of the special dividend on 25 January 2013, the deemed divestment of the Food & Quick Service Restaurants Business was concluded. However, in accordance with accounting standards, such material events after the balance sheet date need to be appropriately disclosed in the current year's financial statement. Hence, the financial results from the Food & Quick Service Restaurants Business were disclosed as Discontinued Operations in Kulim's 2012 financial statement.

PALM OILS BUSINESS (KULIM)

Restructuring of Intrapreneur Venture Business

In September 2012, the divestment of the entire car park management business under Metro Parking Group to Damansara Realty Berhad (DBhd) for RM13.5 million, satisfied entirely by the issuance of new DBhd shares, was concluded. The disposal accorded a gain of RM8.01 million to Kulim Group. Metro Parking Group was acquired in 2004 through Sindora. Kulim Group now holds 10.75% of DBhd.

The disposal of Pro Office Solutions Sdn Bhd (POS) for RM6.75 million is currently at the final stage and is expected to be completed within 2013. Further, it should be noted that prior to the disposal, POS sold its premises for a total consideration of RM9 million with a resultant cash surplus of RM6.1 million. Kulim expects some RM7.5 million gain in disposal to be recorded over an investment period of 9 years.

As at the date of this report, the disposal of shareholding in Orkim Sdn Bhd (Orkim) by Sindora and E.A. Technique (M) Sdn Bhd (EATech) of 20% and 31% respectively for a total consideration of RM110 million has been completed. Based on proforma as at 31 December 2012, some RM80.73 million of gain will be booked by Kulim Group over an investment period of approximately 3 years.

Kulim is pleased to report that it has recorded a substantial gain from the divestment of the (Foods and Quick Service Restaurants) segment as well as the aforementioned IV Business. More than just the gains recorded, Kulim takes great pride in terms of its success in growing these businesses and increasing their value. Furthermore, the respective intrapreneurs also benefited from the IV scheme by joint venturing with the Group. For example, the POS intrapreneur recorded an almost three-fold rise in the value of its shareholding from RM430,000 to RM1.06 million while the intrapreneurs in Orkim saw the value of their shareholdings rise from RM1.30 to RM6.98 per share.

With Kulim's exit from the Foods & Quick Service Restaurants business and the streamlining of its IV Division, Kulim's business will be driven primarily by its Malaysian plantation operations and influenced by NBPOL's results thus increasing the sensitivity of the Group's business to palm oil price fluctuations on the international markets. However, Kulim remains convinced that the Palm Oils Business will continue to be robust in the long term and therefore will continue to search for additional land both locally and abroad to expand its plantation hectarage.

Kulim's Balanced Business Strategy has served the Group well during the last 5 years and with this in mind, Kulim is actively pursuing opportunities in new fields to diversify the business and stabilise earnings. Two areas of interest would be in the Oil & Gas sector, leveraging on the planned development surrounding the Petronas Refinery and Petrochemical Integrated Development or RAPID in Pengerang, Johor; as well as the Property Development sector to capitalise on the recent strong growth in Iskandar Malaysia.

KULIM'S BALANCED BUSINESS STRATEGY HAS SERVED THE GROUP WELL DURING THE LAST 5 YEARS

PALM OILS BUSINESS (KULIM)

KULIM'S COMMITMENT TO SUSTAINABILITY

The many awards and accolades garnered by Kulim in 2012 underscore its commitment to balance its strong financial performance with excellent social and environmental out comes. Kulim is committed to ensure its businesses serve a higher cause, one that goes beyond merely making profits. To this end, Kulim continues to make good progress in implementing a comprehensive set of policies and developing an integrated policy framework for its sustainable development efforts.

In its 2011 Annual Report, Kulim highlighted that it was preparing to obtain the International Sustainability and Carbon Certification (ISCC) which would give Kulim access to the EU market and afford an additional competitive edge, as well as increases customer loyalty and the marketability of its products. Kulim is pleased to report that it has successfully completed this exercise in January 2013. Not only does the ISSC underpin Kulim's commitment to strengthen its sustainability agenda, it will also enable potential re-activation of Kulim's biodiesel plant, Nexsol, for the EU market via strategic collaborations.

Kulim is also pleased to report that NBPOL has obtained commendations for Roundtable on Sustainable Palm Oil (RSPO) certification for its Milne Bay and Higaturu estates in late 2012. Together with the certification of Poliamba in March 2012, NBPOL's entire production base (including smallholders) has acquired certification. This means that all NBPOL's palm oil production is 100% RSPO certified sustainable palm oil. With regard to Malaysia Plantations, Kulim is pleased to report that all of the Group's (including JCorp's) domestic operating units have successfully undergone the annual surveillance audit for the purpose of maintaining its RSPO certification.

KULIM'S FINANCIAL PERFORMANCE

Revenue

The Kulim Group's Statement of Comprehensive Income in 2012 is portrayed substantially different from previous years. This to a large extent is due to the reclassification of results of the QSR Group and NBPOL as well as other IV companies which have been disposed off or are in the process of being disposed off by Kulim as Discontinued Operations. Similarly, for comparative purposes, the 2011 results of these companies have been treated in a similar manner. This now means that Kulim Group's financial results will now only constitute two continuing business segments i.e. Malaysia Plantations and the IV Business.

PALM OILS BUSINESS (KULIM)

Kulim's Revenue (based on restated figures due to discontinued operations)

BUSINESS SEGMENT	2012		2011	
	RM Million	%	RM Million	%
Malaysia Plantation	712.20	78%	821.49	79%
IV	167.98	19%	184.93	18%
Others	26.64	3%	35.76	3%
Total	**906.82**	**100%**	**1,042.17**	**100%**

According to the above table, Kulim Group recorded lower revenue of RM906.82 million in 2012, some 13.3% lower than the RM1.04 billion recorded last year. This was due to a decline in revenue contributions from all business sectors.

EARNINGS BEFORE INTEREST AND TAX (EBIT)				
BUSINESS SEGMENT	**2012**		**2011**	
	RM Million	**%**	**RM Million**	**%**
Malaysia Plantation	156.87	122%	236.60	99%
IV	30.92	24%	21.90	9%
Others	(58.93)	(46%)	(19.85)	(8%)
Total – Core Business	**128.86**	**100%**	**238.65**	**100%**
Extraordinary Income: - Gain on Dilution in NBPOL and Fair Value of NBPOL	619.93		-	
Total EBIT	748.79		238.65	

The Kulim Group's earnings before interest and tax (EBIT) increased by 213.8% from RM238.65 million to RM748.79 million in the current year. Consequently, the EBIT margin also improved to 82.6% from 22.9% in the previous year. However, included in the EBIT was Extraordinary Income (EI) resulting from the gain on the dilution in NBPOL and fair value of investment in NBPOL totalling RM619.93 million.

THE KULIM GROUP'S EARNINGS BEFORE INTEREST AND TAX (EBIT) INCREASED BY 213.8% FROM RM238.65 MILLION TO RM748.79 MILLION IN THE CURRENT YEAR

In 2012, EBIT from core business (excluding the EI) totalled RM128.86 million, down by 46% from RM238.65 million in 2011. This was mainly attributable to lower EBIT contribution from Malaysia Plantation as a result of lower palm product prices.

In the Malaysia Plantations segment, the average CPO and PK price was RM2,923 and RM1,599 per tonne respectively, lower than the average prices achieved in the preceding year (2011: RM3,193 for CPO and RM2,300 for PK). The average price recorded was approximately 5% higher than that of Malaysian Palm Oil Board (MPOB) of RM2,764 (2011: RM3,218).

PALM OILS BUSINESS (KULIM)

The Plantation Business was the largest contributor to the Group's EBIT, albeit lower in absolute value in 2012. With the absence of the Foods and Quick Service Restaurants Business in the core business segments, the IV Business became the second largest EBIT contributor while Other Operations mainly stemmed from headquarter costs which were not allocated to any specific business segment.

The Group remains committed to achieving its productivity target of raising the fruit yields to 30 tonnes per hectare and palm product extraction rates to 30%. To this end, the Vision 30:30 target will be monitored closely while concerted efforts are underway, including accelerated replanting of the old palms with new high yielding planting materials to give higher and faster yield, innovations on plantation and palm oil mill practices using the latest technology.

SEGMENT HIGHLIGHTS

PLANTATIONS

The Group's plantation operations, including that of JCorp's, saw a modest drop in FFB production with 2,459,061 tonnes of FFB being produced by the Malaysian, PNG and SI estates against 2011's record harvest of 2,640,860 tonnes. The 7% drop was mainly due to the lower FFB produced in PNG with unexpected exceptional rainfall in the early part of the year, particularly in NBPOL's largest production site, West New Britain.

The Malaysian estates produced 35% of total Group FFB (34% in 2011) while the PNG and the SI estates produced 59% and 5% of total Group FFB respectively (61% and 5% respectively in 2011). The Group's planted area to oil palm decreased to 134,748 hectares as compared to 135,613 hectares in 2011. The geographical distribution of planted oil palm hectarage was 37% in Malaysia, 58% in PNG and 5% in the SI.

MALAYSIA PLANTATION: TOTAL CPO PRODUCTION INCREASED TO 251,286 TONNES IN 2012 AS COMPARED TO 249,172 TONNES IN 2011

PALM OILS BUSINESS (KULIM)

Malaysia Plantations

The Malaysian estates produced a total of 870,575 tonnes of FFB in 2012, some 4.15% lower than the 908,286 tonnes produced in 2011, while yield per hectare decreased to 20.29 tonnes in 2012 from 21.90 tonnes in the preceding year. This performance, however, was superior to the average yields achieved by the industry as a whole in Johor and Peninsular Malaysia in 2012, which came in at 19.02 tonnes and 19.05 tonnes respectively. The average FFB yield for the whole country (inclusive of Peninsular Malaysia, Sabah and Sarawak) decreased to 18.89 tonnes per hectare from 19.69 tonnes in 2011. Total CPO production increased to 251,286 tonnes in 2012 as compared to 249,172 tonnes in 2011.

PNG and SI Plantations

The Group produced 2.3 million tonnes of FFB in 2012 compared to 2.4 million tonnes in 2011 largely due to adverse weather conditions in West New Britain, inhibiting the workers' ability to collect and transport FFB. However, it is encouraging to note that the younger palms showed strong yield potential with third year palms yielding more than 25 tonnes per hectare on average. The recently acquired KPOL estates at Higaturu, Milne Bay and Poliamba all gave robust support to the NBPOL Group by exceeding their respective annual crop targets. This drop in FFB production also lowered the total CPO produced to 507,942 tonnes. The average estate yield of FFB per hectare was 23.8 tonnes, a drop from 25.4 tonnes in 2011.

INTRAPRENEUR VENTURES

The Kulim Group's IV Businesses recorded a slight decrease in revenue from RM184.93 million in 2011 to RM167.98 million in 2012, a decrease of 9.2%. However, operating profit jumped 41.2% from RM21.90 million to RM30.91 million in 2012. The good performance this year was attributable mainly to the growth of the shipping segment, namely E.A. Technique (M) Sdn Bhd (EATech).

EATech recorded revenue of RM102.72 million in 2012 as compared to RM96.06 million in 2011, an increase of 7%, mainly attributable to the new contracts with good profit margins secured for 4 of its new harbour tug boats, currently providing service at Sungai Udang Port, Melaka. In addition, Edaran Badang Sdn Bhd (EBSB) recorded 14% growth in revenue, mainly driven by its successful penetration into Sabah and an increased proportion of sales of higher-priced Mechanical Buffalo as compared to last year.

However, these successes were offset by lower sales recorded by other IV companies. Decreases in revenue were recorded by Sindora Timber Sdn Bhd (STSB) owing to the reduced latex price; Microwell Bio Solutions Sdn Bhd (Microwell) due to a change in sales direction to focus on Nutrient Package Product (Gro Agro 1 and 2) which have a lower selling prices; and by Extreme Edge Sdn Bhd (EESB) due to the termination of less profitable contracts.

KULIM'S IV OPERATING PROFIT JUMPED 41.2% FROM RM21.90 MILLION TO RM30.91 MILLION IN 2012

PALM OILS BUSINESS (KULIM)

Despite recording lower revenue, the Division's operating profit was higher at RM30.91 million in 2012 as compared to RM21.90 in 2011. This was mainly driven by a 57% improvement in EATech's profit, owing to the new contracts secured for its new tug boats as well as good performance by MT Nautica Muar (MTN Muar) a 40,000 dwt single-hull tanker. In previous years, MTN Muar had recorded a loss due to being non-operational. This year, a short term contract was secured to utilise MTN Muar for floating storage purposes which enabled the vessel to break even.

Other companies that recorded improved profitability this year were MIT Insurance Brokers Sdn Bhd, Edaran Badang Sdn Bhd and Extreme Edge Sdn Bhd.

PROSPECTS AND PLANS

The Malaysian economy is expected to remain on a steady growth path expanding between 5% to 6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand, supported by a gradual improvement in the external sector. On the supply side, all major economic sectors are expected to record continued expansion in 2013. The agriculture sector is expected to advance by 4% in 2013, supported by higher output of CPO and food commodities, especially livestock and vegetables. CPO production is expected to rise as yields improve with better weather conditions, supported by supply from newly maturing trees.

Palm oil prices are expected to face another challenging year in 2013 with additional young palms maturing in Indonesia and the area under oil palm growing from 7.1 million hectares in 2011/2012 to 7.6 million hectares in 2012/2013. Global production is expected to increase to 53.4 million tonnes in 2012/2013 as compared to 50.6 million tonnes in the previous period. The total demand for palm oil and palm kernel oil is foreseen to reach 57.7 million tonnes in the 2012/2013 period while the shares of the food and industrial segment are projected at 33 % and 49.5 % respectively. This however will need to be viewed in the overall oils and fats market context. Soya bean production in the US is expected to decline due to the hot summer experienced in 2012 while the rapeseed and sunflower seed harvests also expected to experience declines due to unfavourable weather conditions.

At the point of writing, CPO prices remain pressured with stocks remaining above the 2 million tonnes and unexciting export performance. As such, although base supply and demand is expected to stay in equilibrium, prices will not grow at the same pace as in the last few years owing to the soy crop in Brazil and the higher production of palm oil both in Malaysia and Indonesia causing high stocks to potentially persist especially in 2013.

The Group will remain vigilant in its marketing approach as well as will continue to manage its costs effectively through wider application of mechanisation in the plantation operation including Cantas and Ckat, fertilizer spreaders and technology such as UAV to develop accurate palm inventories, palm health checks, landforms and surveillance of field conditions.

Kulim's past experience in servicing the Oil & Gas sector via EATech involving the transportation of clean petroleum products has been beneficial, helping it to identify a potential strategic active involvement by Kulim Group in this niche within the lucrative Oil & Gas sector supported by the proposed development of RAPID in Pengerang, Johor. Kulim would enjoy a competitive advantage as RAPID's location is within a half hour's drive from the Group's estates.

With the rapid development of Johor's property market, spurred on by Iskandar Malaysia, Kulim Group is in a good position to tap into the potential for property development as some estates are located within or adjacent to the development zones of Iskandar Malaysia. The Group is therefore considering to earmark part of its oil palm estates for property development as the value of converted areas may potentially outweigh the current agricultural value of the estates.

Going forward, the Group continues to be optimistic of its business prospects and will continue to strive to deliver value to all of its stakeholders.

THE AGRICULTURE SECTOR IS EXPECTED TO ADVANCE BY 4% IN 2013, SUPPORTED BY HIGHER OUTPUT OF CPO AND FOOD COMMODITIES, ESPECIALLY LIVESTOCK AND VEGETABLES

SUSTAINABILITY

JOHOR CORPORATION'S APPROACH TO SUSTAINABILITY

Johor Corporation (JCorp) emulates sustainability in its business strategy through a commitment to People, Planet and Profit (3Ps). The 3Ps determine the creation sustainable value for all stakeholders. To meet the expected goals and deliver the sustainable returns, JCorp embraces a deep commitment towards building a fair, ethical and responsible company. This sits at the heart of its sustainability approach and structures the relationships with stakeholders and the operating environment.

CORPORATE VISION AND MISSION

SUSTAINABILITY POLICY

PEOPLE	PLANET	PROFIT
People Policy	Environmental Policy	Business Policy
Core Labour Standards	Malaysian Palm Oil Association	Ethics Policy
OSH Policy	Environmental Charter	Social Contributions
Workplace Drug Policy		Profit with Responsibility
HIV/AIDS Policy		Fraud Policy
Sexual Harassment Policy		Quality Policy for Estates and Mills
Grievance Produce		Production Charter (30:30)

JCorp through Kulim achieved the RSPO certification for all of its estates in January 2009 and were one of the first palm oil companies to strive for the RSPO certification globally. By implementing the principles of the RSPO, Kulim is adopting a planned approach to achieve the balance between People, Planet and Profit. JCorp believes that this approach is the safest, most efficient and socially as well as environmentally responsible way of operating sustainably. The implementation of a Sustainable Management System (SMS) based on the principles and criteria set out by the RSPO provides the framework to realise the sustainable development.

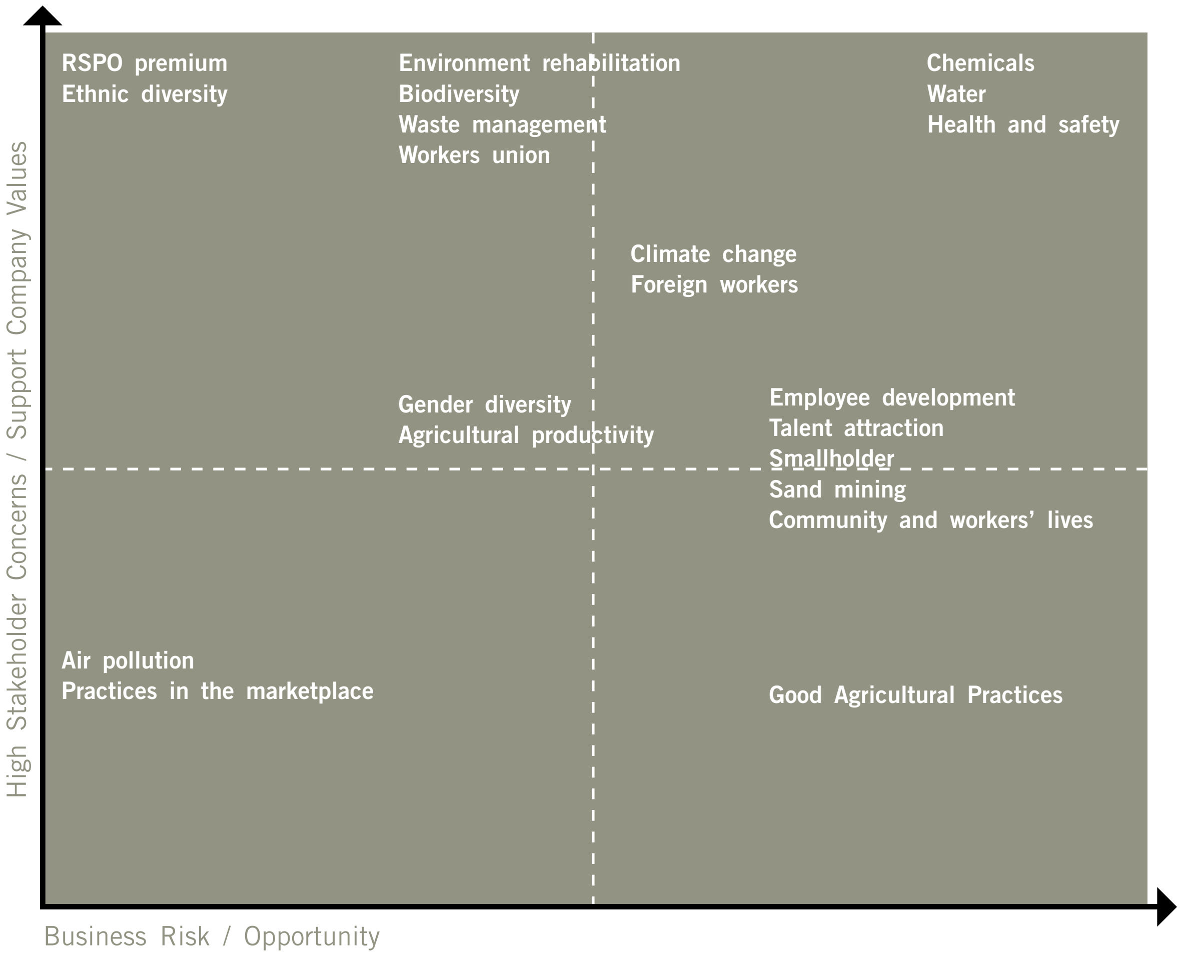
In addition to the RSPO Principle and Criteria (P&C), Kulim adheres to other frameworks which form the basis of the current sustainability management systems. These frameworks include ISO14001 Environmental Standard and SA8000 Labour Standards. Kulim has successfully undergone the audit and achieved the International Sustainability and Carbon Certificate (ISCC) in January 2013, for both its platform and biodiesel plant in Tanjung Langsat, Johor. It assures the certification standard for biomas and bio energy which meets Europels Renewable Energy Directive. The ISCC would enable Kulim and access to the Euro market and improve the marketability of its products.

Thus far, one of Kulim's mills and two of its estates in Malaysia as well as operation in PNG (except for newly acquired areas) have been certified to the ISO 14001 standard.

The ISO 14001 provides a framework for a strategic approach to its environmental policy, plans and actions. As for biodiversity-related framework, while there is no presence of High Conservation Values (HCV) in its estates, Kulim has developed HCV management plans and toolkits with the help of its partners, to manage biodiversity issues such as human-wildlife conflicts due to its estates' proximity to the national parks.

As for the social issues, Kulim's social impact assessments for the local communities adopt the SA8000 framework, a global social accountability standard for decent working conditions. It has also adopted methodologies of the Occupational Safety and Health Administration (OSHA) to measure and manage its employess' health and safety performance. Kulim embraces the concept of Free, Prior and Informed Consent (FPIC) in its dealings with communities and land rights, which is based on the principle of human rights.

MATERIALITY MATRIX



FOODS & QUICK SERVICE RESTAURANTS

In 2012, the total number of outlets operating under the Foods and Quick Service Restaurants' brands – Pizza Hut, KFC, Kedai Ayamas and RasaMas, grew to 1,142 units from 1,063 in 2011. By December 2012, the Group had 344 Pizza Hut and Pizza Hut Delivery (PHD) outlets and 798 KFC/Kedai Ayamas/RasaMas restaurants and they are now operating across five countries in Asia: Malaysia, Singapore, Brunei, Cambodia, and India.

Revenue for the Foods and Quick Service Restaurants in 2012 rose by 8.0% to RM3,619.0 million. However profit before tax decreased by 9.8% to RM243.4 million against RM269.9 million in the previous year.

PIZZA HUT

Pizza Hut Malaysia

Pizza Hut Malaysia's sales jumped 4.1% to RM460.1 million in 2012, thanks in part to the growing number of outlets. The year's excellent performance was as 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 2012 with 212 outlets, inclusive of six new openings and three closures. Nine outlets underwent image enhancement renovations during the year. Pizza Hut Malaysia plans to open another five outlets in 2013 to add to their growing number of stores.

In 2011, Pizza Hut Delivery (PHD) had an equivalent of 42 outlets and has grown significantly now to 78 dedicated stores to date. The 78 PHD stores are comprised of 36 newly built outlets that focus only on delivery and take away. PHD aims to satisfy customers' needs by providing a 30-minute delivery guarantee, free delivery and net pricing.

FOODS & QUICK SERVICE RESTAURANTS

Pizza Hut Singapore

2012 saw the net revenue achieved by Pizza Hut Singapore climbed 6.4% to RM208.8 million, an increase of RM12.5 million over 2011. This success was driven mainly by strategic menu enhancements and attractive promotional campaigns. Pizza Hut Singapore ended the year with 54 stores, after offsetting one closure.

KFC Operations

Total revenue for the year increased to a record high of RM3,040.7 million, up 8.6% on the RM2,798.0 million achieved in 2011.

In 2012, revenue of all KFC restaurants in the Group climbed 8.6% to RM2,298.4 million. Revenue including intercompany sales at the Group's Integrated Poultry segment improved to RM1,539.0 million, a 4.5% gain on 2011.

KFC Malaysia

In 2012, KFC Malaysia's revenue jumped to RM1,787.0 million, 8.0% up on the RM1,655.3 million recorded the year before.

Reflecting the commitment to provide customers a fresh and inviting dining ambience, the Group renovated 90 restaurants during the year. 28 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 services.

With 555 restaurants in total – 465 in Peninsular Malaysia and 90 in East Malaysia – the Group has once again retained its market dominance, and KFC remains as Malaysia's largest restaurant chain. Another 33 new restaurants are lined up to enter operations in 2013.

KFC Singapore

Singapore's economic growth and an increased store count has led KFC Singapore to achieve record sales of RM440.9 million, up RM31.8 million or 7.8% compared to 2011.

2012 ended with a count of 82 stores, inclusive of six new openings or relocations, offset by three closures.

KFC Brunei

KFC Brunei expanded from nine outlets in 2010 to 14 restaurants in 2012, and total revenue surged 30% to RM26.5 million, an increase of RM6.1 million.

Expansion plans for 2013 include four new restaurants, (two inline restaurants and two drive-thrus, and three image enhancements to selected KFC restaurants).

KFC Cambodia

KFC Cambodia once again exceeded its previous performance, generating sales of RM12.6 million in the year 2012, an increase of 0.8% from RM12.5 million revenue in 2011.

The team organised promotional activities and a full schedule of events with contests and concerts to draw more customers into KFC outlets. KFC Cambodia also launched a new menu alternative 'Chlat Vei', or street-smart value menu, where all menu items were sold at USD1.00 and below. This allowed KFC Cambodia to not only maintain patronage but also attract an influx of new customers to their stores.

'More Value, More Variety, More Choice' was the year's strategic slogan, and for the launch of the second phase in the month of August, KFC Cambodia introduced a local dish which was an infusion of flavourful local Cambodian pickles and 'Koh Kong' sauce along with the famous KFC Original Recipe fried chicken served with rice. A more value-added combo will also be introduced in line with the vision to place KFC as the most value-for-money and affordable restaurant in Cambodia. KFC Cambodia ended the year 2012 with a total of 10 restaurants.

KFC India

In its third year of operations, KFC India reported revenue of RM31.4 million, an impressive increase over 2011's sales of RM19.8 million.

Currently, KFC India has 26 outlets, of which 13 were opened in 2012.

'MORE VALUE, MORE VARIETY, MORE CHOICE' WAS THE YEAR'S STRATEGIC SLOGAN

FOODS & QUICK SERVICE RESTAURANTS

RASAMAS & KEDAI AYAMAS

In 2012, RasaMas had 26 outlets and two kiosks. With fewer restaurants in service compared to previous years, 2012's sales of RM16.0 million were 15.8% down on 2011.

Meanwhile, total revenue for Kedai Ayamas decreased 6.7% to RM72.5 million. However the total number of Kedai Ayamas outlets increased from 75 outlets at the end of 2011 to 85 outlets in 2012 by adding 10 new outlets.

INTEGRATED POULTRY OPERATIONS

The year 2012 saw another year of growth for the Integrated Poultry Operations segment. Revenue including intercompany sales increased 4.6% over the prior year to RM1,539.0 million.

Ayamas Food Corporation Sdn Bhd (AFCSB) processing plants contributed greatly to the increase. The Group's expanding restaurant chains and stores (KFC, Pizza Hut, PHD, RasaMas and Kedai Ayamas) continue to increase their order volumes, thus boosting internal sales figures.

QSR Trading Sdn Bhd, previously known as QSR Marketing Sdn Bhd, 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 2012, with sales growing by 13.0% to reach RM308.6 million.

In addition to the Group's own products, QSR Trading has also become the third-party distributor for international brands, namely Simplot, Divella,

FOODS & QUICK SERVICE RESTAURANTS

Mission, Kewpie, Lactima Cheese and Leggo's. The appointment of Datuk Redzuawan bin Ismail, better known as Chef Wan, as the brand ambassador for QSR Trading, further strengthened the company's position.

KFCH INTERNATIONAL COLLEGE

The KFCH International College now spans two campuses in Puchong and Johor Bahru. During the year, the College achieved revenue of RM9.14 million from its diploma programmes and a further RM0.89 million from short courses.

As of December 2012, total enrolment at the Puchong and Johor campuses amounted to 1,168 students. The Group's vision is for KFCH International College to be Malaysia's premier educational institution specialising in the hospitality and food services industries, particularly the 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 and Diploma in Hotel Management, as well as provisional accreditation for its Diploma in Restaurant Management, Diploma in Culinary Arts, and Diploma in Tourism Management. The College is now preparing the MQA documentation for two new additional programmes, namely the Diploma in Food Science & Technology and Diploma in Halal Toyyibban & Food Safety.

HALAL COMMITMENT

The Group guarantees full halal compliance in all of its markets. Every aspect of the 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 are halal certified within the source country and accepts only certificates recognised by the Department of Islamic Development Malaysia (JAKIM).

HEALTHCARE

KPJ Healthcare Berhad (KPJ) is the leading healthcare service provider in Malaysia, operating the country's largest network of 23 private specialist hospitals. KPJ also has presence in Indonesia with two hospitals in Jakarta, one in Thailand and a retirement and aged care resort called Jeta Gardens in Brisbane, Australia.

As the healthcare arm of Johor Corporation, KPJ has now served the community for three decades since the opening of its first hospital in Johor Bahru in 1981.

KPJ's workforce stands at almost 10,000 employees who support the medical services provided by more than 900 medical consultants specialising in various disciplines including Cardiology, Oncology, Orthopaedic, Plastic & Reconstructive Surgery and Weight Management among others.

Today, KPJ has more than 3,000 licensed beds in its network of hospitals throughout the country. In 2012, KPJ hospitals attended to about 2.5 million outpatients and over 240,000 inpatients.

Driven by innovation and technological advancement, KPJ continues to invest in the latest equipment with state-of-the-art medical technology in its effort to provide positive patient experiences as well as to enhance medical and surgical outcomes.

KPJ'S commitment to quality and compassionate care has attracted many local and foreign patients from all over the world, aided by innovative business strategies to enhance its position as a major healthcare service provider. In 2012, 3.53% of health tourist patients sought treatment from KPJ hospitals as compared to 3.47% in 2011.

To date, 12 KPJ hospitals have been accredited by the Malaysian Society for Quality in Health (MSQH) and 2 hospitals by the Joint Commission International (JCI).

Many accomplishments and successes have been achieved by KPJ including recognition from Frost & Sullivan as the Healthcare Service Provider of the Year at the 2012 Frost & Sullivan Excellence Awards. KPJ was also awarded the Reader's Digest Trusted Brand Award for year 2012, an award that was given after a survey identified which brand appealed most to affluent Asian consumers. Other awards won were the Employer of Choice Awards 2012 and Annual HR Leader Award 2012 by the Malaysia Institute of Human Resource Management, as well as the CSR Leadership Award 2012 by Young Entrepreneur Organisation Malaysia (GMB) in November 2012.

KPJ has touched the lives of many others through the Klinik Waqaf An-Nur (KWAN) initiative, where it has served more than 900,000 patients through 18 waqaf clinics throughout Malaysia. The company also operates Waqaf An-Nur Hospital (HWAN) in Pasir Gudang, Johor.

HEALTHCARE

BUSINESS EXPANSION

The year 2012 saw KPJ's expansion and acquisition of hospitals throughout Malaysia as well as progressing expansion plans to the neighbouring countries in the Asian region. The hospitals within the Group registered strong performances as at 31 December 2012 both in terms of financial results and the growth of patient numbers. The year's positive performance was mainly contributed by Sibu Medical Specialist Centre acquired in January 2011 and the commencement of operations of KPJ Klang Specialist Hospital in May 2012. The upgrading of services and recruitment of more Specialists at various hospitals also contributed futher to the Group's improved performance.

In 2012, KPJ's Malaysian hospitals recorded 2,402,291 outpatients, an increase of 4.5% compared to 2,298,171 outpatients in 2011.The hospitals attended to a total of 248,589 inpatients compared to 241,715 in 2011 in the same period, an increase of 2.8%. Total surgeries in 2012 numbered 87,113 cases, an increase of 2.6% compared to the previous year. In terms of bed capacity as at 31st December 2012, there were 2,596 beds compared to 2,526 beds in the previous period. KPJ Hospitals in Indonesia, Rumah Sakit Medika Permata Hijau (RSMPH) and Rumah Sakit Bumi Serpong Damai (RSBSD) recorded 90,671 and 33,818 outpatients respectively, a total increase of 22.7% compared to the previous year. The total inpatients in 2012 increased by 32% to 8,720 compared to 6,599 inpatients in 2011.

KPJ's support services such as Pharmaserv Alliances Sdn Bhd, Lablink Sdn Bhd, KPJ Healthcare University College as well as intrapreneurs and other subsidiaries also contributed significantly towards the Group's positive performance in 2012.

Overall, KPJ Group recorded a 10% increase in revenue at RM2.10 billion for the financial year ended 31 December 2012 compared to RM1.91 billion in 2011. The Group, however, registered marginally lower profit before tax (PBT) with PBT decreasing by 4.4% to RM196 million as compared to RM205 million in 2011. The slight decline in PBT was due to the recognition of accumulated fair

KPJ GROUP RECORDED HIGHER REVENUE OF 10% AT RM2.10 BILLION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 COMPARED TO RM1.91 BILLION IN 2011

HEALTHCARE

value adjustments in relation to investment properties of associate, Al'Aqar Healthcare REIT, amounting to RM25.9 million for 2011 (in comparison to RM5.4 million in 2012). If this is not taken into account, the PBT for the year 2012 was RM190.7 million as compared to RM179.1 million for the previous year.

Amongst the momentous milestones achieved by the Group in 2012 were:

1) The acquisition of 23.37% stake in Vejthani Hospital PLC, Thailand. This is a 263 bed multidisciplinary specialist hospital located in Bangkok that has gained the reputation of "King of Bones and Joints". It serves more than 300,000 patients yearly and 50% of them are international patients from more than 40 different countries. Besides strengthening KPJ's footprint in the Southeast Asia market, this acquisition also enables KPJ to tap into the knowledge and skills of Vejthani in medical tourism for replication elsewhere in the Group. This acquisition is projected to positively contribute to the Group's revenue by up to 25% by 2020.

2) The acquisition of the remaining 49% equity interest in KPJ Sabah Specialist Hospital was regarded as a strategic move that will allow KPJ to strengthen its foothold in East Malaysia.

3) The attainment of Joint Commission International (JCI) accreditation by KPJ Ampang Puteri Specialist Hospital and KPJ Seremban Specialist Hospital in Q4 2012 further accentuated the Group's commitment in adhering to international standards and best practices in the areas of process improvement and patient safety.

4) The relocation of KPJ Group's headquarters to Menara 238 in Jalan Tun Razak, Kuala Lumpur in December 2012, accommodating 5 levels for KPJ's corporate services covering approximately 79,500 square feet of floor area. With this 'one stop centre' concept, KPJ is able to increase and strengthen its identity as a leading corporate body.

5) Proposed acquisition of Sri Manjung Specialist Centre Sdn Bhd at RM14.25 million.

6) The acquisition of 80% shareholding from PT Khidmat Perawatan Jasa Medika (PT KPJ Medika) by Kumpulan Perubatan (Johor) Sdn Bhd from Johor Corporation.

AL-'AQAR GROUP RECORDED REVENUE OF RM103.4 MILLION, AN INCREASE OF 22% OR RM18.8 MILLION

HEALTHCARE

AL-'AQAR HEALTHCARE REIT

Al-'Aqar Healthcare REIT is a Malaysian-based real estate and investment trust, established on 28 June 2006 pursuant to the execution of a Trust Deed dated 27 June 2006 between Damansara REIT Managers Sdn Berhad (Manager), and AmanahRaya Trustees Berhad (Trustee). It was listed on the Main Board of Bursa Malaysia on 10 August 2006.

Al-'Aqar Healthcare REIT was initially formed to own and invest in Syariah acceptable properties which comprise of 21 specialist hospital buildings, 2 nursing colleges, 1 commercial building and 1 aged care and retirement centre.

2012 HIGHLIGHTS

On 6 January 2012, Al-'Aqar completed the acquisition of Kluang Utama Specialist Hospital Building in Kluang, Johor. Subsequently, on 26 June 2012 the acquisition of Bandar Baru Klang Specialist Hospital Building in Klang was completed. Pursuant to the above transactions, Al-'Aqar has grown to 696,226,468 units on the completion date of the acquisitions.

On 8 August 2012, Al-'Aqar announced the proposal to acquire two (2) pieces of land both situated adjacent to Puteri Specialist hospital, Johor Bahru from Puteri Specialist Hospital (Johor) Sdn Bhd for a total purchase consideration of RM3,590,000 to be fully satisfied in cash. The acquisition is to facilitate the expansion of Puteri Specialist Hospital and ultimately will enhance the future earnings of Al-'Aqar and the net asset value per unit.

For the year under review, the Al-'Aqar Group recorded revenue of RM103.4 million, an increase of 22% or RM18.8 million, compared to RM84.6 million for the year ended 31 December 2011. Net realised income of Al-'Aqar for the year stood at RM52.6 million this year, 14% higher compared to RM46.1 million last year.

On 23 January 2013, Al-'Aqar announced a final distribution of 4.54 sen per unit, in addition to the interim dividend distribution of 3.26 per unit on 1 June 2012 which resulted in a total dividend per unit of 7.80 sen for the year 2012.

On 22 February 2013, Al-'Aqar's special purpose vehicle, Al-'Aqar Capital Sdn Bhd successfully redeemed the Sukuk Ijarah Programme (Islamic Medium Term Notes (IMTN)/Islamic Commercial Papers) of up to RM300 million, which was first issued in 2008. The redemption was done via a short term bridging loan of RM280.5 million which was procured from a financial institution.

Al-'Aqar Capital Sdn Bhd has undertaken a new Sukuk Programme of up to RM1 billion making the first issuance in the second quarter of 2013. The purpose of the new Sukuk Programme is to refinance existing financial commitments, for the acquisition of future assets, as well as for working capital.

PROPERTY

JOHOR LAND BERHAD

Johor Land Berhad (JLand) spearheads Johor Corporation's Property Division 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 has a substantial land bank of about 1,214 hectares in Johor, mainly located within Iskandar Malaysia. JLand brand is built by creating interesting development concepts and delivering quality homes and distinctive neighbourhoods to its customers in established townships. Established as one of the largest property developers in Johor, JLand is ready to move up the value chain and venture into more lucrative markets.

FINANCIAL PERFORMANCE

JLand experienced stellar growth for the financial year ended 31 December 2012 with revenue increasing by 125% to RM410 million from RM182 million in the preceding year. This improved performance was attributable to higher sales and progress billings from the property projects. Similarly, profit before tax (PBT) increased to RM120 million in 2012 compared to RM65 million in 2011.

The quality of the JLand's balance sheet has also improved with net tangible assets growing to RM848 million in 2012 against RM768 million recorded in the preceding year.

OPERATIONAL REVIEW

Bandar Dato' Onn

Bandar Dato' Onn, JLand's premier development, measures 612 hectares and is located in Johor Bahru's finest new neighbourhood. Easily accessible via a dedicated interchange from the North-South highway and located only 12 km from Johor Bahru City Centre,

17,800 PROPERTIES WITH AN EXPECTED GROSS DEVELOPMENT VALUE OF RM5.0 BILLION

this premier development has been planned as a self-contained city for more than 100,000 residents. The township is scheduled to be completed over a 10 to 15 year period and will feature approximately 17,800 properties with an expected gross development value of RM5.0 billion.

In line with JLand's mission to build thriving communities and create comfortable and harmonious environments, the township will be built based on a neighbourhood concept. A total of 19 exclusive neighbourhoods have been planned amidst lush green surroundings replete with an array of recreational facilities. Serving the township is a regional commercial hub and nerve centre covering 42.7 hectares.

Numerous facilities such as a police station, KFCH International College and Community Centre have been completed and are new in operation. Other facilities such as a mosque, school, shopping complex and KPJ Specialist Hospital will be constructed to cater for the needs of the community. All these amenities together with lush landscaping within the township will add value and quality to the lives of the residents in this prime development.

During 2012, JLand completed new show houses at Bandar Dato' Onn making them available for public viewing and launched distinctively-styled properties, all of them receiving strong interest.

In December 2012, JLand launched the first phase of Neighbourhood 12 which comprises of 386 residential units with an estimated sales value of RM185 million. Current completed projects are phase one & two of Neighbourhood 11 consisting of 415 units of double storey terraced houses and semi-detached houses with a total sales value of RM176 million and 42 units of three storey shop offices at Neighborhood 2 with a total sales value of RM34 million. The development works at Bandar Dato' Onn have been progressing according to schedule and JLand anticipates strong interest in its innovative product offerings.

Bandar Tiram

Bearing all the hallmarks of a JLand property, Bandar Tiram is rapidly becoming an address of choice among discerning buyers. This development covering 485 hectares will consist of 12,300 residential and commercial units. 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 about 1,600 residential and commercial units with a gross development value of RM200 million. The design of houses reflects JLand's focus on quality living space that is practical, functional and affordable. The entire Bandar Tiram development is scheduled to be completed by 2020 and will transform Ulu Tiram into a Modern New Township.

PROPERTY

Taman Bukit Dahlia

Nestled on a 168 hectares parcel of land, Taman Bukit Dahlia is strategically located in Pasir Gudang municipality, one of Johor's growth corridors. This development will house more than 4,100 units of terraced and semi-detached houses, bungalows and commercial complexes. Taman Bukit Dahlia is in the vicinity of a multitude of amenities that include the scenic Taman Bandar Pasir Gudang, schools, a polytechnic, police station, KPJ Specialist Hospital, banks, hypermarkets, racing tracks and sports stadium. The project is expected to generate a gross development value of RM700 million. The year saw a total of 40 units of double storey shop offices completed with a total sales value of RM26 million, launched in June 2012.

Taman Damansara Aliff

Taman Damansara Aliff is being developed on 48 hectares of land consisting of shop offices, apartments and residential units. It is located in Johor Bahru and is directly accessible from both the Perling-Pasir Gudang Highway and Jalan Tampoi. The second phase consisting of 121 units of double storey terraced houses will be completed soon.

Located only 10 minutes from Johor Bahru City Centre, Taman Damansara Aliff is built with careful attention to detail, including a central park. The park is unique in its theme and design, equipped with children's playground, football field and jogging track.

The Twin Residences at Tampoi

While JLand's forte lies in building of townships and communities, it has also tested the market for apartments in Johor Bahru. The Twin Residences is located along the vibrant Perling-Pasir Gudang Highway, offers 320 units of apartments laid out to provide maximum comfort and utility with panoramic views all around. Designated to provide multi-level living that is a distinction above the rest, The Twin Residences is created as a haven of safety, comfort and serenity for today's discerning home-makers.

The year saw a total of 160 units of apartments completed in Tower A with a total sales value of RM59 million. This first phase was launched in October 2012.

TPM TECHNOPARK SDN BHD

TPM Technopark Sdn Bhd (TTSB) is a wholly-owned subsidiary company of Johor Corporation that provides project management to commercial and industrial developments and also acts as a marketing agent and project developer for industrial estates owned by Johor Corporation.

During 2012, TPM Technopark Sdn Bhd sold 105 hectares of JCorp's industrial land worth RM190 million.The sale value of industrial land in 2012 has surged upwards compared to the same period in 2011.

PROPERTY

As a marketing agent for Johor Corporation, TTSB is regularly involved in trade missions to attract more investors from abroad and introduce Johor as the preferred location for investment. Marketing strategies and techniques employed to woo potential investors include the direct approach as well as indirect contact through participating in exhibitions, trade dialogue sessions, investment missions, advertisements and seminars, including those organised by Malaysia Industrial Development Authority (MIDA), Ministry of International Trade and Industry (MITI) and the Johor State Government. Johor's strategic advantage of being in Malaysia and right next to Singapore is fully leveraged upon.

TTSB is currently developing Sedenak Industrial Park with total land area of 283 hectares. Aggressive marketing strategies have been implemented to initiate sales of the plots. HALMAS status certification has been obtained and in time will transform Sedenak Industrial Park into an integrated halal certified centre enhancing the area's competitive edge.

Besides the sale of industrial land, TTSB has acted as project manager for numerous Group projects including the upgrading and reconstruction of Tun Abdul Razak Complex (KOMTAR), the installation of a Biomass Steam Plant in Palm Oil Industrial Cluster (POIC) at Tanjung Langsat, the construction of new wharf at Tanjung Langsat Port's liquid cargo jetty and the development of the Johor Military Forces camp located at Tasek Utara, Johor Bahru. TTSB currently manages projects worth RM517 million.

In 2012, TTSB completed 36 projects worth RM220 million. Amongst the major projects that have been completed are the construction of an office building and 7 units of SME factories for POIC projects along with a coastal road and capital dredging works at Tanjung Langsat Port (TLP).

TTSB CURRENTLY MANAGES PROJECTS WORTH RM517 MILLION

As for 2013 outlook, TTSB is committed to continue the selling and collection of proceeds from industrial land as part of the repayment programme for JCorp Sukuk Wakalah. TTSB aspires to diversify its income structure while still maintaining its core business of project management and marketing of industrial land. Focus will be given to projects that provide sustainable income streams to the company. In line with the diversification effort, TTSB will exercise strict financial control on cashflow.

The income diversification programme proposed will include projects that provide synergy to TTSB's core business such as the development of ready built factories, warehouses, shoplots and commercial units. TTSB has proposed to apply for development rights on JCorp's industrial land with the intention of creating higher added value products to garner better returns. TTSB through JCorp also plans to be closely involved in the development of Pengerang Industrial Petroleum Complex (PIPC) which has seen interest and participation from local and international oil and gas players. The company has proposed to create an industrial park within the area that will be able to cater to the needs of supporting industries, anticipating operations commencing in 2016.

DAMANSARA REALTY BERHAD GROUP

In 2012, the Damansara Realty Berhad (DBhd) Group completed its Restructuring Scheme which comprises the acquisition of companies within the property related services sector. With the completion of this exercise, the Group currently offers comprehensive Integrated Facilities Management services.

PROPERTY

The inclusion of the acquired companies significantly increased DBhd Group's revenue which rose to RM197.2 million compared to RM8.9 million in 2011. Similarly, the Group's profitability has improved from a loss before tax of RM2.4 million in 2011 to a profit before tax (PBT) of RM5.8 million.

A subsidiary company of DBhd, Healthcare Technical Services Sdn Bhd (HTS), is among the few companies in Malaysia that provides comprehensive end-to-end technical services in the development of hospitals as well as for other facilities in the healthcare related sector. In 2012, HTS managed healthcare projects worth a total of RM490 million comprising of the development of new hospitals, RM262 million worth of expansion projects and RM100 million of renovation works. For the year under review, HTS recorded total revenue of RM7.8 million with PBT of RM1.9 million.

The completion of the Group's Restructuring Scheme has expanded the Group's business base via the inclusion of three Intrapreneur Companies within the JCorp Group, namely TMR Urusharta (M) Sdn Bhd (TMR), Metro Parking (M) Sdn Bhd and HC Duraclean Sdn Bhd (HC Duraclean).

TMR offers a complete range of Integrated Facilities Management (IFM) services, in a holistic performance-based approach to manage building automation and operations. TMR currently manages approximately over 10 million square feet of property for various clients such as the Government, private and GLC companies throughout Malaysia. TMR recorded a total of RM44.2 million in revenue and RM0.6 million in PBT for the financial year ended 2012.

Metro Parking (M) Sdn Bhd (Metro Parking) is Malaysia's premier parking operator with operations in Malaysia and five other countries, namely, Singapore, Brunei, The Philippines, Hong Kong and India. The Metro Parking Group operates a total of 223 car parks comprising of 63,507 parking bays. In 2012, the Metro Parking Group recorded revenue of RM110 million and registered RM2.5 million in PBT.

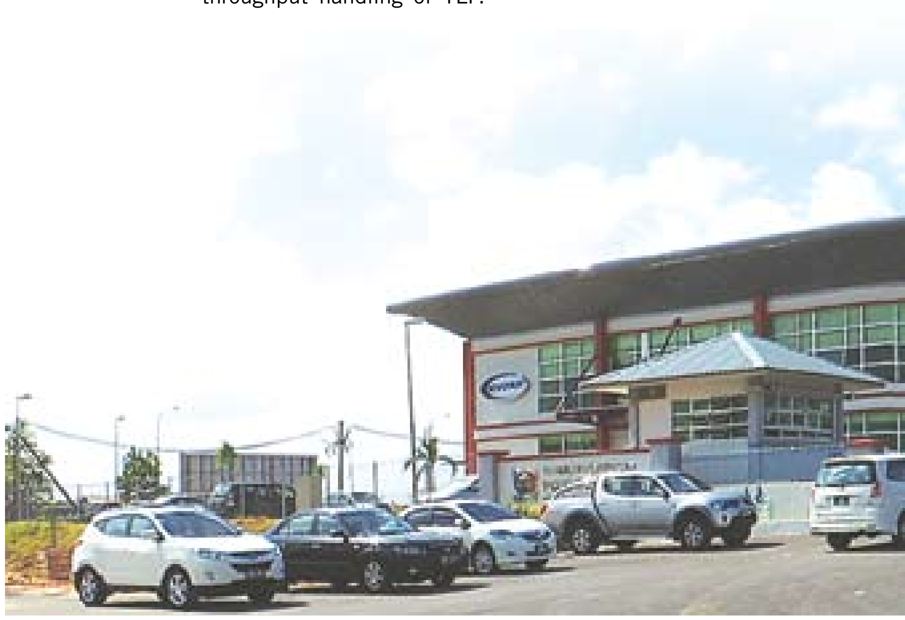
HC Duraclean with its 20 operating franchisees offers a diverse range of cleaning and hygiene services ranging across commercial to residential properties, as well as in the niche areas of aircrafts, airports and hospitals. During the year under review, HC Duraclean recorded revenue of RM19.6 million and PBT of RM0.3 million.

Moving forward, in line with the completion of the Restructuring Scheme, the Group will strive to offer comprehensive business capabilities via the inclusion of IFM services. It is expected that the Group's business performance will show a positive improvement next year arising from the revival of the Group's property development activity as well as from synergetic elements between its property services subsidiaries.

TANJUNG LANGSAT PORT SDN BHD

Vast development of infrastructure facilities, competitiveness and the quality of customer services are the main keys of success for Tanjung Langsat Port Sdn Bhd's performance in 2012. With support from the government via additional incentive to attract the investors of the Oil & Gas industry will give the positive impact towards the increase in vessels and throughput handling of TLP.

DBHD GROUP'S REVENUE ROSE TO RM197.2 MILLION COMPARED TO RM8.9 MILLION IN 2011



PROPERTY

In 2012, TLP had recorded a number of 559 vessels berthing at TLP wharfs, which represents 95% increment compared to 252 vessels in 2011, approximately 408 vessels or 73% represent oil tanker vessels, while the bulk cargo represented 151 vessels or 27% in 2012. The highest number of vessels per month was recorded at 54 vessels for the month of October in 2012. In average, TLP handled 47 vessels per month in 2012 compared to only 21 vessels in the previous year of 2011.

In line with the tremendous increase on the vessels and throughput, TLP had recorded a two-fold increase of throughput in 2012 equivalent to 7.8 million metric tonnes compared to 4.0 million metric tonnes recorded in 2011.

The main product contributed to 96% was liquid petroleum-based product such as Fuel Oil, Naptha, Gas Oil and Gasoline. Meanwhile, dry cargos contributed approximately 3% while edible oil or vegetable oil contributed 1% of the total throughput in 2012.

To achieve the economies of scale by reducing the cost of expenditure, the dredging activities had been carried by TLP to deepen the waterway in order to increase the number of users at Tanjung Langsat Port. In order to achieve that, TLP received fund from the government amounting to RM156 million at the end of 2011 in order to deepen the liquid jetty from 12.8 meter to 15 meters. This will allow Very Large Crude Carrier (VLCC) to berth at 13 meters safely.

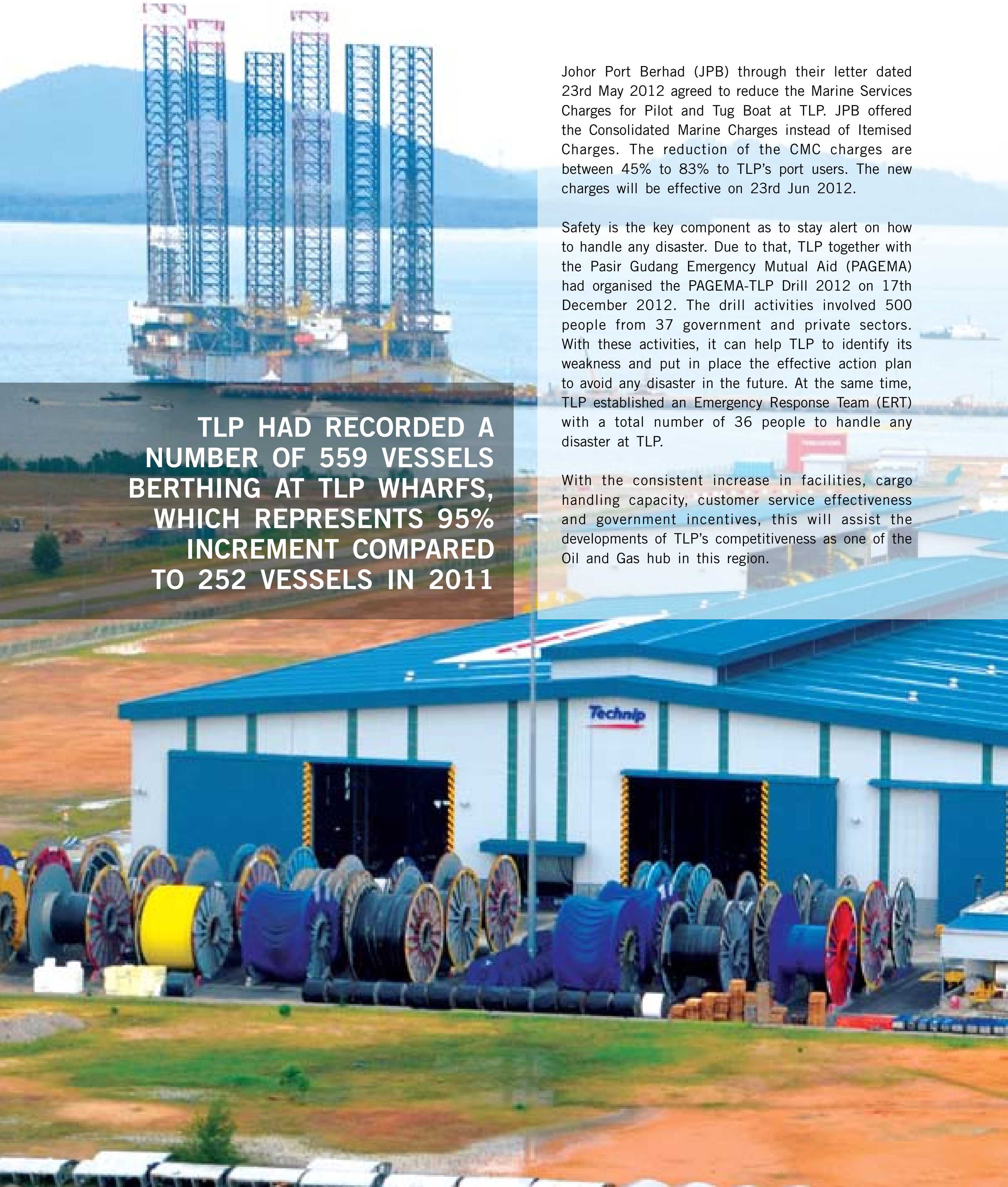
At the same time, TLP also carried out dredging activities at the Dry Jetty from 9.5 meters to 10.1 meters. The dredging activities were completed in November 2012 to ensure those vessels with highest capacity can berth at TLP to match the increase of throughput of all factories in the Tanjung Langsat Industrial Complex.

The tremendous increase in the cargo handling at TLP had created the maximum utilisation for berth no 1, 3 and 5. Due to that, TLP is in the midst of building additional 2 berths with the capacity of 60,000 Dead Weight Tonnage (DWT) and 110,000 DWT each costing approximately RM115.8 million. It was funded by the Federal Government through a soft loan and the work progress started in October 2012. The operations of the new jetties will fully commence by January 2014 and will increase the handling capacity for liquid cargo from 24 million metric tonnes to 31 million metric tonnes per year. On the other hand, the increase in capacity will hopefully sustain the demand from the existing and new investors.

Apart from the infrastructure facilities, TLP also managed to reduce the operation cost especially for the oil and gas investors in order to regain investors' confidence.

Johor Port Authority on 4 April 2012 agreed to reduce the private jetty charges that had been imposed to TLP's port users for petroleum cargo from RM0.50 per metric tonne (2 way) to RM0.25 (one way). The new charge will be implemented in a 5-year term period.

PROPERTY



TLP HAD RECORDED A NUMBER OF 559 VESSELS BERTHING AT TLP WHARFS, WHICH REPRESENTS 95% INCREMENT COMPARED TO 252 VESSELS IN 2011

Johor Port Berhad (JPB) through their letter dated 23rd May 2012 agreed to reduce the Marine Services Charges for Pilot and Tug Boat at TLP. JPB offered the Consolidated Marine Charges instead of Itemised Charges. The reduction of the CMC charges are between 45% to 83% to TLP's port users. The new charges will be effective on 23rd Jun 2012.

Safety is the key component as to stay alert on how to handle any disaster. Due to that, TLP together with the Pasir Gudang Emergency Mutual Aid (PAGEMA) had organised the PAGEMA-TLP Drill 2012 on 17th December 2012. The drill activities involved 500 people from 37 government and private sectors. With these activities, it can help TLP to identify its weakness and put in place the effective action plan to avoid any disaster in the future. At the same time, TLP established an Emergency Response Team (ERT) with a total number of 36 people to handle any disaster at TLP.

With the consistent increase in facilities, cargo handling capacity, customer service effectiveness and government incentives, this will assist the developments of TLP's competitiveness as one of the Oil and Gas hub in this region.

PROPERTY

DAMANSARA ASSETS SDN BHD

Damansara Assets Sdn Bhd (DASB) is a wholly owned subsidiary of Johor Corporation engaged in the development and management of commercial properties. To date, DASB manages 2.67 million square feet of lettable space in shopping malls and office towers located in Kuala Lumpur and Johor Bahru.

DASB's owned commercial properties are Galleria@ Kotaraya, KOMTAR, @mart Kempas Community Hypermarket, Damansara Town Centre, KFCH International College building, Taman Dahlia Commercial Centre and Sentral Bus Terminal.

Apart from these properties, DASB also manages commercial buildings owned by Johor Corporation Group, such as Tanjung Leman Jetty, Tunjuk Laut Beach Resort, Menara Ansar and Larkin Sentral besides Pasir Gudang Town Centre Complex which is owned by Pasir Gudang Municipal Council.

PROPERTY

KOMTAR REDEVELOPMENT

The major component of KOMTAR's redevelopment consists of reconstruction of the shopping arcade, upgrading of the existing office tower, and construction of a new office tower and a hotel tower above.

KOMTAR Redevelopment Component:

Redevelopment Component	Net Lettable Area (sf)
Existing Office Tower (Upgrade)	163,000
New Office Tower	347,975
Hotel Tower (New)	145,770
Shopping Mall (Reconstruct)	400,548
Total	**1,057,293**

The redevelopment project also integrates construction of a 18,706 sq feet mosque as well as 1,621 car and 619 motorcycle parking bays for customers' convenience.

The shopping mall redevelopment is 59% complete and is scheduled to be fully completed by the end of 2013. It is expected to be opened to the public in May 2014.

The shopping mall will be a centre for various international brand outlets complete with an indoor family activity park. Nevertheless, Bumiputera tenants are encouraged to be part of this exciting new development and grow their enterprises to an international standard.

@MART KEMPAS COMMUNITY HYPERMARKET

On 10 March 2012, @mart Kempas community hypermarket celebrated its first anniversary. Themed 'Clean Fresh for All', @mart Kempas community hypermarket offers 160 units of retail spaces consisting of convenience stores, fresh markets, anchor tenants and food courts.

@mart Kempas community hypermarket organised as *Jom Borong Habis* Promotion every Tuesday, a unique promotion activity offering special prices that attracts overwhelming crowds.

TANJUNG LEMAN

In line with the plan to develop Tanjung Leman as a resort town, the Johor Tourism Department has recognised Karnival Tanjung Leman, first held in 2011, as an annual tourism event. Karnival Tanjung Leman 2012 held from 11th to 13th May 2012 was scheduled with popular activities, such as a fishing tournament, exhibitions, sales and sports.

Tanjung Leman was also the host for the KFC-FELDA Johor Open Regatta 2012 from 28th to 30th September 2012. The championship attracted 180 participants and over 2,000 visitors. Tanjung Leman was chosen as the location for this championship because of its ideal combination of sea, beach and wind for navigation. This championship showcases the sailing talent in the community, especially among the youngsters in Felda Tenggaroh.

Tanjung Leman was also selected to host the Berita Harian GP Joran Grand Slam held from 6th to 7th October 2012. The event involved more than 2,000 participants and attracted more than 7,000 visitors.

DASB has built six hostel blocks capable to accommodate 120 beds that have been in operation since 17 September 2012.

LARKIN SENTRAL TRANSFORMATION

In line with the government's efforts to implement the Economic Transformation Programme, DASB has carried out continuous upgrading works at Larkin Sentral since 2010 to facilitate better access and amenities for retailers and shoppers. Amongst the upgrading works completed in 2012 were façade repainting, renovation of the market lots and installation of an additional 2 escalators that have costed more than RM1 million.

The renovation and upgrading works increases the level of security and convenience of the visitors at Larkin Sentral. Currently, the renovation of bazaars at the terminal building are being carried out to give more frontage to tenants.

DASB is also planning to improve the facilities at Larkin Sentral in accordance with the government's 10th Malaysia Plan (RMK 10) in collaboration with the Department of Land Public Service Commission (SPAD) and Economic Planning Unit (EPU). Amongst other plans are proposals for computerised ticketing counters and a more comfortable waiting area.

OPENING OF GALLERIA@KOTARAYA

Galleria@Kotaraya was reopened on July 15, 2012 after completion of the renovation work. The shopping centre has a lettable area of 165,000 square feet with 179 retail lots and a food court.

FINANCIAL PERFORMANCE

DASB generated an 18% increase in revenue from RM25.2 million in 2011 to RM29.7 million in 2012. Profit Before Tax also increased from RM13.1 million to RM16.9 million.

DASB's revenue for the year 2012 declined 35% from RM139 million to RM90 million due to the acquisition of TMR Urusharta (M) Sdn Bhd and HC Duraclean by Damansara Realty Berhad. However, DASB Group's Profit Before Tax increased from RM31.1 million in the prior year to RM41.2 million in 2012.

HOSPITALITY

Since 2011, JCorp's Hospitality Business has been placed under the auspices of JCorp Hotels and Resorts Sdn Bhd (JHRSB). 2012 was a busy year marking an improvement in the Division's performance with many exciting and prestigious events being held at its properties.

JHRSB continued with its aggressive sales and marketing activities through participation in various promotions in cooperation with the Tourism Department, Ministry of Tourism, Malaysian Convention Bureau (MyCEB) and the Association of International Convention and Congress (ICCA).

THE PROPERTIES

The Puteri Pacific Hotel together with Persada Johor International Convention Center, among other events played host to the National Quran Recital Competition as well as the 8th World Islamic Economic Forum, held for the first time outside the capital city of Kuala Lumpur.

To remain competitive and meet the expectations of hospitality standards, The Puteri Pacific Johor Bahru (TPPJB) underwent a major refurbishment exercise at a cost of more than RM40 million. TPPJB is committed to provide the best contemporary accommodation and facilities to take home the accolade of 'Hotel of Choice' in Johor Bahru.

With 424 refurbished guestrooms, suites and service apartments, the hotel also offers a wide range of culinary experiences with all day dining at the Puteri Café, an authentic Cantonese and halal-certified Kai Xuan Chinese Restaurant and exotic Mediterranean cuisine at the D'Coast.

Sibu Island Resort, a private island surrounded by lush tropical greenaries and pristine white sandy beaches is a popular tourist destination and is very much sought after by water sports enthusiasts. The resort is located off Mersing port and is a mere 20 minutes ferry transfer from the jetty of Tanjung Leman.

The development of a Marine Science Research Center on the island will create a new attraction that is expected to garner Sibu Island Resort international recognition.

SUPPORT SERVICES & INVESTMENT



Arising from a genuine concern and great sense of social responsibility for the unit holders of Dana Johor (DJ), the majority of which are individuals and residents in the State of Johor, Johor Corporation (JCorp) launched a Special Offer Buyback Scheme of RM1.00 per unit, better known as SDJ1 on 2 July 2012.

The scheme is the extension of Skim Belian Balik Bersyarat (SBBB) or a Conditional Buy Back Scheme at 50 sen per unit. It is being implemented through the execution of a Tripartite Agreement between Pelaburan Johor Berhad (PJB) as the Fund Managers of DJ, AmanahRaya Trustees Berhad (ART) who act as the Trustees to the unit holders and Larkin Sentral Management Sdn Bhd (LSMSB) a wholly owned subsidiary of JCorp which is also the provider of funds for SDJ1.

The SDJ1 scheme involving 35,912 investors is an improvement of the previous SBBB which was launched on 8 February 2004. Through this latest Special Offer Scheme, DJ current unit holders are allowed to sell their shares at a price of RM1.00 per unit and those who had participated in the previous scheme will be paid an ex-gratia of 50 sen for every unit they sold under SBBB. This special scheme will be implemented in four stages. To date, SDJ1 has progressed through three stages of offerings with each stage offers 25% of each investor's eligibility in the whole scheme. The first stage was launched on 2 July 2012, the second on 1 October 2012, followed by the third on 1 January 2013.

JCorp via LSMSB contributed RM89.67 million for SBBB for a period from 8 February 2004 until its termination on 31 March 2012. Meanwhile, JCorp has provided a total of RM270 million to be channelled to SDJ1. Since the launch of SDJ1 up until the on-going stage 3, JCorp has spent RM137.57 million from the said fund provision thus making the total cash outflow to date for the whole DJ Price Revival Scheme including SBBB at RM227.24 million. Out of the total 35,912 eligible unit holders, only about 52% had accepted the special offer.

JCORP HAS PROVIDED A TOTAL OF RM270 MILLION TO BE CHANNELLED TO SDJ1

According to the statistics in PJB's records, JCorp's contribution for the scheme has thus far benefited DJ investors at large in the composition of 72% being Chinese investors, 23% Malays and four percent Indians while the rest belong to Institutions.

INTRAPRENEUR

As the state economic development arm, Johor Corporation (JCorp) plays an important role in entrepreneur development programmes, targeting mainly Bumiputeras. JCorp's contibution to these programmes is through the provision of support for individual entrepreneurs who have identified new business opportunities under Johor Corporation Intrapreneur Scheme. JCorp also lends assistance by offering access to a vibrant business infrastructure, including identifying suitable premises, to foster the holistic entrepreneur development programmes.

As at 31 December 2012, a total of 56 companies have registered under Johor Corporation Intrapreneur Scheme. Aggregate revenue achieved by the intrapreneur companies for the year ended 31 December 2012 was RM739.3 million while aggregate pre-tax profit rose 5.2% to RM44.6 million against RM42.4 million in the previous year.

12 intrapreneur companies recorded a pre-tax profit exceeding the RM1 million-mark in 2012. Five of these 12 companies:Microwell Bio Solutions Sdn Bhd, Renown Value Sdn Bhd, Extreme Edge Sdn Bhd, Healthcare IT Solutions Sdn Bhd and MIT Insurance Sdn Bhd, achieved the million-mark pre-tax profit for the first time in the said financial year.

INTRAPRENEUR

JCorp monitors the 56 intrapreneur companies under its wing through nominated supervisory of parent companies that offer advice and guidance and seek business synergy with the intrapreneur's venture. As at 31 December 2012, there were 23 intrapreneur companies placed under Kulim (Malaysia) Berhad, four under KPJ Healthcare Berhad, three under QSR Brands (M) Holdings Sdn Bhd, 11 under Damansara Realty Berhad, 2 under Waqaf An-Nur Corporation Berhad and 12 companies under direct monitoring of JCorp.

Under a Memorandum of Agreement signed between Peneraju Agenda Bumiputera (TERAJU), Majlis Amanah Rakyat (MARA) and JCorp in November 2011 with the objective of upgrading the entrepreneur development programmes, five Johor Corporation Intrapreneurs received substantial funding from MARA through a special funding vehicle – 'The Baron'. This funding enables these intrapreneurs to obtain a larger percentage shareholding in their companies. Up until 31 December 2012, MARA had disbursed a total of RM2.3 million in funding to participating intrapreneurs.

In February 2013, TERAJU organised the Jejak 2013 Programme in Persada Johor and confirmed the participation of three Johor Corporation Intrapreneur companies namely Microwell Bio Solutions Sdn Bhd, Edaran Badang Sdn Bhd and Extreme Edge Sdn Bhd in the Teras Programme that entitles the companies to a range of incentives and support from TERAJU, being offered to businesses that show the potential for an eventual successful listing on Bursa Malaysia.

As the result of the effort dedicated to Johor Corporation's Intrapreneur Scheme, the Group attained International Recognition in the ADFIAP Awards 2012 held in Istanbul, Turkey on 25 April 2012 in the 'Outstanding Development Project for SME Development' category. The accolade serves as international and testimony to JCorp's commitment to the entrepreneur development programmes in Johor.

CORPORATE SOCIAL RESPONSIBILITY

On the foundation of 'Membina dan Membela', Johor Corporation (JCorp) believes that corporate success and corporate social responsibilities (CSR) are interconnected among each other. The responsibility is implemented through approaches and incentives in tandem with Islamic sharia principles and universal values. Contextually, JCorp continuously ensures that each of its interest group is given the appropriate rights and attention they deserve.

JCorp's comprehensive development is realised through societies and organisations that are non-profit oriented (NGO) known as Amal Business Organisation (ABO). It functions as a channel for JCorp to contribute towards ummatic development in various aspects encompassing charity, education, health and recreation as well as entrepreneurship.

There are 42 ABOs within JCorp Group, whereby 26 of them are patronised by the Amal Business Department of JCorp. These ABO are being put under various categories namely Social Development and Public Charity, Entrepreneur Development, Sports and Recreations as well as Staff Welfare.

Several community projects had been implemented to initiate closer relationship between JCorp and the society, for instance through Yachting Competition in Tanjung Leman Mersing, Yaasin and Tahlil programmes as well as *gotong-royong* or voluntary works including renovations and conservations of deformed residences of the deserving, surau and mosques as well as clearing of Islamic cemeteries.

SOCIAL DEVELOPMENT AND PUBLIC CHARITY

Waqaf An-Nur Corporation Berhad (WANCorp) is a limited by guarantee without share company established to manage assets and shares of companies within JCorp Group that has been delivered into waqaf.

WANCorp functions as the 'Mauquf Alaihi' for shares and other forms of company securities that has been generally disbursed for waqaf.

WANCorp implements several CSR initiatives on behalf of JCorp through Waqaf An-Nur Hospital and chain of Waqaf An-Nur Clinics (KWAN), Waqaf Dana Niaga, Waqaf Brigade and contributions to the society through Fisabilillah benefit allocation.

CORPORATE SOCIAL RESPONSIBILITY

WANCORP SPENT RM3,460,420 FOR THE CONTRIBUTION AND ALLOCATION OF AIDS DERIVED FROM FISABILILLAH

Waqaf Dana Niaga is an interest-free loan initiative for the individual who has the intention to start a business or expand the existing business. This project aims at upholding Islamic teachings through business and mobilising the economy of the Muslims while extending the benefits to all deserving Muslim entrepreneurs.

Towards the end of 2012, a total of 256 participants received the financial aid amounting RM402,200 and from that figure, a total of 215 Waqaf Dana Niaga recipients were women (84%) while 41 others were men (16%). Among the businesses involved by the participants were inclusive of sales of F&B, tailoring, cafeteria, beauty products, welding works and motor vehicle workshop.

Contributions of Fisabilillah benefit allocations by WANCorp have somehow helped to ease the societal and organisational burden encompassing patient's welfare, prospering mosques, entrepreneurship and educational programmes. WANCorp has also given an equal focus on the society of the Orang Asli through Ibadah Camps specifically dedicated to increase their knowledge of Islam. For the year 2012, WANCorp spent RM3,460,420 for the contribution and allocation of aids derived from Fisabilillah benefits.

MASJID AN-NUR JOHOR CORPORATION CHAIN OF MOSQUES

To date, seven mosques including one in Sibu Island are governed by JCorp through WANCorp. The mosques function not only as places of worship yet as a premise of knowledge as well as points of reference for the deserving members of the society. The number of kariah (congregational members) for the chain of Masjid An-Nur JCorp is now estimated over 15,000.

CORPORATE SOCIAL RESPONSIBILITY

Masjid An-Nur JCorp chain of mosques continuously perform daily, weekly and monthly activities according to the scheduled plan inclusive of kuliah Maghrib, Yasin and Tahlil recitation, al-Quran and as-Sunnah classes as well as other religious and community activities i.e. qiamullail, Isra' Mikraj, Maulidurrasul celebration, Dakwah Programme for Converts and Fardhu Ain classes.

Religious Executives also discharge their roles as amil zakat, wedding consultants and advisors for matters pertaining to Islamic affairs. Besides, all staff of the mosques are directly involved as the narrators of Waqaf Dana Niaga contracts with the participants of the fund at the respective mosques.

Staffs of the mosques are also given the opportunity to become certified Mutawwifs accredited by WANCorp. Their services are sought after in umrah services offered by Tiram Travel Sdn Bhd, a company of which 75% of its equity holdings have been disbursed into waqaf.

WAQAF AN-NUR CLINICS AND HOSPITAL

JCorp through KPJ Healthcare Berhad develops and manages 18 Waqaf An-Nur Clinics (KWAN) and Waqaf An-Nur Hospital (HWAN) at Pasir Gudang on a charitable foundation and adaptation of waqaf concept. Other than Johor, KWAN are also built in Negeri Sembilan, Selangor, Perak and Sarawak with cooperation from the respective state's Islamic Council.

Beginning October 2011, KWAN Kotaraya has been temporarily closed for operation given the renovation works of Plaza Kotaraya Complex (now Galleria@ Kotaraya) and the local dialysis patients have been evacuated to Pasir Gudang Dialysis Centre.

The main objective of the clinics' and hospital's establishment is to provide healthcare and dialysis services to the deserving patients. As at 31 Disember 2012, a total of 869,488 treatments have been delivered to the KWAN chain's patients.

From that figure, 60,388 (6.9%) comprises of non-Muslim patients. As many as 101 kidney patients are being treated at HWAN and five KWAN.

HWAN and chain of KWAN are not only providing healthcare services at the nominal charge of RM5 including medicine, yet offering dialysis treatment at a subsidised price to the deserving patients. Patients also receive aids from Baitulmal, PERKESO and other welfare agencies enabling them to receive free treatments.

WAQAF BRIGADE

Holding fast to the vision of becoming the most outstanding Islamic voluntary organisation in calamity management nationally and internationally, Waqaf Brigade has proven its prevalence through recognition from the National Security Council in 2009.

In line with the objective of its establishment as an emergency relief organisation, Waqaf Brigade has delivered several humanitarian aid missions during catastrophe and community activities during peace.

This relief team has also extended their services during flood in the districts of Segamat, Kota Tinggi dan Batu Pahat. The team members and the elite team of Waqaf Brigade have discharged the cleaning services and conservation of the affected schools, mosques, public halls and clinics as well as public residences. Waqaf Brigade also helped to allocate food supplies and other necessities to the flood and fire victims.

CORPORATE SOCIAL RESPONSIBILITY

Waqaf Brigade also brings cheer to JCorp as they stood out to become the champion in the Marching Competition for Private Sector, NGO and the Sub-districts Coordinating Committee Category during the National Day Parade in the District Level of Johor Bahru.

TIJARAH RAMADHAN FUND–JOHOR CORPORATION FOUNDATION

Tijarah Ramadhan Programme provides opportunity to the companies within JCorp Group and other companies as well as the general public to contribute in a charitable course. This is because, apart from the business success and profits generated by organisations, it is their duties and responsibilities to lend their hands to the less fortunate.

Since its launching in 2005 until December 2012, a total amount of RM2,236,244 has been collected through Tijarah Ramadhan Fund derivationally from corporate bodies' contributions, the general public through SMS, cash and cheque deposits from all over Malaysia besides Singapore and Brunei. From January to December 2012, Tijarah Ramadhan Fund received overall contributions amounting to RM290,126.

From the said amount, Tijarah Ramadhan Fund has funnelled a total amount of RM2,134,151 to the deserving nationwide. In the period of January-December 2012, a total amount of RM422,867 has been contributed by Tabung Tijarah Ramadhan for the said purpose.

Eventually, as many as 10,728 beneficiaries of different religious backgrounds and denominations as well as deserving bodies have benefited from Tijarah Ramadhan Fund nationwide.

DARUL HANAN

Aspiration to establish Darul Hanan Orphanage was aimed at inspiring the lights of hope to the less fortunate. At this premise, the orphans and children of the marginalised are given opportunities to stand on their own feet, while at the same time being educated and guided to succeed in this world and the hereafter.

10,728 BENEFICIARIES OF DIFFERENT RELIGIOUS BACKGROUNDS AND DENOMINATIONS AS WELL AS DESERVING BODIES HAVE BENEFITED FROM TIJARAH RAMADHAN

CORPORATE SOCIAL RESPONSIBILITY

Since its inception, Darul Hanan has extended its benefit to 304 children. Darul Hanan focuses on mastery of knowledge and character building of the children to ensure their high education par excellence and virtuous upbringing towards a brighter future.

In 2012, a total of 20 male occupants and 28 female occupants are being put under the patronage of Darul Hanan. Meanwhile, 11 occupants are now furthering their studies in the Higher Education Institutions.

MUTIARA JOHOR CORPORATION

Chaired by Ydh Datin 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 at nurturing family values and closer ties among its members through gatherings held throughout the year.

Among the programmes held to address the contemporary social issues among the youth was a talk session conducted by the well-known YBhg Ustaz Haji Mohamed Hanafiah Abdul Malek.

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.

Bistari Young Entrepreneur Sdn Bhd (BYE), the company established to coordinate Bistari programmes is working diligently to introduce Catur Bistari to the general public especially through competitions held at both zone and national levels involving primary and secondary students as well as open category.

In 2012, BYE took the initiative to gather all BISTARI alumni since 1992 through Karnival Bistari which was also aimed at introducing Cilik Bistari & Catur Bistari to the primary schools outside Johor. It involved schools within the vicinities of Kuala Lumpur, Putrajaya, Selangor and Negeri Sembilan. The carnival was held on 29 September 2012 at Perbadanan Putrajaya Complex, Presint 3, Putrajaya and graced by YAB Tan Sri Dato' Haji Muhyiddin Bin Haji Mohd Yassin, Deputy Prime Minister cum Education Minister.

Besides, BYE implemented WANCorp Tution Project 2012 within April to September last year at selected

CORPORATE SOCIAL RESPONSIBILITY



schools around Johor. This programme involved 197 students and 44 teachers from schools located in the rural areas in Johor.

Four programmes were implemented according to plan i.e. Study Session Project (Tuition), Excellent Student Motivation Programme and Smart Mathematics, Examination Answering Techniques Workshop for UPSR 2012 and learning visit. This project was proven a success as 17 primary students passed with flying colours in UPSR 2012.

RECREATIONAL & SPORT

Johor Motor Club

Johor Motor Club is an affiliation of the Automotive Association of Malaysia (AAM) which is actively involved in Johor motorsports development. Various activities and championships are being organised by Johor Motor Club involving Johor Clubman Race, Johor Sprint Challenge, Saturday Nite Sprint and Petronas AAM Malaysian Cub Prix.

Johor Clubman Series Championship is the most popular event among newcomers and club members, while Saturday Nite Sprint is well-known among the youngsters as it enables them to participate in sprint motorsports in a much safer and controlled environment.

Various activities are being held by Johor Motor Club to further attract motorsports and extreme sports enthusiasts in the state of Johor. It also functions as a platform for the youth to healthily demonstrate their motoring skills.

JOHOR CLAY TARGET SHOOTING ASSOCIATION

Johor Clay Target Shooting Association (JCTSA) was established in 1997. This society organises monthly shooting clinic each Sunday. Its members seize this opportunity to learn the safe and correct usage and handling of firearms. The clinic is also opened to the non-members with a minimum fee of RM10.

CORPORATE SOCIAL RESPONSIBILITY

A TOTAL OF 110 SAILORS FROM 11 TEAMS AND CLUBS PARTICIPATED IN KFC-FELDA JOHOR OPEN YACHTING CHAMPIONSHIP 2012 WHICH WAS HELD IN TANJUNG LEMAN, MERSING

CORPORATE SOCIAL RESPONSIBILITY

The society also provides training platform conducted by Malaysian IPSC (International Practical Shooting Confederation). The existing shooting range offers 24 comprehensive training with target boards and training materials provided for members. The shooting range of JCTSA is selected as the official shooting range for Australasia IPSC Level IV Competition.

Each year, the society is home to Sultan Iskandar Shooting Championship which is now known as Iskandar Shoot, jointly organised by Johor State Sport Council. The event also gains support from the State Government as it is included in Johor State Tourism Calendar.

The event was first launched in 1997 and until recently, the number of participants is increasing significantly especially since 2003 when the Practical Shooting category became part of the competition. The event attracts locals as well as international shooters from Singapore, Indonesia, Thailand, Philippines and Sri Lanka.

JOHOR YACHTING ASSOCIATION AND MALAYSIA YACHTING ASSOCIATION

JCorp is also a pioneer in yachting through its involvement in Malaysia Yachting Association and Malaysia Yachting Association. The association is strongly encouraging and developing yachting in the state level. Johor sailors have also achieved outstanding performance nationally and internationally. Now, traditional kampong children from Pasir Gudang and FELDA Tenggaroh Estates in Tanjung Leman are being trained in yachting.

A total of 110 sailors from 11 teams and clubs participated in KFC-Felda Johor Open Regatta Championship 2012 which was held in Tanjung Leman, Mersing on 28 to 30 September 2012. FELDA has also supported this event as the joint organiser, sponsoring RM100,000.

Four categories were being put into competition, namely Optimist, Laser, International 420 and Windsurfing which offered cash and medal rewards. Two new events were also listed in this event namely Malaysian Match Racing-Circuit Tanjung Leman and Marathon International 420 Tanjung Leman-Pulau Sibu. The regatta attracts participation from Selangor Yachting Association, Putrajaya Yachting Association and Federal Territory Yachting Association.

The event was aimed at promoting yachting as a prestigious sport besides promoting Tanjung Leman as a holiday attraction and attractive tourist destination in Johor.

JOHOR KITERS ASSOCIATION

Johor Kiters Association needs no further introduction among the fans and the members of kiters associations nationwide and worldwide following its success in organising Pasir Gudang World Kite Festival since 1995 that has located Pasir Gudang on the map of the kiting world.

The year 2012 witnessed Johor Kiters Association collaborating with Pasir Gudang Municipal Council, the State Government of Johor, Johor Tourism Department as well as Johor Art and Culture Department to organise the 17th Pasir Gudang World Kite Festival beginning 15 to 19 February 2012. Around 30,000 spectators attended the event which was held at Bukit Layang-Layang, Pasir Gudang.

A total of 557 kiters from 34 countries including Indonesia, Japan, Austria, Korea, Taiwan and Germany participated in the festival.

The capability of Johor Kiters has also been recognised as it has been given the mandate to lead Malaysia Kiters Council until today.

CONTINUOUS COMMITMENT

As a responsible corporate organisation, JCorp Group and staff's involvement in community and social development through various initiatives implemented is an important role and commitment that have been discharged full-heartedly and trustworthily.

JCorp Group also believes that sustainable growth could be realised through CSR implementation. Apart from that, all of these efforts are capable of creating competitiveness in business especially to the Group. Special attention has also been given in nurturing values and business strategy based on social and economic requirements of the stakeholders. Further, JCorp Group hopes that each initiative shall foster responsible and ethical business policies and business practices in all undertaking.

Verily, CSR implementation has created opportunities for JCorp Group to cooperate with all stakeholders to shape sustainable development and growth.

HUMAN CAPITAL DEVELOPMENT

Johor Corporation (JCorp) Group's Strategic Transformation Programme is a continuous journey. To ensure the strategic transformation plan runs smoothly on track, three key areas have been emphasised.

The first consideration is the development of the Group's employees. The transformation programme is focused on refining JCorp's business performance which rests on the shoulders of its employees. As at 31 December 2012, the total number of staff employed by JCorp and the Group was 72,226. The aim is to empower the workforce to be more open minded, committed and proactive with increased capabilities in carrying out responsibilities.

Secondly, the focus is upon equipping talents with improved skill sets and capabilities by providing them with focused training programmes and courses. JCorp considers employee training as a long-term investment for human capital development. RM174 million was spent in 2012 to realise this effort, a four percent increase over the previous year.

The third area is to ensure the pay for performance and incentives are according to the current market rates. To support the government's initiative and ensure that incentives offered are at par with competitive market scales, JCorp revised its minimum wage effective 1 January 2012. Since salary increments lead to an increase in operational costs, it needs to be offset with better productivity. Appraisals are based on a balanced distribution graphical performance chart to recognise and acknowledge high performers and subsequently identify underachievers to undergo performance enhancement programmes and close monitoring by management.

RM17.4 MILLION HAD BEEN INVESTED IN 2012 FOR JCORP'S HUMAN CAPITAL DEVELOPMENT

SIGNIFICANT EVENTS 2012

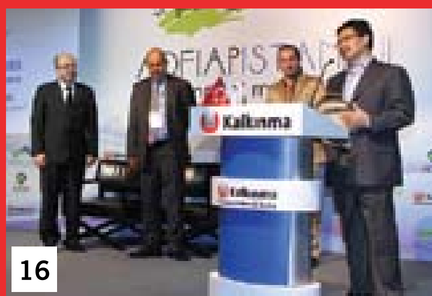

1


13


6

3


10


16


8


11


13


4

SIGNIFICANT EVENTS 2012

JANUARY

6 January

1. Johor Corporation, Kulim (Malaysia) Berhad, KFC Holdings (Malaysia) Bhd and Johor Land Berhad contributed RM2.7 million to Johor Football Club (PBNJ) in an official reception with His Royal Highness Tunku Ismail Ibni Sultan Ibrahim, Tunku Mahkota Johor and PBNJ along with other 2012 sponsors at Thistle Hotel, Johor Bahru.

9 January

2. Eyes And Ears At Sea Programme, organised by the Malaysian Maritime Enforcement Agency (APMM) and Johor Bunkering Services Association (J-Bunker) with support from Tanjung Langsat Port Sdn Bhd was officiated by YB Datuk Haji Ahmad bin Haji Maslan, Deputy Minister at the Prime Minister's Office at Tanjung Langsat Port.

11 January

3. PEDOMAN Johor Corporation 2012, with the presence of Tuan Haji Kamaruzzaman Abu Kassim, President & Chief Executive of Johor Corporation at Persada Johor.

FEBRUARY

2 February

4. Johor Corporation Group sponsored a sum of RM400,000 for the Pasir Gudang World Kite Festival 2012.

9 February

5. His Excellency Mr. Vijay Gokhale, India High Commissioner paid a visit to Tanjung Langsat Port.

10 February

6. A sponsorship of RM56,000 by Johor Corporation through Waqaf An-Nur Corporation Berhad to the Malaysian Red Crescent Society for the purchase of a portable mechanical ventilator in conjunction with a Medical Aids Handover Ceremony for Sultanah Aminah Hospital, Johor Bahru.

17 February

7. Johor Corporation received a visit from 40 delegates of Media Prima Group's top management at The Puteri Pacific Hotel, Johor Bahru.

MARCH

1 & 2 March

8. Johor Corporation through Bistari Young Entrepreneur Sdn Bhd organised Hari BISTARI 2012 at Persada Johor. The ceremony was officiated by YB Datuk Haji Maulizan Bujang, Johor Executive Councillor of Entrepreneur and Cooperative Development, Education and Higher Education.

3 March

9. A visit from the Ministry of Finance delegates to Johor Corporation at Persada Johor.

8 March

10. YB Dato' Mukhriz Tun Mahathir, Deputy Minister of International Trade and Industry officiated the *Perintisan Keusahawanan Membaiki Motosikal* Programme at the Puteri Pacific Hotel Johor Bahru.

19 March

11. A visit from the delegates of the Indonesian Zakat House to Johor Corporation at Persada Johor.

APRIL

5 April

12. A Signing of Agreement between KFC Holdings (Malaysia) Bhd and Halal Development Corporation (HDC) at KLCC Convention Centre, Kuala Lumpur.

12 April

13. Exit Conference for Johor Corporation Accountability Index 2011 certification, with the National Audit Department at Putrajaya.

16 April

14. A Memorandum Of Agreement Signing Ceremony between KPJ International University College of Nursing And Health Science and Universiti Kebangsaan Malaysia (UKM) at Tun Abdul Razak Chancellor Hall, UKM.

19 April

15. A shooting competition – Iskandar Shoot 2012, organised by Johor Clay Target was held at REM Plantation Shooting Range, Kota Tinggi.

25 April

16. Johor Corporation received ADFIAP Award at Sheraton Istanbul Atakoy Hotel, Turkey.

MAY

4 May

17. Johor Corporation's 160th Board of Directors Meeting was held at Menara JCorp, Kuala Lumpur.

SIGNIFICANT EVENTS 2012

31


28


29


19


23


22


26


24


30


25


18


27


20

SIGNIFICANT EVENTS 2012

8 May

18. Launching of Corporate Bumiputera Entrepreneur Development Collaboration Programme between TERAJU, Majlis Amanah Rakyat (MARA) and Johor Corporation at Persada Johor.

11 – 13 May

19. Johor Corporation through Damansara Assets Sdn Bhd organised the Tanjung Leman Carnival 2012 at Tanjung Leman Beach, Mersing. The launching ceremony was officiated by YB Datuk Haji Ahmad Maslan, Deputy Minister in the Prime Minister's Office.

14 May

20. Employee Session with the President & Chief Executive of Johor Corporation at Persada Johor.

23 May

21. Catur BISTARI Challenge between MARA Colleges, at Kota Tinggi, Johor.

31 May

22. A Premier Executive Talk Session with Yang Berbahagia Tun Dr Mahathir Mohamad at Persada Johor.

JUNE

20 June

23. A Memorandum Of Agreements Signing Ceremony between KPJ Healthcare Berhad and Tan Sri Muhyiddin Charity Golf Haemodialysis Centre took place at Kuala Lumpur Golf & Country Club (KLGCC), Mont Kiara, Kuala Lumpur, witnessed by YAB Tan Sri Muhyiddin Yassin, Deputy Prime Minister of Malaysia and Tuan Haji Kamaruzzaman Abu Kassim, President & Chief Executive of Johor Corporation.

JULY

2 July

24. KFCH International College's 1st Convocation Ceremony was held at Pullman Hotels and Resorts, Putrajaya.

11 July

25. Tuan Haji Ahamad Mohamad, Managing Director of Kulim (Malaysia) Berhad was awarded the Outstanding Entrepreneurship Award in the Asia Pacific Entrepreneurship Awards 2012 (APEA 2012).

17 July

26. Pedoman Eksekutif Johor Corporation Ceremony at Persada Johor.

31 July

27. Johor Corporation completed the third and final series of bond redemption under the Corporate Restructuring Master Plan (CRMP) consisting of Guaranteed Redeemable Islamic Bonds (Bai' Bithaman Ajil) worth RM1,952,257,000, and Redeemable Secured Notes (Bai' Bithaman Ajil) worth RM195,377,000. Islamic Committed Revolving Credit Facility/Scheduled Payment Arrangement has been paid earlier worth RM25,000,000. With the redemption, Johor Corporation had managed to redeem the settlement of the CRMP obligation.

AUGUST

9 August

28. Majlis Santapan Berbuka Puasa Johor Corporation and the launching of the 56th Projek Penyayang KFC and Charity Pizza Hut Delivery at Masjid Jamek Pasir Gudang, with presence of His Royal Highness Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan dan Yang DiPertuan Bagi Negeri dan Jajahan Takluk Johor Darul Ta'zim to grace the ceremony.

13 August

29. Johor Corporation Group of Companies' Business Zakat (Alms) for the year ended 2011 was handed over by Tuan Haji Kamaruzzaman Abu Kassim, President & Chief Executive of Johor Corporation worth RM5,072,488.88 to YAB Dato' Haji Abdul Ghani Othman, Chief Minister of Johor at the Chief Minister's Official Residence, Saujana, Johor

SEPTEMBER

4 September

30. A Joint Venture Agreement Signing Ceremony between FELDA and Ayamas Integrated Poultry Industry Sdn Bhd at Menara FELDA, Jalan Stonor, Kuala Lumpur.

22 September

31. A Mock-up Check Submission Ceremony for the Hockey Cup Championship dedicated to His Royal Highness the Sultan of Johor at Persada Johor. Johor Corporation contributed a sum of RM100,000 for the championship. The sponsorship was handed over by Tuan Haji Kamaruzzaman Abu Kassim, President & Chief Executive of Johor Corporation to His Royal Highness Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan Dan Yang DiPertuan Bagi Negeri Dan Jajahan Takluk Johor Darul Ta'zim.

SIGNIFICANT EVENTS 2012


34

44

36

32


39


33

41


43

SIGNIFICANT EVENTS 2012

28 – 30 September

32. KFC-FELDA Johor Open Regatta Championship 2012 at Tanjung Leman, Mersing on 28-30 September 2012 with the presence of His Royal Highness Tunku Temenggong Idris, Pemangku Raja Johor solemnising the Closing and Prize-Giving Ceremony of the Championship

OKTOBER

1 October

33. Johor Corporation received its fifth-consecutive recognition of the highest certification – Four-Star Rating for Financial Management Accountability Index 2011 since 2007, at the National Audit Day 2012 in Kuantan, Pahang

6 October

34. KFC Holdings (Malaysia) Bhd organised the Charity Walk In Support of World Hunger Relief, initiated by the UN World Food Programme at Putrajaya. Her Royal Highness Raja Zarith Sofiah binti Almarhum Sultan Idris Shah graced the ceremony.

7 October

35. His Royal Highness Tunku Temenggong Idris, Pemangku Raja Johor attended the Closing & Prize-Giving Ceremony of Tanjung Leman Carnival 2012 at Tanjung Leman, Mersing.

16 October

36. Johor Corporation contributed RM70,000 for the Hari Pahlawan Persatuan Bekas Tentera Malaysia (PBTM) of the Johor branch at Bangunan Dato' Jaafar Muhammad, Kota Iskandar, Nusajaya.

NOVEMBER

8 November

37. A launching ceremony of a new name for KPJ Healthcare University College and KPJUC Medical Expertise Training Programme, officiated by YB Datuk Seri Mohamed Khaled Nordin, Minister of Higher Education at the International Convention Centre, Putrajaya.

19 November

38. Employee Session with the President & Chief Executive of Johor Corporation at Persada Johor.

21 – 25 November

39. Johor Corporation took part in a Float Parade in conjunction with His Royal Highness Sultan of Johor's Birthday and Bandar Diraja Johor's Declaration Ceremony which was held from 21-25 November 2012 in Muar, Johor.

23 Nov – 2 Dec

40. Kulim Montel Farm & Kulim Pineapple Farm won the Banana and Pineapple categories respectively through Pisang Montel and MD2 Pinapple in the Fruits Competition during the MAHA 2012 Exhibition in Serdang, Selangor.

DECEMBER

4 – 6 December

41. Persada Johor International Convention Centre was chosen as the venue for the 8th World Islamic Economic Forum (WIEF).

14 – 16 December

42. JCorp Intrapreneur (M) Bhd (JIMB) organised JIMB's Annual Conference 2012 at Ri-Yaz Heritage, Marina Resort & SPA, Pulau Duyung, Kuala Terengganu.

17 December

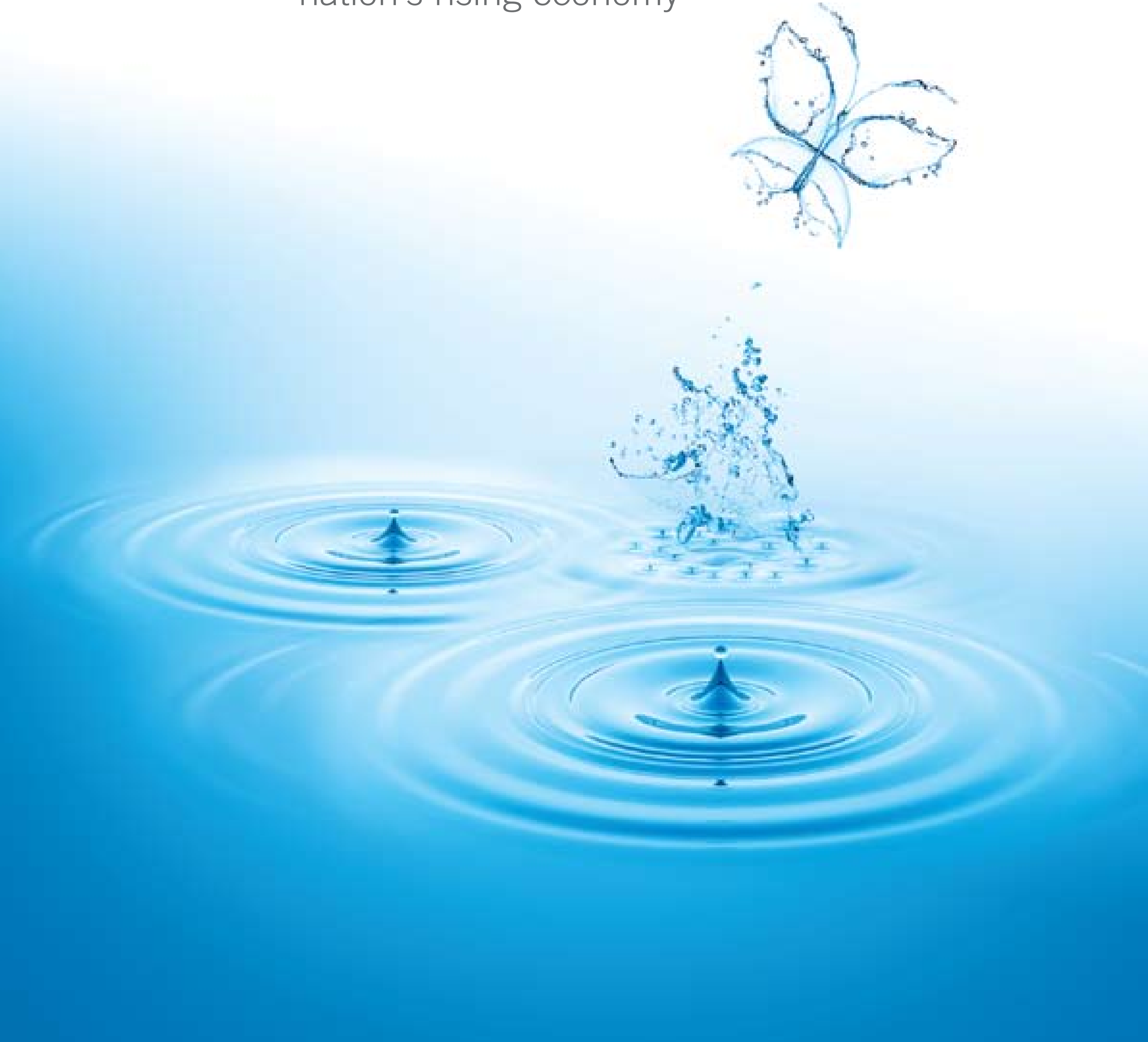
43. PAGEMA Fire Drill Exercise was held at the Administration Building, Tanjung Langsat Port Sdn Bhd, Pasir Gudang. The ceremony was officiated by YB Dato' Haji Ahmad Zahri Jamil, Johor Executive Councillor of Housing and Local Government.

29 December

44. The Sponsorship submission Ceremony for Johor Football Association, in conjunction with the launching of Johor FA and Johor Darul Takzim Football Club for the Season of 2013 at Plaza Angsana, Johor Bahru, with presence of His Royal Highness Tunku Ismail Ibni Sultan Ibrahim, Tunku Mahkota Johor. Tuan Haji Kamaruzzaman Abu Kassim, President & Chief Executive of Johor Corporation handed the sponsorship from Johor Corporation Group worth RM8 million.

PEDOMAN Johor Corporation 2013, one of Johor Corporation's assembly events was held on 11 January 2013 at Persada Johor.

With three disinct roles of harnessing business **DIVERSITY**, developing commercial operations that **SPEARHEADS** its Corporate Social **RESPONSIBILITY** activities, JCorp **DELIVERS VALUE** to the nation's rising economy



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), Incorporation Act of 1962 (State Legislatures Competency) (Act 380) and Loans Guarantee Act of 1965 (Bodies Corporate) (Act 96).

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

The Board of Directors currently consists of a 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 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 2012, the Board met three 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 four board committees, namely the Audit Committee, Strategic Planning Committee, Board of Tender Committee and Investment Committee. Management functions are delegated to the Group Top Management Committee (TERAJU) and various governance committees.

CORPORATE GOVERNANCE STATEMENT

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 appointment must fulfill the criteria such as passed all mandatory examinations; has been in employment for a minimum of five years and etc.

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 10 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 14 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 12 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.

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 & Nomination Committee, Corporate Synergy & Restructuring Committee and Risk Management Committee.

CORPORATE GOVERNANCE IN LISTED ENTITIES WITHIN JCORP GROUP

There are four listed entities within JCorp Group, of which three are listed on the main board of Bursa Malaysia namely Kulim (Malaysia) Berhad, KPJ Healthcare Berhad and Damansara Realty Berhad. 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

CORPORATE GOVERNANCE STATEMENT

information in the forms of suggestions and ideas. Those who express bright ideas and innovations that can be chosen to be implemented or 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 90.

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 89.

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.

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

ATTENDANCE AT MEETINGS

BAC meets on a scheduled basis at least twice a year. In 2012, BAC met in three occasions as follow:

MEMBERS	DATE OF MEETING		
	26th March	13th Sept	7th Dec
Datin Paduka Zainon Hj Yusof	✓	✓	
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 Head of Audit to discuss any matters that the BAC or the Head of Audit 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.

AUDIT COMMITTEE REPORT

Other Responsibility

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

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2012, the activities of the BAC included the followings:

– Review reports by the IAC which had held its meetings on 15 March, 6 September and 30 November 2012;

– 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 22 March and 10 September 2012.

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

AUDIT COMMITTEE REPORT

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 underwent the Quality Assurance Review in November 2012 and 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 of Johor Corporation (JCorp) 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 as well as 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 minimise the risk but also to maximise the opportunity that exist.

RISK MANAGEMENT OBJECTIVES

- 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;
- 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

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

For the reporting year ended 31 December 2012, two meetings were held in March and September 2012.

DUTIES AND RESPONSIBILITIES OF RMC

- 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.

RISK MANAGEMENT STATEMENT

- 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). This system was developed in 2009 to facilitate the process of updating risk register. The risk will always be reviewed from time to time at the respective companies and subsequently ranked, deliberated and reported to Board Audit Committee and Board of Directors of JCorp.

TYPES OF RISK

JCorp has classified its risks into five types as follow:

– Strategic Risks
– Project Risks
– Hazards
– Operational Risks
– Financial Risks

PROCEDURES

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

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

2. Accept the risk but take some actions to lessen or minimize its likelihood or impact;

3. Transfer the risk to another individual or organization, by, for example, outsourcing the activity;

4. Finance (insure against) the risk;

5. Avoid the risk by ceasing to perform the activity causing it.

JCorp decision on how to manage risks will be determined by a systematic risk assessment in which likelihood and consequence (or impact) table ratings is applied 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.

FINANCIAL STATEMENTS

CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
JOHOR CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2012

The Financial Statements of Johor Corporation and the Group for the year ended 31 December 2012 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 statements show a true and fair view of the financial position of Johor Corporation and the Group as at 31 December 2012, the operational results and the cash flows for the said year based on the approved accounting standards.

I have considered the financial statements and the auditor's reports for all subsidiary companies not audited by me as stated in the Notes to the consolidated financial statements. I am satisfied that such financial statements that have been consolidated with the financial statements 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.

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

PUTRAJAYA
28 MARCH 2013

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 2012.

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 holding. 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 holding.

FINANCIAL RESULTS

	Group RM Million	Corporation RM Million
Profit from continuing operations, net of tax	746	203
Profit from discontinued operations, net of tax	114	-
Profit net of tax	860	203
Profit attributable to:		
Johor Corporation	314	203
Non-controlling Interests	546	-
	860	203

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)
YB Dato' Kamaruzzaman Bin Abu Kassim	(President and Group Chief Executive)
YB Dato' Haji Ahmad Zahri Bin Jamil	
YB Dato' Haji Obet Bin Tawil	
YB Datuk Abdul Rahman Putra Bin Dato' Haji Taha	
YB Tuan Haji Marsan Bin Kassim	
YBhg Datuk Dr Rebecca Fatima Sta Maria	
YBhg Datuk Dr Rahamat Bivi Binti Yusoff	
YBhg Puan Siti Zauyah Binti Mohd Desa	(Appointed on 11 March 2013)
YB Datin Paduka Zainon Binti Haji Yusof	
YBhg Dato' Haji Maliami Bin Hamad	(Appointed on 1 June 2012 and retired on 1 November 2012)
YBhg Dato' Paduka Ismee Bin Ismail	(Retired on 1 November 2012)

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 in the ordinary course of business 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.

DIRECTORS' REPORT
(CONTINUED)

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 of 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

DATO' KAMARUZZAMAN BIN ABU KASSIM
President and Group Chief Executive

Johor Bahru

14 March 2013

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

We, Dato' Haji Abdul Ghani Bin Othman and Dato' 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 2012 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

DATO' KAMARUZZAMAN BIN ABU KASSIM
President and Group Chief Executive

Johor Bahru

14 March 2013

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 14 MAC 2013

Before me,

PESURUHJAYA SUMPAH
No. J 204
MOHDZAR BIN KHALID
P.L.P., P.I.S.,
MALAYSIA

Commissioner of Oaths

No. 89, Jalan Trus,
80000 Johor Bahru.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated

	Note	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Continuing operations					
Revenue	4	5,640	5,071	348	474
Cost of sales		(4,743)	(2,505)	(121)	(189)
Gross profit		897	2,566	227	285
Other items of income					
Other income	5	2,270	345	684	135
Other items of expense					
Distribution expenses		(27)	(1,518)	(4)	(5)
Administrative expenses		(314)	(475)	(58)	(55)
Finance costs	7	(347)	(337)	(157)	(195)
Other expenses	6	(1,746)	(114)	(525)	(51)
Share of results of associates, net of tax		135	73	-	-
Profit before tax from continuing operations	8	868	540	167	114
Income tax expense	11	(122)	(164)	36	23
Profit from continuing operations, net of tax		**746**	**376**	**203**	**137**
Discontinued operation					
Profit from discontinued operation, net of tax	12	114	682	-	-
Profit net of tax		***860***	***1,058***	***203***	***137***

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

		Group		Corporation	
	Note	2012	2011	2012	2011
Other comprehensive income:					
Net surplus from revaluation		2	1	-	-
Cash flow hedges		-	121	-	-
Fair value of available for sale financial assets		(2)	(2)	-	-
Foreign currency translation		(153)	486	-	-
Other comprehensive income for the year, net of tax		***(153)***	***606***	***-***	***-***
Total comprehensive income for the year		***707***	***1,664***	***203***	***137***
Profit attributable to:					
Johor Corporation		314	368	203	137
Non controlling interests		546	690	-	-
		860	1,058	203	137
Total comprehensive income attributable to:					
Johor Corporation		264	545	203	137
Non controlling interests		443	1,119	-	-
		707	***1,664***	***203***	***137***

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated

		Group		Corporation	
	Note	2012	2011	2012	2011
ASSETS					
Non-current assets					
Property, plant and equipment	14	5,497	8,658	334	164
Property development	23	102	124	26	25
Investment properties	15	2,200	2,062	259	286
Intangible assets	16	925	1,093	-	-
Land use rights	17	65	53	-	-
Investment in subsidiaries	18	-	-	2,351	2,513
Investment in associates	19	2,439	531	201	180
Deferred tax assets	21	92	120	54	24
Other investments	13	78	61	4	4
		11,398	12,702	3,229	3,196
Current assets					
Property development	23	484	494	158	157
Inventories	24	419	1,005	41	41
Trade and other receivables	22	660	1,070	1,847	1,302
Other currents assets	25	35	82	24	6
Other investments	13	111	253	83	153
Tax recoverable		8	-	68	66
Cash and bank balances	28	743	1,557	115	786
		2,460	4,461	2,336	2,511
Assets of disposal group classified as held for sale	20	381	112	39	99
		2,841	4,573	2,375	2,610
Total Assets		***14,239***	***17,275***	***5,604***	***5,806***

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

		Group		Corporation	
	Note	2012	2011	2012	2011
EQUITY AND LIABILITIES					
Current liabilities					
Tax payable		-	151	-	-
Loans and borrowings	30	1,209	5,030	61	3,542
Trade and other payables	31	1,501	1,519	1,138	1,024
Derivatives financial instruments	27	-	2	-	-
		2,710	6,702	1,199	4,566
Disposal group liabilities	20	225	-	-	-
		2,935	6,702	1,199	4,566
Net current (liabilities) / assets		***(94)***	***(2,129)***	***1,176***	***(1.956)***
Non-current liabilities					
Other long term liabilities	29	415	357	228	201
Deferred tax liabilities	21	310	1,141	1	7
Loans and borrowings	30	4,777	2,690	2,980	28
		5,502	4,188	3,209	236
Total liabilities		***8,437***	***10,890***	***4,408***	***4,802***
Net assets		***5,802***	***6,385***	***1,196***	***1,004***
Equity					
Capital reserves	32	1,000	999	55	55
Hedge reserves	32	-	(1)	-	-
Equity transaction reserves	32	(56)	(61)	-	-
Currency fluctuation reserves	32	(98)	(39)	-	-
Fair value adjustments reserves	32	53	53	-	-
Revenue reserves		1,272	926	1,141	949
		2,171	1,877	1,196	1,004
Non-controlling interests		3,631	4,508	-	-
Total equity		***5,802***	***6,385***	***1,196***	***1,004***
Total equity and liabilities		***14,239***	***17,275***	***5,604***	***5,806***

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 2012
Amounts in RM Million Unless Otherwise Stated

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	-	-	92	-	-	-	92	367	459
Cash flow hedges	-	40	-	54	-	-	94	54	148
Fair value of available for sale financial assets	-	-	-	(31)	-	30	(1)	(1)	(2)
Transfer from reserve to retained earnings	-	-	(22)	-	-	13	(9)	9	-
Total other comprehensive income for the year	1	40	70	23	-	43	177	429	606
Total comprehensive income for the year	1	40	70	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**	**(1)**	**(39)**	**53**	**(61)**	**926**	**1,877**	**4,508**	**6,385**

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

2012 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 2012	***999***	***(1)***	***(39)***	***53***	***(61)***	***926***	***1,877***	***4,508***	***6,385***
Profit net of tax	-	-	-	-	-	314	314	546	860
Other comprehensive Income									
Revaluation surplus	1	-	-	-	-	-	1	1	2
Foreign exchange adjustments	-	-	(41)	-	-	(8)	(49)	(101)	(150)
Fair value of available for sale financial assets	-	-	-	-	-	-	-	(2)	(2)
Transfer from reserve to retained earnings	(3)	-	-	-	-	3	-	-	-
Translation adjustment	-	-	(3)	-	-	-	(3)	-	(3)
Total other comprehensive income for the year	(2)	-	(44)	-	-	(5)	(51)	(102)	(153)
Total comprehensive income for the year	(2)	-	(44)	-	-	309	263	444	707
Dividend paid to minority shareholders	-	-	-	-	-	-	-	(78)	(78)
Disposal of subsidiaries	-	1	(15)	-	-	-	(14)	(1,374)	(1,388)
Dilution of interest in subsidiaries	3	-	-	-	-	50	53	137	190
Acquisition of new subsidiaries	-	-	-	-	-	(2)	(2)	-	(2)
Additional interest in subsidiaries	-	-	-	-	(5)	-	(5)	(6)	(11)
Contribution to state government	-	-	-	-	-	(11)	(11)	-	(11)
Redemption of preference shares	-	-	-	-	10	-	10	-	10
	3	1	(15)	-	5	37	31	(1,321)	(1,290)
Closing balance at 31 December 2012	**1,000**	**-**	**(98)**	**53**	**(56)**	**1,272**	**2,171**	**3,631**	**5,802**

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

Corporation	Capital Reserves	Revenue Reserves	Total Equity
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 and Opening balance at 1 January 2012	***55***	***949***	***1,004***
Total comprehensive income	-	203	203
Distribution of fund to State Government	-	(11)	(11)
Closing balance at 31 December 2012	***55***	***1,141***	***1,196***

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated

	Group		Corporation	
	2012	2011	2012	2011
OPERATING ACTIVITIES				
Profit before tax:				
Continuing operations	868	540	167	114
Discontinued operation	146	877	-	-
Adjustments:				
Property, plant and equipment:				
- Net gain on disposal	(16)	(4)	-	(17)
- Written off	4	2	-	-
- Depreciation	328	480	6	9
- Impairment loss	-	7	-	-
Investment property:				
- Changes in fair value	(67)	(37)	(5)	-
- Write off/Amortisation	1	-	-	-
- Net loss/(gain) on disposal	50	(3)	11	(3)
Land use rights:				
- Amortisation	-	1	-	-
Remeasurement of remaining interest arising on deemed disposal of subsidiary	(1,858)	-	-	-
(Gain)/loss on disposal of:				
- Subsidiaries	-	(98)	(1)	8
- Partial interest in subsidiaries	-	-	-	(1)
- Associates	(4)	-	(27)	-
- Other investments	(28)	(41)	(2)	(3)
Investments:				
- Changes in fair value	(2)	(115)	42	(97)
- Allowance for diminution	120	-	174	20
- Provision for impairment in an associate	1,276	-	-	-
Intangible assets:				
- Amortisation	10	9	-	-
Dividend income	(3)	(3)	(736)	(186)
Gain on exchange differences	-	(151)	-	-
Amortisation of government grant	(10)	(13)	-	(3)
Allowance for impairment of receivables	2	13	113	24
Interest expense	347	380	157	195
Interest income	(29)	(6)	(13)	(10)
Share of results of associates	(135)	(79)	-	-
Operating profit/(loss) before changes in working capital	**1,000**	**1,759**	**(114)**	**50**

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

	Group		Corporation	
	2012	2011	2012	2011
Changes in working capital				
Bank deposits not regarded as cash equivalents	549	(507)	556	(515)
Inventories	48	(219)	-	3
Property development cost	(17)	(106)	(2)	31
Receivables	(266)	(217)	(154)	20
Payables	156	499	153	186
Associates	70	70	-	-
Cash generated from/(used in) operations	**1,540**	**1,279**	**439**	**(225)**
Tax Refunded	-	1	-	-
Tax Paid	(227)	(100)	-	-
Dividend received	-	-	185	151
Interest received	29	6	10	6
Net cash generated from/(used in) operating activities	**1,342**	**1,186**	**634**	**(68)**
INVESTING ACTIVITIES				
Proceeds from disposal of investment in:				
- Subsidiaries	-	-	1	5
- Other investments	13	212	-	-
- Short term investments	142	-	115	13
Property, plant and equipment:				
- Proceeds from disposal	29	37	1	184
- Purchase	(694)	(1,326)	(181)	(12)
Investment property:				
- Proceeds from disposal	120	28	77	23
- Purchase	(84)	(29)	(4)	-
Intangible assets:				
- Addition	(22)	(8)	-	-
Land use rights:				
- Purchase	(10)	(2)	-	-
Acquisition of subsidiaries, net of cash acquired	-	(17)	-	-
Purchase of:				
- Partial Interest in subsidiaries	(4)	(97)	(13)	(31)
- Partial interest in associates	-	-	(14)	-
- Other investments	-	(214)	(99)	(51)
Net cash outflow on disposal of subsidiary	(86)	-	-	-
Net cash flows (used in)/generated from investing activities	**(596)**	**(1,416)**	**(117)**	**131**

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

	Group		Corporation	
	2012	2011	2012	2011
FINANCING ACTIVITIES				
Drawdown of term loans and other long term borrowings	-	1,791	-	-
Issuance of Islamic Medium Term Notes ("IMTNs")	3,000	-	3,000	-
Repayment of term loans and other long term borrowings	(3,684)	(894)	(3,564)	(3)
Repayment of hire purchase and leases	(7)	(7)	-	-
Government grant received	-	189	20	182
Interest paid	(346)	(380)	(81)	(47)
Dividend paid to minority interests	-	(124)	-	-
Distribution of fund to State Government	(6)	(3)	(6)	(3)
Redemption of preference share	10	-	-	-
Net cash (used in)/generated from financing activities	**(1,033)**	**572**	**(631)**	**129**
Net (decrease)/increase in cash and cash equivalents	(287)	342	(114)	192
Cash and cash equivalents at 1 January	856	512	213	21
Effect of exchange rate changes on cash and cash equivalents	24	2	-	-
Cash and cash equivalents at 31 December	**593**	**856**	**99**	**213**
CASH AND CASH EQUIVALENTS				
Cash and bank balances	499	576	14	10
Fixed deposits	244	981	101	776
	743	1,557	115	786
Fixed deposits subject to restriction/pledged	(32)	(581)	(16)	(573)
Cash and cash equivalents included in disposal group held for sale	31	-	-	-
Bank overdrafts	(149)	(120)	-	-
	593	**856**	**99**	**213**

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 2012

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 2012 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 holding. The principal activities of the Group consist mainly of palm oil business, healthcare services, property development and management, intrapreneur ventures, quick service restaurants and investment holding.

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 2012, 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 July 2011

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

FRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2012

FRS 124 Related Party Disclosures
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First Adopters
Amendments to FRS 7: Transfers of Financial Assets
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Corporation's financial statements are disclosed below. The Group and the Corporation intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
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 Ventures	1 January 2013
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvement to FRSs (2012))	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 1: First-time Adoption of Malaysian Financial Reporting Standards- Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

the above standards and interpretations. Based on the directors' preliminary assessment, the financial statements may potentially be affected by the adoption of the following standards:

FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities –- Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

FRS 12 Disclosures 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 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.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. 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.

Upon adoption of FRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Amendment to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

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, exchange differences on translation of foreign operations and net loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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 two years. Consequently, adoption of MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. 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 2012 could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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.

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

c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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

Capital work in progress 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Intangible assets (continued)

b) Other intangible assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial assets (continued)

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.

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

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

b) Loans and receivables

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

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

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

c) Held-to-maturity investments

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

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

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

d) Available-for-sale financial assets

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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)

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.

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Construction contracts (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

2.21 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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Financial liabilities (continued)

a) Financial liabilities 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Employee benefits (continued)

(b) Defined benefit plans (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Hedge Accounting (continued)

(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.

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 statements 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

4. REVENUE

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Goods sold	872	791	101	149
Quick service restaurants	3,619	3,350	-	-
Property and industrial development	566	337	136	122
Healthcare services	25	21	-	-
Hotel and tourism services	68	59	-	-
Management services	16	39	-	-
Sale of short term investments	92	10	6	10
Dividend income	3	3	99	186
Rental income	25	72	6	7
Parking and related services	25	118	-	-
Mailing and printing	-	32	-	-
Transportation services	65	43	-	-
Rendering of other services	264	196	-	-
	5,640	5,071	348	474

5. OTHER INCOME

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

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Amortization of government grant (Note 29)	10	13	-	3
Changes in fair value of investment properties (Note 15)	67	37	-	-
Changes in fair value of other investments	2	115	(42)	97
Remeasurement of remaining interest arising on deemed disposal of subsidiary (Note 18(a))	1,858	-	-	-
Gain/(loss) on disposal of:				
- Investment properties	-	3	-	3
- Property, plant and equipment	24	12	-	(17)
- Subsidiaries/associates	-	98	1	8
- Other investments	28	41	2	3
- Land use rights	-	17	-	17
Interest Income	29	6	13	10
Net gain arising on recognition of agriculture	-	46	-	-
Dividend income	1	-	637	-
Grants received from government	8	-	-	-
Reversal of allowance for impairment of trade and other receivables	7	13	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

6. OTHER EXPENSES

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

	Group		Corporation	
	2012	2011	2012	2011
Allowance for impairment of receivables	2	13	113	24
Amortization of intangible assets (Note 16)	10	9	-	-
Contribution for repurchase of unit trust	99	2	99	-
Allowance for diminution of investments	120	-	255	20
Provision for impairment in an associate	1,276	-	-	-
Impairment on amount due from customer on contract	-	8	-	-
Loss on disposal of:				
- Associates	4	-	-	-
- Property, plant and equipment	8	8	-	-
- Investment properties	50	-	11	-
Legal and professional fees	-	5	-	-
Amortisation of revaluation surplus	9	10	-	-

7. FINANCE COSTS

	Group		Corporation	
	2012	2011	2012	2011
Guaranteed Redeemable Islamic Bond ("GRIB")	105	181	81	151
Islamic Medium Term Notes ("IMTNs")	61	-	61	-
Term loan	70	71	-	-
Short term borrowings	81	60	14	42
Others	30	25	1	2
	347	337	157	195

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Group		Corporation	
	2012	2011	2012	2011
Hire of property, plant and equipment	279	280	-	-
Property, plant and equipment:				
- Depreciation (Note 14)	328	480	6	9
- Impairment (Note 14)	-	7	-	-
- Written off	4	2	-	-
Land use rights:				
- Amortisation (Note 17)	(2)	1	-	-
Rental of offices and buildings	5	5	3	2
Investment property:				
- Amortisation (Note 15)	1	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

9. EMPLOYEE BENEFITS EXPENSE

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Wages, salaries and bonus	871	866	16	10
Defined contribution retirement plan	64	65	2	1
Other employee benefits	175	174	-	-
	1,110	1,105	18	11

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 2012 RM'000	Group 2011 RM'000	Corporation 2012 RM'000	Corporation 2011 RM'000
Non-executive directors:				
- Fees	-	967	-	967
Executive directors:				
- Fees	431	3,531	-	-
- Remuneration	6,731	3,193	5,262	778
Other short term employee benefits including estimated monetary value of benefits-in-kind	15	91	-	-
Defined contribution retirement plan	953	889	746	93
	8,130	8,671	6,008	1,838
Other key management personnel:				
- Short-term employee benefits	8,880	4,576	-	2,203
	17,010	13,247	6,008	4,041

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(CONTINUED)

11. INCOME TAX EXPENSE

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Current tax for the year:				
- Malaysia	170	99	-	-
- Foreign	18	-	-	-
Deferred tax:				
- Malaysia	(66)	5	(36)	(23)
- Foreign	-	60	-	-
Income tax attributable to continuing operations	122	164	(36)	(23)
Income tax attributable to discontinued operation (Note 12)	(32)	(195)	-	-
Share of tax of associates	46	21	-	-
Total tax expenses	136	(10)	(36)	(23)
The total tax expense for the year relates to the following:				
- Current year	221	117	-	-
- Over provisions in prior years	(33)	(18)	-	-
	188	99	-	-
Deferred tax:				
- Origination and reversal of temporary differences	(84)	71	(23)	-
- Under/(over) provisions in prior years	18	(6)	(13)	(23)
	(66)	65	(36)	(23)
Income tax attributable to continuing operations	122	164	(36)	(23)
Income tax attributable to discontinued operation (Note 12)	(32)	(195)	-	-
Share of tax of associates	46	21	-	-
Total tax expenses	136	(10)	(36)	(23)
Profit before tax from continuing operations	868	540	167	114
Profit before tax from discontinued operation (Note 12)	146	877	-	-
	1,014	1,417	167	114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

11. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of effective tax expense:

	Group		Corporation	
	2012	2011	2012	2011
Tax at Malaysian statutory tax rate of 25% (2011: 25%)	253	354	42	28
Different tax rates in other countries	38	36	-	-
Non deductible expenses	213	106	149	32
Income not subject to tax	(405)	(520)	(202)	(69)
Deferred tax assets not recognised	8	19	-	9
Deferred tax recognised on unutilised business losses	(12)	-	(12)	-
Recognition of previously unrecognized deferred tax asset	(2)	(2)	-	-
Effect of controlled transfer	(12)	-	-	-
Share of results of associates	46	21	-	-
Reversal of investment properties	24	-	-	-
Under/(over) provision in prior year:				
- Income tax	(33)	(18)	-	-
- Deferred tax	18	(6)	(13)	(23)
Tax expense	136	(10)	(36)	(23)

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. At the date of this report, the Corporation has made an application to the Ministry of Finance ("MOF") for further extension and have not received any reply from the MOF.

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

(a) Deemed disposal of New Britain Palm Oil Ltd ("NBPOL")

On 25 April 2012, NBPOL announced the issuance of 3,337,147 new ordinary shares alloted to The Independent Public Business Corporation of Papua New Guinea ("IPBC") as consideration for the acquisition of the remaining 20% interest in a subsidiary, Kula Palm Oil Limited ("KPOL"). Following the issuance of new shares, the Group's indirect shareholdings in NBPOL decreased from 50.68% to 49.54%, thereby rendering NBPOL as indirect associate of the Group.

The Group has taken up the above transaction as a deemed disposal of a subsidiary. As NBPOL constitutes a separate major geographical area of operations in Papua New Guinea and the Solomon Islands, the Group has regarded the disposal as a discontinued operation and the results are presented separately on the statement of comprehensive income as "Profit from discontinued operations, net of tax".

(b) Planned disposal of Orkim Sdn Bhd ("Orkim")

On 30 November 2012, the Group announced that it had entered into an agreement for the disposal of its indirect subsidiary, Orkim which is involved in the provision of shipping and forwarding services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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

(b) Planned disposal of Orkim Sdn Bhd ("Orkim") (continued)

As at 31 December 2012, the assets and liabilities related to Orkim have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" and its results are presented separately on the statement of comprehensive income as "Profit from discontinued operation, net of tax".

(c) Planned disposal of Pro Office Solutions Sdn Bhd ("Pro Office") and General Access Sdn Bhd ("General Access")

During the financial year, the Group entered into agreements to dispose of its indirect interest in Pro Office and General Access which are respectively involved in bulk mailing and printing as well as construction services.

As at 31 December 2012, the assets and liabilities related to Pro Office and General Access have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and Liabilities directly associated with disposal group classified as held for sale", and their results are presented separately on the statement of comprehensive income as "Profit from discontinued operation, net of tax".

The deemed disposals of NBPOL had the following effects on the financial position of the Group as at 31 December 2012:

	2012
Property, plant and equipment	3,322
Intangible assets	176
Inventories	538
Trade and receivables	564
Cash and cash equivalents	86
Derivatives	(2)
Deferred tax liabilities	(776)
Trade and other payables	(181)
Loan and borrowings	(894)
Taxation	(113)
Reserves	(20)
Net assets	2,700
Non-controlling interests	(1,427)
Net assets attributable to the Group	1,273
Revaluation of remaining interest in entity	(3,131)
Proceeds from disposal (cash)	-
Remeasurement of remaining interest arising on deemed disposal of subsidiary	(1,858)
Cash and cash equivalents of subsidiaries disposed	(86)
Net cash outflow on disposals	(86)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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

(c) Planned disposal of Pro Office Solutions Sdn Bhd ("Pro Office") and General Access Sdn Bhd ("General Access") (continued)

Statement of financial position disclosures

The major classes of assets and liabilities of subsidiaries classified as held for sale as at 31 December are as follows:

	2012
Assets:	
Property, plant and equipments	199
Intangible assets	9
Trade and other receivables	71
Inventories	-
Deposits, bank and cash balance	31
Investment in associates	27
Tax recoverable	1
Assets of disposal group classified as held for sale	338
Liabilties:	
Trade and other payables	(26)
Loans and borrowings	(198)
Taxation	-
Derivatives	-
Deferred taxation	(1)
Liabilities directly associated with disposal group classified as held for sale	(225)
Net assets directly associated with disposal group classified as held for sale	113

	2011
Investment in associates	12
Property, plant and equipments	1
	13

As at the end of the previous financial year, the investment in associate relates to the proposed disposal of MM Vitaoils Sdn Bhd, which has been terminated during the current financial year as the associate has entered into receivership status. The investment in associate has been impaired in full during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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

(c) Planned disposal of Pro Office Solutions Sdn Bhd ("Pro Office") and General Access Sdn Bhd ("General Access") (continued)

Statement of comprehensive income disclosures

The results of discontinued operations for the year ended 31 December are as follows:

	2012	2011
Revenue	899	2,742
Expenses	(740)	(1,828)
Profit from operations	159	914
Finance cost	(20)	(43)
Share of profit and loss of associates	7	6
Results from operating activities	146	877
Income tax expense		
- Income tax (Note 11)	(32)	(195)
Profit from discontinued operation, net of tax	114	682

Statement of cash flows disclosures

The cash flows attributable to the discontinued operations are as follows:

	2012	2011
Operating	460	509
Investing	(471)	335
- Financing	(271)	79
Net cash (outflows)/inflows	(282)	923

13. OTHER INVESTMENTS

Group 2012	Total	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Warrant In Malaysia Quoted
Non - current:				
Available-for-sale financial assets	61	-	61	-
Financial assets at fair value through profit or loss	17	2	5	10
	78	2	66	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

13. OTHER INVESTMENTS (CONTINUED)

		Shares In Malaysia		Warrant In Malaysia
Group 2012	**Total**	**Unquoted**	**Quoted**	**Quoted**
Current:				
Available-for-sale financial assets	-	-	-	-
Financial assets at fair value through profit or loss	111	-	34	77
	111	-	34	77
	189	2	100	87
Representing items:				
At cost/amortised cost	2	2	-	-
At fair value	187	-	100	87
	189	2	100	87

Group 2011				
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

13. OTHER INVESTMENTS (CONTINUED)

Corporation 2012	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	83	27	56
	83	27	56
	87	31	56
Representing items:			
At cost/amortised cost	-	-	-
At fair value	87	31	56
	87	31	56

Corporation 2011			
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

(a) Investments pledged as security

Certain subsidiaries investment in quoted shares amounting to RM39,043,209 (2011: RM38,103,682) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
Cost or valuation:							
At 1 January 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 (Note 15)	-	(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 and 1 January 2012	**1,467**	**840**	**2,193**	**1,879**	**4,635**	**513**	**11,527**
Additions	15	7	8	13	347	325	715
Disposals	(4)	-	-	-	(97)	-	(101)
Write off	-	-	(4)	(1)	(13)	-	(18)
Transfers:							
to investment properties (Note 15)	(10)	-	-	(1)	-	-	(11)
Reclassification as held for sale	-	-	84	(10)	(172)	(98)	(196)
Discontinued operation	-	-	(1,487)	(971)	(1,168)	(487)	(4,113)
Exchange differences	-	-	(1)	(11)	(31)	(4)	(47)
At 31 December 2012	**1,468**	**847**	**793**	**898**	**3,501**	**249**	**7,756**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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 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 (Note 15)	-	(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 and 1 January 2012	**-**	**76**	**420**	**449**	**1,764**	**-**	**2,709**
Charge for the year (Note 8)	-	16	11	15	286	-	328
Disposals	-	-	-	-	(88)	-	(88)
Write off	-	-	-	(3)	(11)	-	(14)
Reclassification as held for sale	-	-	37	12	(63)	-	(14)
Discontinued operation	-	-	(137)	(128)	(513)	-	(778)
Exchange differences	-	-	(6)	(5)	(22)	-	(33)
At 31 December 2012	**-**	**92**	**325**	**340**	**1,353**	**-**	**2,110**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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 2011	59	-	12	39	42	1	153
Impairment loss (Note 8)	3	2	-	(3)	5	-	7
At 31 December 2011 and 1 January 2012	62	2	12	36	47	1	160
Disposal of subsidiaries	-	-	(11)	-	-	-	(11)
At 31 December 2012	62	2	1	36	47	1	149
Net carrying amount:							
At 31 December 2011	1,405	762	1,761	1,394	2,824	512	8,658
At 31 December 2012	1,406	753	467	522	2,101	248	5,497

Corporation	Freehold land	Leasehold land	Estate development expenditure	Buildings	Furniture & fittings, plant and machinery and motor vehicles	Capital work in progress	Total
At cost or valuation:							
At 1 January 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 and 1 January 2012	**1**	**121**	**37**	**52**	**63**	**-**	**274**
Addition	-	-	4	15	5	157	181
Disposals	-	-	-	-	(4)	-	(4)
Write off	-	-	-	-	(1)	-	(1)
Reclassification as held for sale	-	-	-	(5)	(19)	-	(24)
At 31 December 2012	**1**	**121**	**41**	**62**	**44**	**157**	**426**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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 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 and 1 January 2012	**-**	**7**	**19**	**31**	**52**	**-**	**109**
Charge for the year (Note 8)	-	1	1	2	2	-	6
Disposals	-	-	-	-	(3)	-	(3)
Write off	-	-	-	-	(1)	-	(1)
Reclassification as asset held to sale	-	-	-	(4)	(16)	-	(20)
At 31 December 2012	**-**	**8**	**20**	**29**	**34**	**-**	**91**
Accumulated Impairment Losses:							
At 1 January 2011	**-**	**1**	**-**	**-**	**-**	**-**	**1**
At 31 December 2011 and at 31 December 2012	**-**	**1**	**-**	**-**	**-**	**-**	**1**
Carrying Amount:							
At 31 December 2011	1	113	18	21	11	-	164
At 31 December 2012	1	112	21	33	10	157	334

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of property, plant and equipment acquired under finance leases of the Group amounted to RM47 million (2011: RM33 million).

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM715 million (2011: RM1,349 million). The acquisition is settled through the following means:

	Group	
	2012	2011
Cash payment	694	1,326
Under finance lease	21	23
	715	1,349

As at 31 December 2012, property, plant and equipment of the Group and the Corporation with net book value of RM37 million (2011: RM3,223 million) and RM10 million (2011: RM10 million) respectively, are pledged as security for borrowings.

The particulars of freehold land, leasehold land, estate development expenditure and buildings stated at cost or valuation are as follows:

	Group		Corporation	
	2012	2011	2012	2011
Cost				
Freehold land	259	248	1	1
Leasehold land	713	837	121	121
Estate development expenditure	793	2,193	41	37
Buildings	898	1,879	62	52
Valuation				
Freehold land	1,209	1,219	-	-
Leasehold land	134	3	-	-
	4,006	6,379	225	211

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	
	2012	2011	2012	2011
Net book value				
Freehold land	253	377	-	-
Buildings	-	1	-	-
	253	378	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

15. INVESTMENT PROPERTIES

	At Fair Value 2012	2011
Group		
At 1 January	2,062	1,904
Additions	84	29
Disposals	(27)	(25)
Amortisation (Note 8)	(1)	-
Changes in fair value (Note 5)	67	37
Transfer:		
Transfer from property development cost (Note 23 (b))	12	18
Transfer from inventories	-	10
Transfer from property, plant and equipment (Note 14)	11	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)	(8)	(93)
As at 31 December	2,200	2,062
Included in the above are:		
Freehold land	194	153
Short term leasehold land	10	10
Long term leasehold land	560	487
Buildings	1,436	1,412
As at 31 December	2,200	2,062
Corporation		
At 1 January	286	390
Additions	4	-
Disposals	-	(21)
Changes in fair value	(5)	-
Transfer from inventories	-	10
Reclassification as held for sale (Note 20)	(26)	(93)
As at 31 December	259	286
Included in the above are:		
Freehold land	41	41
Long term leasehold land	195	221
Buildings	23	24
As at 31 December	259	286

Long term and short term leasehold land refers to unexpired lease period more than 50 years and less than 50 years respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

15. INVESTMENT PROPERTIES (CONTINUED)

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 2012, investment properties of the Group with carrying amount of RM150 million (2011: RM130 million) are pledged as security for borrowings. Investment properties of the Corporation with carrying amount of RM55 million (2011: RM55 million) are registered in the names of subsidiaries and are in the process of being transferred to the name of the Corporation.

16. INTANGIBLE ASSETS

Group	Goodwill	Concession Rights and Franchise Fee	Franchise Rights	Brand name	Others	Total
Cost:						
At 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 and 1 January 2012	55	99	726	86	180	1,146
Addition	-	22	-	-	-	22
Disposal of subsidiaries	(2)	-	-	-	(176)	(178)
Exchange translation differences	-	-	-	-	(1)	(1)
Write off	(1)	(7)	-	-	-	(8)
At 31 December 2012	52	114	726	86	3	981
Accumulated amortisation						
At 1 January 2011	3	41	-	-	-	44
Amortisation -	9	-	-	-	9	
At 31 December 2011 and 1 January 2012	3	50	-	-	-	53
Amortisation (Note 6)	-	9	-	-	1	10
Write off	-	(7)	-	-	-	(7)
At 31 December 2012	3	52	-	-	1	56
Net carrying amount						
At 31 December 2011	52	49	726	86	180	1,093
At 31 December 2012	49	62	726	86	2	925

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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"):

Group	Brandname 2012	Brandname 2011	Franchise rights 2012	Franchise rights 2011	Goodwill 2012	Goodwill 2011	Supplier relationship 2012	Supplier relationship 2011	Intangible assets with finite useful lives 2012	Intangible assets with finite useful lives 2011	Total 2012	Total 2011
Restaurants	-	-	726	726	25	25	-	-	-	-	751	751
Integrated poultry	75	75	-	-	7	11	-	-	37	37	119	123
Ancillary	11	11	-	-	-	4	-	-	-	-	11	15
Bulk mailing and printing services	-	-	-	-	-	2	-	-	-	-	-	2
Parking operator	-	-	-	-	-	2	-	-	9	10	9	12
Shipping and forwarding agent	-	-	-	-	6	3	-	-	-	-	6	3
Provision of sea transportation and related services	-	-	-	-	6	2	-	-	-	-	6	2
Insurance broker	-	-	-	-	2	2	-	-	-	-	2	2
Agricultural fertilizer and biotechnology research and development	-	-	-	-	3	3	-	-	-	-	3	3
Palm oil milling	-	-	-	-	-	-	16	177	-	-	16	177
Others	-	-	-	-	-	-	-	-	2	3	2	3
	86	86	726	726	49	54	16	177	48	50	925	1,093

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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 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 Corporation pursuant to the Concession Agreement. The Concession Agreement has a remaining amortisation period of 4.8 years (2011: 5.8 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. During the financial year, these assets were disposed in conjunction with the deemed disposal of New Britain Palm Oil Limited ("NBPOL").

Amortisation expense

The amortisation of concession rights and franchise fees are included in the "Administrative expenses" line item in the Statement of Comprehensive Income.

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% (2011: 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

16. INTANGIBLE ASSETS (CONTINUED)

Restaurants, integrated poultry and ancillary segments (continued)

(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 5 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.

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 2011	75	28	103
Addition	-	2	2
Disposal of subsidiaries	-	(1)	(1)
Reclassification	(41)	-	(41)
At 31 December 2011 and 1 January 2012	34	29	63
Addition	10	-	10
At 31 December 2012	44	29	73
Accumulated Amortisation:			
At 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 and 1 January 2012	9	1	10
Amortisation for the year (Note 8)	-	-	-
Reclassification	(2)	-	(2)
At 31 December 2012	7	1	8
Carrying amount:			
At 31 December 2011	25	28	53
At 31 December 2012	37	28	65

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

18. INVESTMENT IN SUBSIDIARIES

	Corporation 2012	Corporation 2011
Shares, at cost:		
Quoted shares in Malaysia	940	935
Unquoted shares in Malaysia	1,720	1,720
Unsecured preference shares *	999	986
Less: Accumulated impairment	(1,308)	(1,128)
	2,351	2,513
Market value for quoted shares	3,497	3,027

* 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:

	2012	2011
- Johor Land Berhad	386	386
- Kulim (Malaysia) Berhad	458	456
	844	842

The subsidiaries audit reports with modified opinion are indicated in the list of subsidiaries and associates on page 207 to 231.

Acquisition and disposal of subsidiaries in 2012

(a) Deemed disposal of equity interest in New Britain Palm Oil Limited ("NBPOL")

As disclosed in Note 12(a), the Group's indirect shareholdings in NBPOL, were diluted to below 50% following the decision not to participate in NBPOL's new issue of shares during the year. Accordingly, NBPOL is now an indirect associate of the Group.

The disposal had the following effect on the financial position of the Group as at the end of the year:

	RM
Property, plant and equipment	3,322
Trade and other receivables	564
Inventory and other current assets	538
Deposit, bank and cash balance	86
Other non-current assets	176
Trade and other payables	(181)
Borrowings	(894)
Deferred taxation	(776)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2012 (continued)

(a) Deemed disposal of equity interest in New Britain Palm Oil Limited ("NBPOL") (continued)

	RM
Non-controlling Interests	(1,427)
Taxation	(113)
Provisions and other liabilities	(2)
Reserves	(20)
Net assets disposed	1,273
Revaluation of remaining interest in entity	(3,131)
Remeasurement of remaining interest arising on deemed disposal of subsidiary	(1,858)

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)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Acquisition and disposal of subsidiaries in 2011 (continued)

(c) Acquisition of additional equity interest in Orkim Sdn Bhd (continued)

The acquisition of Orkim had the following efffect on the Group's assets and liabilities on the acquisition date:

	Recognised value on acquisition RM
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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(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
Proceeds from disposal	-

19. INVESTMENT IN ASSOCIATES

	Group		Corporation	
	2012	2011	2012	2011
Quoted shares in Malaysia, at cost	165	132	165	132
Quoted share Outside Malaysia	1,914	-	-	-
	2,079	132	165	132
Unquoted shares in Malaysia	38	125	36	48
Share of post-acquisition retained profits and reserves less losses	322	274	-	-
	2,439	531	201	180
Market value for quoted shares	3,315	1,116	1,401	1,116

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

19. INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of the associates, not adjusted to the proportion of ownership interest held by the Group are as follows:

	Country of incorporation	Effective ownership interest	Revenue	Profit	Total assets	Total liabilities
2012						
Held by the Corporation:						
KPJ Healthcare Berhad^	Malaysia	37.84%	2,112	156	2,271	1,122
Panca Pesona Sdn Bhd	Malaysia	40.00%	2	-	28	1
TPM Management Sdn Bhd	Malaysia	39.00%	11	4	134	30
Held through subsidiaries:						
Union Industries Sdn Bhd	Malaysia	23.86%	4	8	11	-
Bertam Properties Sdn Bhd	Malaysia	17.64%	129	42	126	38
Synthomer Sdn Bhd	Malaysia	26.52%	496	35	302	121
New Britain Palm Oil Limited #	Papua New Guinea	26.95%	764	94	4,622	1,968
			3,518	339	7,494	3,280
2011						
Held by the Corporation:						
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	-
Held through subsidiaries:						
TPM Management Sdn Bhd	Malaysia	40.00%	11	7	132	30
Union Industries Sdn Bhd	Malaysia	23.86%	5	-	7	1
Synthomer 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

^ Listed on the Main Board of Bursa Malaysia Securities Berhad

Listed on Port Moresby Stock Exchange ("POMSOX") and London Stock Exchange

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

20. ASSETS HELD FOR SALE/DISPOSAL GROUP LIABILITIES

	Group		Corporation	
	2012	2011	2012	2011
Assets classified as held for sale:				
Property, plant and equipment	198	-	12	6
Investment in an associate	26	13	-	-
Land and development expenditure	43	6	-	-
Investment properties (Note 15)	8	93	26	93
Land use rights	-	-	1	-
Receivables, prepayment and deposits	71	-	-	-
Cash and bank balances	31	-	-	-
Non-current asset classified as held for sale	4	-	-	-
	381	112	39	99
Liabilities directly associated with disposal Group classified as held for sale:				
Bank borrowings	198	-	-	-
Payables and accruals	26	-	-	-
Deferred taxation	1	-	-	-
	225	-	-	-

(a) As at the end of the previous financial year, the investment in associate of Sindora Bhd, a Group's indirect subsidiary, relates to the proposed disposal of MM Vitaoils Sdn Bhd, which has been terminated during the current financial year as the associate has entered into receivership status.

(b) Included in assets classified as held for sale, RM323 million relating to disposal of Group's indirect subsidiary, Orkim Sdn Bhd, which is involved in the provision of shipping and forwarding services.

21. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

	Group		Corporation	
	2012	2011	2012	2011
Property, plant and equipment	(4)	(1)	-	-
Provisions	23	24	22	23
Unutilised tax losses	33	61	32	1
Others	40	41	-	-
	92	125	54	24

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

21. DEFERRED TAX (CONTINUED)

Deferred tax assets and liabilities are attributable to the following: (continued)

	Group		Corporation	
	2012	2011	2012	2011
Offsetting	-	(5)	-	-
Deferred tax assets (after offsetting)	92	120	54	24
Property, plant and equipment	(197)	(1,117)	(1)	(7)
Investment properties	4	3	-	-
Unutilised tax losses	-	53	-	-
Revaluation reserves	(119)	(86)	-	-
Others	(3)	1	-	-
	(315)	(1,146)	(1)	(7)
Offsetting	5	5	-	-
Deferred tax liabilities (after offsetting)	(310)	(1,141)	(1)	(7)

Movement of deferred tax assets and liabilities during the year are as follows:

	Group		Corporation	
	2012	2011	2012	2011
At 1 January	(1,021)	(705)	17	(6)
(Charged)/credited to Statement of Comprehensive Income				-
- Property, plant and equipment	(1,352)	33	(1)	1
- Investment properties	2,084	(6)	-	-
- Tax losses	24	(127)	32	(7)
- Provisions	19	30	5	29
- Foreign exchange adjustment	-	5	-	-
- Others	29	-	-	-
	(217)	(770)	53	17
Disposal of subsidiaries	-	3	-	-
Currency translation differences	-	(254)	-	-
At 31 December	(217)	(1,021)	53	17

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

21. DEFERRED TAX (CONTINUED)

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	
	2012	2011
Unabsorbed capital allowances	7	129
Unutilised tax losses	-	302
	7	431

22. TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2012	2011	2012	2011
Current				
Trade receivables	400	766	34	69
Less: Allowance for impairment	(47)	(79)	(13)	(18)
	353	687	21	51
Other receivables	429	418	61	46
Less: Allowance for impairment	(167)	(194)	(48)	(45)
	262	224	13	1
Deposits	30	128	313	31
	645	1,039	347	83
Amount due from related parties	-	-	1,060	1,285
Less: Allowance for impairment	-	-	(210)	(96)
	-	-	850	1,189
Amount due from associates	15	39	6	30
Less: Allowance for impairment	(8)	(8)	-	-
	7	31	6	30
Dividend receivables from subsidiaries	8	-	644	-
	660	1,070	1,847	1,302

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables are as follows:

	Group		Corporation	
	2012	2011	2012	2011
Neither past due nor impaired	85	448	-	29
1 to 30 days past due not impaired	64	113	3	16
31 to 60 days past due not impaired	54	26	1	-
61 to 90 days past due not impaired	29	12	2	-
91 to 120 days past due not impaired	30	4	6	-
More than 121 days past due not impaired	91	84	9	6
	353	687	21	51
Impaired	47	79	13	18
	400	766	34	69

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are mainly from regular customers that have been transacting with the Group. None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group's and the Corporation have trade receivables amounting to RM353 million (2011: RM687 million) and RM21 million (2011: RM51 million) respectively that are past due at the reporting date but not impaired. These balances are not secured.

Receivables that are impaired

The Group's and the Corporation's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Corporation	
	2012	2011	2012	2011
Trade receivables - nominal amounts	47	79	13	18
Less: Allowance for impairment	(47)	(79)	(13)	(18)
	-	-	-	-
Movement in allowance account:				
At 1 January	79	40	18	4
Charge for the year	-	39	-	14
Reversal of impairment losses	(30)	-	(5)	-
Written off	(2)	-	-	-
At 31 December	47	79	13	18

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Receivables that are impaired

Trade receivables that are determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Amount due from related parties and associates

These amounts are unsecured, non-interest bearing and are repayable upon demand.

Amount due from related parties that are impaired

At the reporting date, the Corporation have provided an allowance of RM210 million (2011: RM96 million) for impairment of related parties.

There has been additional provision made in the Corporation's allowance account for the financial year ended 31 December 2012 of RM113 million (2011: RM14 million).

(c) Other receivables that are impaired

At the reporting date, the Group and the Corporation have provided an allowance of RM167 million (2011: RM194 million) and RM48 million (2011: RM45 million) respectively for impairment of other receivables.

There has been additional provision made in the Group and Corporation allowance account for the financial year ended 31 December 2012 of RM2 million (2011: RM13 million) and RM3 million (2011: RM10 million), respectively.

23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Future Development

	Group		Corporation	
	2012	2011	2012	2011
At cost				
Freehold land	15	46	-	-
Leasehold land	26	26	3	3
Development expenditure	83	45	23	22
At 1 January	**124**	**117**	**26**	**25**
Cost incurred during the year				
Freehold land	49	4	-	-
Leasehold land	-	3	-	-
Development expenditure	1	1	-	-
	50	8	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(a) Future Development (continued)

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Less charged to Statement of Comprehensive Income:				
Freehold land	(6)	-	-	-
Leasehold land	(7)	-	-	-
Development expenditure	(2)	-	-	-
	(15)	-	-	-
Transfer from/(to) current development				
Freehold land (Note 23 (b))	(12)	(35)	-	-
Leasehold land (Note 23 (b))	(2)	(3)	-	-
Development expenditure (Note 23 (b))	-	175	-	-
Transfer to investment properties (Note 15)	-	(138)	-	-
Transfer to asset held for sale	(43)	-	-	-
	(57)	(1)	-	-
At 31 December	102	124	26	25
At cost:				
Freehold land	46	15	-	-
Leasehold land	17	26	3	3
Development expenditure	39	83	23	22
At 31 December	102	124	26	25

(b) Current Development

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
At cost				
Freehold land	65	28	-	-
Leasehold land	57	35	9	-
Development expenditure	1,170	1,108	653	622
At 1 January	1,292	1,171	662	622

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

23. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONTINUED)

(b) Current Development (continued)

	Group		Corporation	
	2012	2011	2012	2011
Cost incurred during the year				
Development expenditure	229	261	37	47
	229	261	37	47
Cost recognised as an expense in Statement of Comprehensive Income:				
- previous year	(798)	(614)	(506)	(432)
- current year	(241)	(164)	(35)	(78)
	(1,039)	(778)	(541)	(510)
Transfer from/(to):				
Future development				
Freehold land (Note 23 (a))	12	35	-	-
Leasehold land (Note 23 (a))	2	3	-	-
Development expenditure (Note 23 (a))	-	(175)	-	-
Property, plant & equipment (Note 14)	-	-	-	(2)
Inventories	-	(5)	-	-
Investment properties (Note 15)	(12)	(18)	-	-
	2	(160)	-	(2)
At 31 December	484	494	158	157

Development land for the Group with carrying amount of RM279 million (2011: RM372 million) are pledged as security for borrowings.

Development land of the Corporation at carrying amount of RM159 million (2011: RM148 million) are charged to a licensed bank for the Redeemable Secured Certificates facility amounting to RM195.3 million (2011: RM195.3 million).

As at 31 December 2012, land with carrying amount of RM319 million (2011: RM285 million) are not registered in the names of certain subsidiaries and are in the process of being transferred to the names of the subsidiaries.

Land with carrying amount of RM7 million (2011: RM7 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

24. INVENTORIES

	Group		Corporation	
	2012	2011	2012	2011
Stores and materials	64	54	1	4
Stock of produce	150	643	7	2
Finished goods 158	258	-	-	
	372	955	8	6
Shops and houses	18	18	4	3
Land and buildings	29	32	29	32
	419	1,005	41	41

Inventories of the Corporation at carrying amount of RM1 million (2011: RM1 million) are pledged as security for borrowings.

Inventories of the Corporation with carrying amount of RM12 million (2011: RM12 million) are registered in the name of subsidiaries.

25. OTHER CURRENT ASSETS

	Group		Corporation	
	2012	2011	2012	2011
Prepayments	35	78	24	6
Amount due from customers on contracts (Note 26)	-	4	-	-
	35	82	24	6

26. AMOUNT DUE FROM CUSTOMERS ON CONTRACTS

	Group	
	2012	2011
Construction contract costs incurred to date	-	85
Attributable profits	-	8
	-	93
Less: Progress billings	-	(89)
Amount due from customers on contracts (Note 25)	-	4

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

27. DERIVATIVES FINANCIAL INSTRUMENTS

	Group Notional amount		Group Carrying amount	
	2012	2011	2012	2011
Cash flow hedges				
Commodity forward contracts				
- Current liabilities	-	313	-	2
- Non-current liabilities	-	-	-	-
	-	313	-	2

In prior year, the Group, via its subsidiary, New Britain Palm Oil Ltd ("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.

27. DERIVATIVES FINANCIAL INSTRUMENTS (CONTINUED)

As all hedge transactions are highly effective, all gains and losses relating to their remeasurement to fair value are recognised in the hedge reserve within equity and subsequently brought to account in the income statement in the same period as the physical sales transaction occurs to which the hedges relate.

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, including the related deferred tax liability of RM51,772,000 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	
	2012	2011
Within 12 months	-	1
After 12 months	-	-
	-	1

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

28. CASH AND BANK BALANCES

	Group		Corporation	
	2012	2011	2012	2011
Cash at banks and on hand	499	576	15	10
Fixed deposits with:				
Licensed banks	236	955	100	776
Licensed financial institutions	8	26	-	-
Cash and bank balances	743	1,557	115	786

Included in the deposits with licensed banks are the following amount subject to restrictions:

	Group		Corporation	
	2012	2011	2012	2011
- Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	23	8	-	-
- Restricted usage under the Restructuring Corporate Master Plan	-	422	-	422
- Restricted usage under the Redeemable Secured Certificates Scheme	-	151	-	151
	23	581	-	573

The currency profile of cash and cash equivalent is as follows:

	Group		Corporation	
	2012	2011	2012	2011
- Ringgit Malaysia	728	1,345	115	786
- US Dollar	-	63	-	-
- Indonesia Rupiah	15	20	-	-
- PNG Kina -	87	-	-	
- Australia Dollar	-	1	-	-
- Pound Sterling	-	15	-	-
- Others	-	26	-	-
	743	1,557	115	786

The weighted average interest rates of deposits, bank and cash balances that were effective at the reporting date were as follows:

	Group		Corporation	
	2012	2011	2012	2011
- Deposits with licensed banks	2.91%	2.81%	3.20%	2.88%
- Deposits with licensed financial institutions	1.97%	3.42%	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

28. CASH AND BANK BALANCES (CONTINUED)

Deposits of the Group and of the Corporation have an average maturity 243 days (2011: 284 days) and 644 days (2011: 644 days) respectively.

Included in cash and bank balances of the Group is an amount of RM17 million (2011: RM4 million) of which the utilisation is subject to the Housing Developers (Housing Development Account) Regulations 2002.

29. OTHER LONG TERM LIABILITIES

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Government grant	231	217	202	182
Other long term payables	54	59	-	-
Land lease rental received in advance	123	75	26	19
Others	7	6	-	-
	415	357	228	201
Government Grant				
At cost				
At 1 January	346	170	182	3
Grant received during the year	30	189	20	182
At 31 December	376	359	202	185
Accumulated Amortisation				
At 1 January	129	129	-	-
Amortisation (Note 5)	10	13	-	3
Transfer to income statement	6	-	-	-
At 31 December	145	142	-	3
Balance as at 31 December	231	217	202	182

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 2012	Group 2011
Under 1 year	5	5
1 - 2 years	5	5
2 - 3 years	5	5
Over 3 years	39	44
Carrying amount	54	59
Estimated fair value	25	28

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

29. OTHER LONG TERM LIABILITIES (CONTINUED)

Land lease rentals received in advance:

	Group 2012	Group 2011
At Cost		
At 1 January	81	45
Additions	43	36
Reclassification	6	-
At 31 December	130	81
Accumulated amortisation		
At 1 January	6	5
Realisation of income for the year	1	1
Balance as at 31 December	7	6
Carrying amount as at 31 December	123	75

This represents money received in advance from sub leases for period of 30 to 60 years.

30. LOANS AND BORROWINGS

	Group 2012	Group 2011	Corporation 2012	Corporation 2011
Non-current				
Secured:				
- Finance lease	31	19	-	-
- Term loans	957	1,817	-	-
- Islamic debt securities	316	360	-	-
- Islamic Medium Term Notes ("IMTNs")	2,955	-	2,955	-
Unsecured:				
- Term loans	493	466	-	-
- Federal Government loans	25	28	25	28
	4,777	2,690	2,980	28

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

30. LOANS AND BORROWINGS (CONTINUED)

	Group		Corporation	
	2012	2011	2012	2011
Current				
Secured:				
- Bank overdrafts	31	80	-	-
- Revolving credits	30	458	-	-
- Islamic committed revolving credit facility/ Scheduled payment arrangement ("CRCF/SPA")	-	408	-	400
- Redeemable Secured Certificates ("RSCs")	-	190	-	190
- Finance lease	12	10	-	-
- Term loans	364	475	-	-
- Bridging loans	38	34	-	-
- Islamic debt Securities	19	-	-	-
Unsecured:				
- Bank overdrafts	118	40	-	-
- Revolving credits	495	168	-	-
- Term loans	33	178	-	-
- Federal Government loans	61	61	61	61
- Banker's acceptance	6	35	-	-
- Advances from shareholder of a subsidiary	2	2	-	-
- Guaranteed Redeemable Islamic Bond ("GRIBs")	-	2,891	-	2,891
	1,209	5,030	61	3,542
Total loans and borrowings	5,986	7,720	3,041	3,570

As highlighted in Note 40(1)(d), the borrowings of the Group and Corporation amounting to approximately RM3.48 billion was 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.

During the financial year, partial sales proceeds from plantation assets amounting to RM0.375 billion have been utilized as partial settlement of CRCF. The balance of borrowings which was due on 31 July 2012 has been fully settled on 14 June 2012 by the issuance of Islamic Medium Term Notes ("IMTNs") ("Sukuk Wakalah") RM3 billion, under the Shariah Principal of Wakalah Bil Istithmar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

30. LOANS AND BORROWINGS (CONTINUED)

The table below summarizes the repayment terms of the Group's and the Corporation's loans and borrowings:

2012	Year of Maturity	Carrying amount	Under 1 year	Under 1-2 years	Under 2-5 years	Over 5 years
Secured:						
- Bank Overdrafts	On demand	31	31	-	-	-
- Revolving credits	-	30	30	-	-	-
- Finance lease	2013-2015	43	12	12	17	2
- Term loans	2013-2021	1,321	364	578	291	88
- Islamic debt securities	2013-2015	335	19	65	120	131
- Bridging loan	2013-2013	38	38	-	-	-
- Islamic Medium Term Notes ("IMTNs")	2017-2022	2,955	-	394	788	1,773
Unsecured:						
- Bank Overdrafts	On demand	118	118	-	-	-
- Revolving credits	-	495	495	-	-	-
- Term loan	2013-2015	526	33	219	210	64
- Federal Government loans	2013-2022	86	61	7	16	2
- Bankers' acceptance	On demand	6	6	-	-	-
- Advances from shareholder of a subsidiary	On demand	2	2	-	-	-
Total		5,986	1,209	1,275	1,442	2,060

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

30. LOANS AND BORROWINGS (CONTINUED)

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	2012-2015	29	10	10	9	-
- Term loans	2012-2021	2,292	475	385	1,211	221
- Islamic debt securities	2012-2015	360	-	-	140	220
- Bridging loan	2012-2013	34	34	-	-	-
Unsecured:						
- Bank Overdrafts	On demand	40	40	-	-	-
- Revolving credits	-	168	168	-	-	-
- Term loan	2012-2015	644	178	29	294	143
- Federal Government loans	2012-2022	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

30. LOANS AND BORROWINGS (CONTINUED)

	Group	
	2012	2011
Finance lease liabilities		
Minimum lease payments:		
- Not later than 1 year	14	11
- Later than 1 year and not later than 2 years	12	10
- Later than 2 years and not later than 5 years	19	10
- More than 5 years	2	-
	47	31
Future finance charges on finance leases	(4)	(2)
Carrying amount of finance lease liabilities	43	29
Non-current	12	19
Current	31	10
	43	29

	Group		Corporation	
	2012 %	2011 %	2012 %	2011 %
Weighted average effective interest rates of borrowings at the reporting date:				
- Bank overdrafts	8.29	8.34	-	-
- Revolving credits	3.97	5.22	-	-
- Term loans	2.72	4.06	-	-
- Federal Government loans	4.73	4.73	4.73	4.73
- Bridging loan	7.63	7.63	-	-
- Finance lease	3.59	4.16	-	-
- Islamic debt securities	3.10	-	-	-
- Islamic Medium Term Notes ("IMTNs")	3.67	-	3.67	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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 2012					
- Fixed	951	388	1,230	2,759	5,328
- Floating	115	282	207	54	658
	1,066	670	1,437	2,813	5,986
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

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 2012					
- Fixed	61	7	409	2,564	3,041
	61	7	409	2,564	3,041
As at 31 December 2011					
- Fixed	3,543	7	10	10	3,570
	3,543	7	10	10	3,570

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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
2012				
Term loans - fixed rate	1,321	451	-	-
Islamic debt securities	335	335	-	-
Islamic Medium Term Notes ("IMTNs")	2,955	2,955	2,955	2,955
2011				
Term loans - fixed rate	2,292	2,292	-	-
Guaranteed Redeemable Islamic bonds ("GRIB")	2,891	2,891	2,891	2,891
Redeemable Secured Certificates ("RSCs")	190	190	190	190

Significant covenants

Corporation

On 1 June 2012, the Corporation has entered into an Islamic Medium Term Notes ("IMTNs") Programme of up to RM3.0 billion, under the Shariah principle of Wakalah Bil Istithmar with Maybank Investment Bank ("MIB") ("Facility Agent") and, MIB and CIMB Investment Bank ("CIMB") ("Joint Lead Arrangers") to part finance the balance of the outstanding borrowings due on 31 July 2012, as highlighted in Note 40(1)(d).

The IMTNs was issued in 3 series on 14 June 2012 as follows:

Series	Principal Amount	Tenure (Years)	Profit Rate(%p.a.)	Maturity Date
Series 1	400	5	3.48	14 June 2017
Series 2	800	7	3.68	14 June 2019
Series 3	1,800	10	3.84	14 June 2022
	3,000			

The frequency of the expected periodic distribution ("Profit Payment") should be on a semi-annual basis or such other period of frequency to be agreed between the Corporation and the Joint Book Runners ("JBRs") prior to each issuance of the IMTNs.

The Federal Government of Malaysia ("GOM") has agreed to guarantee (irrevocably and unconditionally) the Corporation's payment obligations under the IMTNs in accordance with Loans Guarantee (Bodies Corporate) Act, 1965, that subject to the Guaranteed amount (the nominal value of the IMTNs guaranteed by the GOM shall not exceed RM3.0 billion in aggregate) for the period of 11 years from the date of first issuance of the IMTNs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Corporation (continued)

In consideration of the provision of guarantee by the GOM, the Corporation being a body corporate declared by the Minister of Finance pursuant to the Loans Guarantee (Declaration of Bodies Corporate)(Johor Corporation) Order 2012 [P.U(A)128/2012] agreed to pay on annual basis the Guarantee Fee of 0.01% for the first 5 years and 0.02% for the 6th year onwards based on the outstanding IMTNs.

Subsequent to the issuance, the IMTNs may not be offered, sold, transfered or otherwise disposed directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to categories of person falling with Schedule 6 or Section 229(1)(b), of the Capital Market and Services Act, 2007, as amended from time to time.

The IMTNs is not listed on Bursa Malaysia Securities Berhad or any other stock exchange.

There is no specific financial covenant associated with the IMTNs issued by the Corporation other than in the event of default, the entire IMTNs 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.

GOM via a letter from the Ministry of Finance dated 24 September 2012, has acknowledged the Corporation’s application. GOM has requested the Corporation to furnish further information and documents for their further consideration. As at the date of this report, no further correspondence was noted.

Currently, the Corporation is paying RM2 million to GOM each year and will continue doing so. As a result, it is impracticable to estimate the fair value of Federal Government loans.

Subsidiaries

(a) In connection with the significant term loan facilities granted to Kulim (Malaysia) Bhd (“KMB”), the subsidiary has agreed on the following significant covenants with the lenders:

  (i) the ratio of the total borrowings to the consolidated shareholders’ funds does not exceed 125% at all times;

  (ii) KMB will continue to maintain at least 50.1% of the issued and paid-up capital of QSR Brands Bhd, and;

  (iii) KMB 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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% to 7.44% (2011: 6.40% to 6.90% and 6.98% to 7.44%) 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 31 December 2011.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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 between TLP 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”) has 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. Full settlement has been made on 29 January 2013.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

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") has 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") has 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

31. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2012	2011	2012	2011
Trade payables 455	579	12	64	
Other payables 523	732	14	190	
Retention money	455	136	453	136
Trade accruals 61	60	48	46	
Accrued billings (property development)	-	2	-	-
Amount due to other shareholders of subsidiaries	1	7	-	-
Amount due to subsidiaries	-	-	611	588
Provision	3	3	-	-
Amount due to associates	3	-	-	-
	1,501	1,519	1,138	1,024

32. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

33. 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	
	2012	2011
Paid/Payable to subsidiaries:		
Purchases of fresh fruit bunches	33	37
Management fees	9	8
Purchase of investment properties	3	-
Guaranteed return to a subsidiary	3	3
Receipt/Receivable from subsidiaries:		
Sale of property, plant and equipment	-	183
Interest income	3	3
Dividend	64	152
Sales of investment	39	-
Rental Income	2	-

34. COMMITMENTS

a) Capital commitments

	Group		Corporation	
	2012	2011	2012	2011
Authorised capital expenditure not provided for in the financial statements:				
- Contracted for	552	451	42	50
- Not contracted for	286	416	-	-
	838	867	42	50
Analysed as follows:				
- Property, plant and equipment	470	757	-	-
- Development expenditure	42	50	42	50
- Investment in other corporations	-	29	-	-
- Investment properties	326	31	-	-
	838	867	42	50

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

34. COMMITMENTS (CONTINUED)

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 associate, 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	
	2012	**2011**
The future minimum lease payments:		
- Not later than 1 year	33	151
- Later than 1 year and not later than 5 years	113	248
- More than 5 years	9	104
	155	503

35. CONTINGENCIES

(a) In prior financial year, 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

35. CONTINGENCIES (CONTINUED)

(c) 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 matter has been fixed for hearing on 30 April 2013.

36. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments of the Group and Johor Corporation as at 31 December are categorised into the following classes:

Group	2012	2011
Loans and receivables:		
Trade and other receivables	660	1,070
Cash and cash equivalents	743	1,557
	1,403	2,627
Financial assets at fair value through profit or loss - held for trading:		
Other investments	87	219
Available-for-sale financial assets:		
Other investments (at fair value)	100	89
Other investments (at cost less impairment)	2	6
	189	314
Financial liabilities measured at amortised cost:		
Trade and other payables	1,501	1,519
Loans and borrowings	5,986	7,720
	7,487	9,239
Derivative liabilities designated as hedging instruments:		
Current	-	2
Non-current	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

36. 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)

Corporation	2012	2011
Loans and receivables:		
Trade and other receivables	1,847	1,302
Cash and cash equivalents	115	786
	1,962	2,088
Financial assets at fair value through profit or loss - held for trading		
Other investments	56	145
Available-for-sale financial assets:		
Other investments (at fair value)	31	12
Other investments (at cost less impairment)	-	-
	87	157
Financial liabilities measured at amortised cost:		
Trade and other payables	1,138	1,024
Loans and borrowings	3,041	3,570
	4,179	4,594

37. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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.

Exposure to credit risk

At the reporting date, the Group's and the Corporation's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial guarantees have not been recognised in the financial statements as the fair value on initial recognition was not material.

Credit risk concentration profile

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

b) Liquidity risk

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group and the Corporation's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

2012 Group	On demand or within one year	One to five years	Over five years	Total
Financial liabilities:				
Trade and other payables	1,501	-	-	1,501
Loans and borrowings	1,209	2,718	2,059	5,986
Forward commodity contracts (settled gross)				
- Gross payments	-	-	-	-
- Gross receipts	-	-	-	-
Total undiscounted financial liabilities	2,710	2,718	2,059	7,487

Corporation				
Financial liabilities:				
Trade and other payables	1,138	-	-	1,138
Loans and borrowings	61	416	2,564	3,041
Total undiscounted financial liabilities	1,199	416	2,564	4,179

Financial guarantees have not been included in the above maturity analysis as no default has occurred.

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	5,030	2,096	594	7,720
Forward commodity contracts (settled gross)				
- Gross payments	(392)	-	-	(392)
- Gross receipts	78	-	-	78
Total undiscounted financial liabilities	6,235	2,096	594	8,925

Corporation				
Financial liabilities:				
Trade and other payables	1,024	-	-	1,024
Loans and borrowings	3,542	18	10	3,570
Total undiscounted financial liabilities	4,566	18	10	4,594

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Corporation's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Corporation's exposure to interest rate risk arises primarily from their loans and borrowings. 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.

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	
	2012	2011	2012	2011
Interest rate				
- 100 bp increase in interest rates	524	616	293	278
- 100 bp decrease in interest rates	(524)	(616)	(293)	(278)

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 date was:

	Group Denominated in	
2012	USD	PNG Kina
Trade receivables	-	-
Trade payables	-	-
Loans and borrowings	(109)	-
Derivative financial instruments	-	-
Net exposure in the statement of financial position	(109)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

d) Foreign currency risk (continued)

	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)	-

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 exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Profit net of tax		Other comprehensive income net of tax	
	2012	2011	2012	2011
USD				
- strengthened 5%	(4)	(160)	-	318
- weaken 5%	4	160	-	(318)

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 in the Bursa Malaysia, whereas the quoted equity instruments outside Malaysia are substantially listed in 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 price risk.

At the reporting date, a 10% fluctuation on palm oil prices would have the following effect on the Group's hedge reserve within equity:

	2012	2011
10% increase in palm oil prices	-	(16)
10% decrease in palm oil prices	-	16

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 Group 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

g) Fair value

As at 31 December 2012, the Group held the following financial instruments carried at fair value in the statement of financial position:

2012 Group	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
- Quoted shares	100	-	-	100
- Quoted warrant	87	-	-	87
	187	-	-	187
Financial liabilities measured:				
Derivative financial instruments	-	-	-	-

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

2012 Corporation	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
- Quoted shares	87	-	-	87
- Quoted warrant	-	-	-	-
	87	-	-	87

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

38. 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	
	2012	2011
Bank borrowings (Note 30)	5,986	7,720
Less: Cash and cash equivalents (Note 28)	(743)	(1,557)
Net debt	5,243	6,163
Total Equity	5,831	6,385
Debt-to-equity ratios	0.90	0.96

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 brokering 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.

39. 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 determined 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

39. SEGMENT INFORMATION (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

39. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
Group - 2012							
External sales	822	24	639	168	3,619	368	5,640
Intersegment sales	-	-	-	-	-	-	-
Total sales	822	24	639	168	3,619	368	5,640
Results							
Segment results (external)	219	4	376	37	262	218	1,116
Unallocated income							23
Unallocated costs							(59)
Profit from operations							1,080
Finance costs							(347)
Share of results of associates	63	56	6	1	-	9	135
Profit before tax							868
Tax expenses							(122)
Profit after tax from continuing operation							746
Gain on sale of discontinued operation							114
Profit for the year							860

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

39. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
Group - 2012							
Other information							
Segment assets	2,685	146	2,606	2,838	1,165	2,276	11,716
Associates	1,869	186	214	-	-	158	2,427
Unallocated assets							96
Consolidated total assets							14,239
Segment liabilities	2,010	2	1,528	1,071	115	3,700	8,426
Unallocated liabilities							11
Consolidated total liabilities							8,437
Capital expenditure	479	-	-	7	301	27	814
Depreciation and amortisation	68	1	7	9	160	83	328

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

39. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

	Palm Oil	Healthcare	Property	Intrapreneur Ventures	Quick Service Restaurant	Others	Group
Group - 2011							
External sales	791	27	494	396	3,350	13	5,071
Intersegment sales	-	-	-	-	-	-	-
Total sales	791	27	494	396	3,350	13	5,071
Results							
Segment results (external)	129	14	273	43	296	74	829
Unallocated income							31
Unallocated costs							(56)
Profit from operations							804
Finance costs							(337)
Share of results of associates	-	58	4	1	-	10	73
Profit before tax							540
Tax expenses							(164)
Profit after tax from continuing operation							376
Gain on sale of discontinued operation							682
Profit for the year							1,058

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

39. 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	4,75010,937
Unallocated liabilities							(47)
Consolidated total liabilities							10,890
Capital expenditure	947	-	-	3	393	8	1,351
Depreciation and amortisation	268	1	6	22	136	47	480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

39. SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format - Business segments

	Sales (External)		Total Assets		Capital Expenditure	
	2012	2011	2012	2011	2012	2011
Group						
Malaysia	5,612	2,684	11,769	12,208	814	697
Indonesia	24	20	23	25	-	-
Papua New Guinea	-	277	-	4,075	-	654
United Kingdom	-	2,074	-	414	-	-
Other countries	4	16	-	13	-	-
	5,640	5,071	11,792	16,735	814	1,351
Associates			2,439	531		
Unallocated assets			8	9		
Total assets			14,239	17,275		

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

1. Johor Corporation

(a) On 2 August 2012, the Corporation entered into Assets Acquisition Agreements with its subsidiaries, Tanjung Langsat Port Sdn Bhd ("TLP"), Damansara Assets Sdn Bhd ("DASB") and Johor City Development Sdn Bhd ("JCD"), to acquire certain assets located in Tanjung Langsat Port area. The details of the proposed acquired assets and their agreed purchase considerations are as follows:

(i) TLP: A list of assets such as jetty, tanks, pipe, land, office and terminal building, plant and machineries, and other assets for a total consideration of RM675.7 million;

(ii) DASB: Several pieces of leasehold lands for a total consideration of RM50.0 million;

(iii) JCD: A piece of land for a total consideration of RM171.3 million.

As at 31 December 2012, the acquisitions have yet to be completed due to certain conditions precedents have yet to be fulfilled.

(b) On 2 August 2012, the Corporation entered into a Concession Agreement ("CA") and Lease Agreement ("LA") with its subsidiary, Tanjung Langsat Port Sdn. Bhd. ("TLP"). The CA with TLP stated that the Corporation is the legal and beneficial owner of the port area and the assets, which are located at Tanjung Langsat Port. The port area and the assets are currently being administrated and managed by TLP.

TLP is the operator of the port and has been granted an operating license by the Johor Port authority to develop, operate and maintain the port. While, the Corporation is desirous of granting to TLP the right to promote, develop, operate, manage and maintain the provision of facilities and services at the port on a long term basis that is for a period of 30 years. TLP will continue and carry on the port business at the port and to continue with the future planning, development, construction and improvement of the facilities and services at the port. Lease rental agreed by both parties is RM27 million per year, starting from year 2013, which will be revised every 5 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

1. Johor Corporation (continued)

As at 31 December 2012, the agreements have yet to take effect as the acquisition of the assets through Assets Acquisition Agreements as highlighted in Note 40(1)(a), have yet to be completed.

(c) On 12 October 2012, the Corporation entered into a Development Agreement with its subsidiary, TPM Technopark Sdn. Bhd. ("TPM"), whereas the Corporation as the beneficial owner of the land measuring 150.07 acres, has granted to TPM the sole and exclusive rights to develop the said lands. TPM agreed to develop the said lands and the Corporation agreed that TPM is entitled to sell the lots comprised in the development at such prices as TPM shall deem fit and further to demand, retain and collect the proceeds from the sale of said lands into the account of the Corporation. The Corporation is entitled to receive from TPM the amount of RM45.8 million as the Project Consideration. As at 31 December 2012, the Agreement has yet to take effect as certain conditions precedents have yet to be fulfilled.

(d) The borrowings of the Group and Corporation amounting to RM3.48 billion was 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 of 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 allocated in the state of Johor with a total land area measuring approximate 13,687 hectares for a total cash consideration of RM700 million.

During the financial year, partial sales proceeds from plantation assets amounting to RM0.375 billion have been utilized as partial settlement of CRCF. The balance of borrowings which was due on 31 July 2012 has been fully settled on 14 June 2012 by the issuance of Islamic Medium Term Notes ("IMTNs") of RM3 billion, under the Shariah Principle of Wakalah Bil Istithmar.

The Federal Government of Malaysia ("GOM") has agreed to guarantee (irrevocably and unconditionally) the Corporation's payment obligations under the IMTNs issuance, in accordance with Loans Guarantee (Bodies Corporate) Act, 1965 subject to the Guaranteed amount (the nominal value of the IMTNs guaranteed by the GOM shall not exceed RM3.0 billion in aggregate) for period of 11 years from the date of first issuance of the IMTNs.

The IMTNs was issued in 3 series on 14 June 2012 as follows:

Series	Principal Amount	Tenure (Years)	Profit Rate(%p.a.)	Maturity Date
Series 1	400	5	3.48	14 June 2017
Series 2	800	7	3.68	14 June 2019
Series 3	1,800	10	3.84	14 June 2022
	3,000			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

1. Johor Corporation (continued)

(e) As at 31 December 2009, the Corporation and a trade debtor, Syarikat Perumahan Negara Berhad ("SPNB") have agreed in principle to terminate the Sales and Purchase Agreement dated 26 January 2006. However the details of the settlement arrangement is currently still under negotiation.

Amount due from Syarikat Perumahan Negara Berhad ("SPNB") are as follows:

	2012	2011
Amount claimed but not approved yet	9	9
Progress billings receivables	1	1
	10	10

2. Johor Land Berhad ("JLB")

(a) At an 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 ("the Corporation") 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 the Corporation (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.

The validity of the agreement has been extended for another one year ended on 11 November 2013 in order to fulfil the condition precedent.

3. Johor Paper & Publishing Sdn Bhd ("JPP")

(a) During the financial year, Langsat Marine Base Sdn Bhd ("LMB"), a subsidiary of JPP, had entered into a 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 5 January 2011, LMB entered into a 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 extension of time for repayment to 23 April 2012. Full settlement has been made on 19 January 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad ("KMB")

(a) 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 Johor Corporation ("the Corporation") 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 the Corporation, 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.

(ii) a SPA between MPSB and Johor Foods Sdn Bhd ("JFSB"), a wholly-owned subsidiary of the Corporation, 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. Payment was made on 31 May 2012.

(iii) a SPA between MPSB and the Corporation 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. Payment was made on 7 February 2013.

(b) KMB had on 10 January 2012 announced, in reference to the announcement on 9 January 2012 by New Britain Palm Oil Limited ("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.

KMB had on 25 April 2012 announced that with the acquisition of the remaining 20% holding in Kula Palm Oil Limited ("KPOL") by NBPOL and the issuance of 3,337,147 new ordinary shares allotted to The Independent Public Business Corporation of Papua New Guinea ("IPBC") as consideration of the acquisition.

Further to that, on 18 May 2012 NBPOL announced the acquisition of the remaining 18.7% in Poliamba Limited, from the New Ireland Development Corporation ("NIDC") and issued new shares as consideration of the acquisition, which ultimately reduced the interest holding of KMB in NBPOL to 48.97%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Kulim (Malaysia) Berhad ("KMB")

(c) On 23 April 2012 Board of Directors of QSR Brands Berhad ("QSR") announced that QSR and Massive Equity Sdn Bhd ("MESB") have mutually agreed in writing to the following:-

(i) the date for execution of the definitive agreement for the Proposed Disposal to be entered into between MESB and QSR shall fall on a date no later than 21 May 2012 or such other later date as the parties may mutually agree; and

(ii) the date for the fulfillment or otherwise waiver of conditions precedent in the QSR Offer shall refer to such mutually agreed cut-off date as set out in the definitive agreement.

On 18 May 2012, the Board of Directors of QSR, announced that QSR had entered into a Business Sale Agreement ("BSA") and Property Sale Agreement with QSR Brands (M) Holdings Sdn Bhd ("QBMHSB") (formerly known as Triple Platform Sdn Bhd) in relation to the Proposed QSR Disposal. QBMHSB has entered into the BSA in place MESB in consideration of MESB agreeing to waive all its rights to the Letter of Offer and QSR agreeing to discharge MESB of any liabilities under the Letter of Offer. Upon completion of the Proposed QSR Disposal, QSR will undertake to return the cash proceeds arising from the Proposed QSR Disposal to shareholders and warrantholders via the Proposed QSR Capital Repayment and Proposed QSR Warrant Scheme.

On 19 November 2012, the Board of Directors of QSR, announced that QSR and QBMHSB had on 17 November 2012, mutually agreed to waive certain outstanding conditions precedent in the BSA. Accordingly, as all the conditions precedent in the BSA have been fulfilled or waived, QSR and QBMHSB had on the same date also mutually agreed that the BSA became unconditional on 17 November 2012.

On 7 January 2013, QSR securities was suspended until the de-listing of QSR from the Official List of Bursa Securities in order to facilitate the Capital Repayment.

QSR announce that the Capital Repayment and QSR Warrant Scheme were completed on 25 January 2013;

(i) The order of the High Court of Malaya in relation to the QSR Capital Repayment has been lodged with the Companies Commission of Malaysia to take effect the QSR Capital Repayment;

(ii) The cash payment pursuant to the QSR Capital Repayment and QSR Warrant Scheme via eCash Payment was made to the securities holders of QSR on 25 January 2013. As for securities holders who have not registered for eCash Payment, the cheques for the payment have also been despatched by 25 January 2013.

The Board of Directors of QSR, announced that Bursa Malaysia Securities Berhad ("Bursa Securities") has, vide its letter dated 4 February 2013, informed that the entire issued and paid-up share capital of QSR will be removed from the Official List of Bursa Securities with effect 7 February 2013 pursuant to Paragraph 16.07(b) of the Main Market Listing Requirements of Bursa Securities.

On 21 January 2013 the proposed offer by MESB for its intention to acquire substantially all business and undertaking of QSR and KFC including substantially all the assets and liabilities was completed. Subsequently both QSR and KFC were removed from the official listing of Bursa Malaysia on 7 February 2013.

(d) Further to the announcement made by KMB on the planned disposal of Orkim Sdn bhd ("Orkim") on 30 November 2012, as disclosed in Note 12, KMB announced on 4 March 2012, that its wholly owned subsidiary, Sindora Berhad had entered into a Sale and Purchase Agreement with GMV-Orkim Sdn Bhd to dispose of its entire equity interest in Orkim for total consideration of RM110,000,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

5. Damansara Realty Sdn Bhd ("DBhd")

(a) On 9 May 2012, DBhd entered into a share sale agreement with the relevant Vendors (as defined below) for the following:

(i) Proposed acquisition of approximately 47.10% and 27.90% equity interest in HC Duraclean Sdn Bhd ("HC Duraclean") from Harta Consult Sdn Bhd ("Harta Consult") and Johor Franchise Development Sdn Bhd ("Johor Franchise") respectively. The proposed acquisition of HC Duraclean comprising 1,500,000 ordinary shares of RM1.00 each for a purchase consideration of approximately RM2.09 million;

(ii) Proposed acquisition of 75% and 15% equity interest in Metro Parking Sdn Bhd ("Metro Parking") from Sindora Berhad ("Sindora") and Harta Consult respectively; ("Proposed Acquisition of 90% equity interest in Metro Parking"). In addition, Halmi Bin Jasmin, who is the remaining shareholder in Metro Parking has also accepted a legally binding offer from DBhd for the acquisition of his 10% equity interest in Metro Parking. The proposed acquisition of Metro Parking comprising 3,500,000 ordinary shares of RM1.00 each for an indicative purchase consideration of approximately RM18 million;

(iii) Proposed acquisition of 75% equity interest in TMR Urusharta Sdn Bhd ("TMR Urusharta") from Damansara Assets Sdn Bhd ("DASB"). The proposed acquisition of TMR Urusharta comprising 2,625,000 ordinary shares of RM1.00 each for a purchase consideration of approximately RM7.15 million;

(iv) In conjunction with the Proposed Metro Parking Acquisition, DBhd has entered into a settlement agreement with Sindora to settle on behalf of Metro Parking the outstanding advances of RM1,324,332 granted by Sindora to Metro Parking, of which RM662,166 will be satisfied via the issuance of 1,324,332 new DBhd Shares at an issue price of RM0.50 ("Issue Price"), rounded down to the nearest one share, and the balance of RM662,166 to be settled via cash from DBhd's internally generated funds and/or external borrowings, subject to the terms of the settlement agreement. ("Proposed Metro Settlement"); and

(v) In conjunction with the Proposed TMR Urusharta Acquisition, DBhd has entered into a redemption agreement with DASB and Harta Consult to accept the issuance of 7,016,174 new DBhd Shares at the Issue Price as settlement on behalf of TMR Urusharta for RM3,508,087 owing to DASB and Harta Consult arising from the redemption of TMR Urusharta's RULS, subject to the terms of the redemption agreement. ("Proposed TMR Redemption")

(b) On 18 May 2012, DBhd entered into a share sale agreement with Halmi Bin Jasmin for the proposed acquisition of 10% equity interest in Metro Parking. The proposed acquisition comprising 350,000 ordinary shares of RM1.00 each for an indicative purchase consideration of approximately RM1.8 million. The above transactions are collectively referred to as "The Proposal"

(c) The Shareholders' of DBhd had on 28 June 2012 approved the Proposal during the Extraordinary General Meeting convened.

(d) On 19 October 2012, DBhd completed the acquisition of 75% equity interest in HC Duraclean, 90% equity interest in Metro Parking from Sindora and Harta Consult, 75% equity interest in TMR Urusharta and the Proposed TMR Urusharta Redemption. The listing and quotation of 57,906,174 new DBhd Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") had been made on the same date.

(e) With regards to the proposed acquisition of the remaining 10% equity interest in Metro Parking from Halmi Bin Jasmin, the said proposal was completed on 28 December 2012. With the completion of 100% acquisition of Metro Parking, DBhd has implemented the Proposed Metro Settlement following the listing and quotation of 1,324,332 new DBhd Shares on the Main Market of Bursa Malaysia on the same date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

6. Tanjung Langsat Port Sdn Bhd ("TLP")

(a) On 17 August 2008, a fire occured at Tank 1 (T-1) located at Tanjung Langsat Port which is owned by 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.

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 2013.

TLP is in active discussion with the insurer and has appointed lawyers to follow up on their behalf. As at the date of this report, the matter has yet to be resolved.

(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 Johor Corporation ("the Corporation").

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. On 2 August 2012, TLP entered into Assets Acquisition Agreement and Concession Agreement with the Corporation in relation to the scheme proposed.

As at the date of this report, negotiations is in the final stage of procuring financing for the proposed acquisition. The proposed scheme is expected to be completed by end of June 2013.

(c) On 13 February 2013, TLP entered into Loan Agreement with the Government of Malaysia, represented by the Ministry of Finance, Malaysia for facility amounting to RM110,800,000.

The borrowing is for financing the construction of Berth 8 and Berth 9 where the construction costs are estimated at RM115,800,000. The facility is repayable over 20 years including grace period of 3 years by semi-annual instalments, estimated ranges from RM3,443,901 to RM5,298,970 commencing from 8 September 2016. The effective interest rate is 4% per annum.

7. Larkin Sentral Management Sdn Bhd ("LSM")

(a) In 2004, the Group's indirect subsidiary, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

7. Larkin Sentral Management Sdn Bhd ("LSM") (continued)

In June 2008, the scheme for ASJ was terminated and from thereafter, ARB managed the unit trust.

Prior to 2012, LSM had entered into a tenth tripartite agreement with PJB and ARB for the repurchase of DJ. In 2012, LSM entered into another two tripartite agreement (the eleventh and twelfth) 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.

The twelfth and final agreement dated 2 July 2012 was amended whereby LSM agreed that all units of DJ are purchased by LSM during the period between 2 July 2012 to 1 July 2013 (hereinafter referred to as the "Said Units") as the purchasing agent of Johor Corporation ("the Corporation"), at an agreed price of RM1.00 per unit and that LSM holds the Said Units on trust for the Corporation who is absolute beneficial owner of the said units.

As at 31 December 2012, 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 financial year end were repurchased on the assumption that the prevailing market price of DJ per unit is nil, the maximum total repurchase amount is RM111,987,246 (2011: RM85,776,500). 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.

8. Damansara Assets Sdn Bhd ("DASB")

On 7 January 2009, DASB has entered into a Joint Venture Agreement ("JVA") with its subsidiary, Bukit Damansara Development Sdn Bhd ("BDDSB") and third party, Impian Ekspresi Sdn Bhd ("IESB"). Pursuant to the JVA, IESB should acquire and develop Pusat Bandar Damansara Complex ("PBD") and a piece of land located nearby. As a consideration, BDDSB is entitled to receive a cash of RM500 million and;

(a) 500,000 square feet of office space entitlement in the office building, which will be constructed in the proposed development of PBD and nearby land;

(b) Office space entitlement with a market value of RM200 million if the proposed development is carried out on the PBD's site only.

On 31 January 2011, DASB has entered into a Supplemental Agreement ("SA") with IESB, to amend or add clauses to the 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
Amounts in RM Million Unless Otherwise Stated
(Continued)

40. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

8. Damansara Assets Sdn Bhd ("DASB") (continued)

On 25 November 2011, IESB, Khuan Choo Property Management Sdn Bhd and Pembinaan Gapadu Berhad ("Plaintiffs") initiated a specific performance suit against DASB and the subsidiary ("Defendants") for alleged failure to fulfill the Conditions Precedent and Condition Subsequent pursuant to the JVA dated 7 January 2009 and the SA 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. The subsidiary has been advised that it has a relatively equal chance of defending the suit and accordingly no provision is made for the claims. The matter has been fixed for hearing on 30 April 2013.

41. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 14 March 2013.

LIST OF SUBSIDIARIES AND ASSOCIATES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1	**CORE BUSINESS**				
A	**PALM OIL**				
	ACTIVE COMPANIES				
	Dami Australia Pty Ltd	Oil palm, coconut plantation and cattle breeding	Australia	27.19	28.97
	EPA Management Sdn Bhd	Investment holding and provision of plantation management services and consultancy	Malaysia	55.53	57.16
	Kula Palm Oil Limited	Oil palm cultivation and processing	Papua New Guinea	21.75	23.18
	Kulim (Malaysia) Berhad #	Oil palm plantation, investment holding and property investment	Malaysia	55.53	57.16
	Kulim Energy Sdn Bhd	Investment holding and oil palm plantation	Malaysia	55.53	57.16
	Kulim Plantations (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	55.53	57.16
	Kumpulan Bertam Plantations Berhad	Oil palm plantation	Malaysia	52.47	54.01
	Mahamurni Plantations Sdn Bhd	Oil palm plantation	Malaysia	55.53	57.16
	New Britain Nominees Limited	Operate as legal entity for New Britain Palm Oil Ltd. share ownership plan	Papua New Guinea	27.19	28.97
	New Britain Oils Limited	Refinery	United Kingdom	27.19	28.97
	New Britain Palm Oil Ltd $	Oil palm plantation	Papua New Guinea	27.19	28.97
	New Britain Plantation Services Pte Limited	Sale of germinated oil palm seeds	Singapore	27.19	28.97
	Plantation Contracting Services Limited	Contractual earthworks and roadworks projects	Papua New Guinea	27.19	28.97
	Poliamba Limited	Oil palm cultivation	Papua New Guinea	21.75	18.85
	Pristine Bay Sdn Bhd	Investment holding	Malaysia	77.32	78.15
	PT Kulim Agro Persada	Management service	Indonesia	55.53	57.16
	Ramu Agri-Industries Limited	Oil palm, cultivation of sugar cane and other agriculture produce products	Papua New Guinea	27.19	28.97

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Selai Sdn Bhd	Oil palm plantation	Malaysia	55.53	57.16
SIM Manufacturing Sdn Bhd	Manufacturers and dealers in rubber products of all kinds and articles made from rubber	Malaysia	49.98	51.44
The Secret of Secret Garden Sdn Bhd	Trading and marketing of personal care products	Malaysia	55.53	57.16
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	55.53	57.16
United Malayan Agricultural Corporation Bhd	Oil palm plantation	Malaysia	55.53	57.16
DORMANT COMPANIES				
Cita Tani Sdn Bhd	Cultivation of sugar cane	Malaysia	55.53	51.45
Dumpu Limited	Landholding	Papua New Guinea	27.19	28.97
EPA Futures Sdn Bhd	Dormant	Malaysia	55.53	57.16
KCW Roadworks Sdn Bhd	Dormant	Malaysia	41.65	42.87
Kulim Safety Training and Services Sdn Bhd (formerly known as Palma Bumimas Sdn Bhd)	OSHA training and services	Malaysia	55.53	42.87
Nexsol (Malaysia) Sdn Bhd	Dormant	Malaysia	55.53	29.16
Panquest Ventures Limited	Dormant	British Virgin Island	55.53	57.16
Pembangunan Mahamurni Sdn Bhd	Investment holding	Malaysia	55.53	57.16
Skellerup Foam Products (Malaysia) Sdn Bhd	Dormant	Malaysia	55.53	57.16
Skellerup Industries (Malaysia) Sdn Bhd	Holding company and manufacturing of rubber products	Malaysia	55.53	57.16
Skellerup Latex Products (M) Sdn Bhd	Dormant	Malaysia	55.53	57.16

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
B PROPERTY				
ACTIVE COMPANIES				
Advance Development Sdn Bhd	Property developer	Malaysia	100.00	98.15
Damansara Realty Berhad #	Investment holding, construction and project management	Malaysia	60.08	54.24
Damansara Realty (Johor) Sdn Bhd	Property development	Malaysia	60.08	54.24
Damansara Realty (Pahang) Sdn Bhd	Property holding and development	Malaysia	36.05	32.54
Damansara Realty (Terengganu) Sdn Bhd	Property development	Malaysia	60.08	54.24
Damansara Realty Management Services Sdn Bhd	Management service and general insurance business	Malaysia	60.08	54.24
DHealthcare Centre Sdn Bhd	Healthcare service provider	Malaysia	79.64	76.88
DRP Construction Sdn Bhd	Construction, property development and investment (inactive)	Malaysia	60.08	54.66
Istiwa Sdn Bhd	Property development and advertising	Malaysia	60.08	54.24
Johor Land Berhad	Property development	Malaysia	100.00	98.82
JOLS Construction Sdn Bhd	Construction, refurbishment, inspection and sanitization service	Malaysia	60.08	54.24
Kesang Properties Sdn Bhd	Property development	Malaysia	60.08	54.25
Synthomer Sdn Bhd (formely known as Revertex (Malaysia) Sdn Bhd)	Processing of rubber and chemical product	Malaysia	30.07	29.51
Tebing Aur Sdn Bhd	Contract management and construction	Malaysia	60.08	54.26
DORMANT COMPANIES				
Armada Tijarah Sdn Bhd	Sand extraction and trading	Malaysia	60.08	54.26
Beta Series Sdn Bhd	Management services	Malaysia	60.08	54.26
Bertam Golf Management and Services Sdn Bhd	Nursery Operation	Malaysia	20.00	20.00

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1	**CORE BUSINESS (CONTINUED)**				
	B PROPERTY (CONTINUED)				
	DORMANT COMPANIES				
	Damansara Realty (Selangor) Sdn Bhd	Property development and construction works	Malaysia	60.08	54.26
	Damansara Realty Management (Timber Operations) Sdn Bhd	Timber operations and its related activities	Malaysia	60.08	54.26
	Evolve Global Sdn Bhd	Dormant	Malaysia	100.00	100.00
	Insan Kualiti Sdn Bhd	General trading	Malaysia	60.08	54.26
	Kesang Construction and Engineering Sdn Bhd	The business of general contracting	Malaysia	60.08	54.26
	Kesang Equipment Hire Sdn Bhd	Buying, selling and renting of machinery	Malaysia	60.08	54.26
	Kesang Industries Sdn Bhd	Investment holding	Malaysia	60.08	54.26
	Kesang Kastory Enterprise Sdn Bhd	Importation and distribution of food stuffs	Malaysia	57.08	51.55
	Kesang Leasing Sdn Bhd	Lease, hire purchase and loan financing	Malaysia	60.08	54.26
	Kesang Mining Corporation Philippines	Gold mining	Philippines	24.03	21.86
	Kesang Pharmaceuticals Sdn Bhd	Manufacturing, whole selling and trading of pharmaceutical products	Malaysia	60.08	54.26
	Kesang Processing and Management Corporation	Gold mining and provision of management services to KMCP	Philippines	24.03	21.86
	Kesang Quarry Sdn Bhd	Quarrying	Malaysia	42.06	37.98
	Kesang Trading Sdn Bhd	Property development and trading of office equipment	Malaysia	60.08	54.26
	Pedas Quarry Sdn Bhd	Quarrying	Malaysia	33.04	29.84
	Pembinaan Prefab Sdn Bhd	Dormant	Malaysia	100.00	98.15
	Tanjung Leman Resorts Development Sdn Bhd (formerly known as Most Excellence Sdn Bhd)	Dormant	Malaysia	100.00	-

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
B PROPERTY (CONTINUED)				
COMPANIES ON WINDING UP PROCESS				
Chendering Motel Sdn Bhd	Inactive (under members' voluntary liquidation)	Malaysia	60.08	54.26
Damansara Forest Product (Malaysia) Sdn Bhd	Quarrying (under members' voluntary liquidation)	Malaysia	60.08	54.26
Damansara Forest Products (PNG) Ltd	Timber operations (under members' voluntary liquidation)	Papua New Guinea	60.08	54.26
Damansara-Batai (PNG) Ltd	Inactive (under members' voluntary liquidation)	Papua New Guinea	51.07	46.12
Damansara-Pai (PNG) Ltd	Development of oil palm plantation (under members' voluntary liquidation)	Papua New Guinea	51.07	46.12
Damansara-Siau (PNG) Ltd	Inactive (under members' voluntary liquidation)	Papua New Guinea	51.07	46.12
Kesang Associates Sdn Bhd	Investment holding (under members' voluntary liquidation)	Malaysia	60.08	54.26
Kesang Land Sdn Bhd	Inactive (under members' voluntary liquidation)	Malaysia	60.08	54.26
Kesang Resort & Hotels Sdn Bhd	Investment holding (under members'voluntary liquidation)	Malaysia	60.08	54.26
Pembinaan Nadzri Sdn Bhd	Construction (under members' voluntary liquidation)	Malaysia	21.63	19.68
Syarikat Timor Jaya Plantation Sdn Bhd	Investment holding (under members' voluntary liquidation)	Malaysia	60.08	54.26
C RESTAURANT/FOOD				
ACTIVE COMPANIES				
Ayams Food Corporation	Poutlry processing plant	Malaysia	16.74	17.23
Ayamas Integrated Poultry Industry Sdn Bhd	Breeder and broiler farms/hatchery, feedmill and investment holdings	Malaysia	16.74	17.23
Ayamas Shoppe (Sabah) Sdn Bhd	Convenience food store	Malaysia	10.88	11.20
Ayamazz Sdn Bhd	Push-cart selling food and refreshment	Malaysia	12.56	14.21

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1	**CORE BUSINESS (CONTINUED)**				
C	**RESTAURANT/FOOD**				
	ACTIVE COMPANIES				
	Business Chronicles Sdn Bhd	Investment holding	Malaysia	100.00	-
	Cilik Bistari Sdn Bhd	Selling/distributor of boardgame	Malaysia	16.74	15.79
	Efinite Value Sdn Bhd	Customer service call centre	Malaysia	31.86	15.79
	Felda Ayamas Ventures Sdn Bhd	Investment holding	Malaysia	16.74	-
	Integrated Poultry Industry Sdn Bhd	Poultry processing plant	Malaysia	16.74	15.79
	Ihsan Permata Sdn Bhd	Providing consultancy and management services for cattle breeding	Malaysia	100.00	-
	Kampuchea Food Corporation Limited	Quick service restaurants	Cambodia	17.52	16.96
	Kennel Foods Private Limited	Operator of KFC restaurant	India	16.74	15.75
	Kentucky Fried Chicken (Malaysia) Sendirian Berhad	Restaurants	Malaysia	16.74	17.23
	Kentucky Fried Chicken Management Pte Ltd	Restaurants	Singapore	16.74	15.79
	KFC (B) Sdn Bhd	Restaurants	Brunei	7.69	7.24
	KFC (Peninsular Malaysia) Sdn Bhd	Restaurants, commissary, investment holding	Malaysia	16.74	15.79
	KFC (Sabah) Sdn Bhd	Restaurants	Malaysia	15.07	15.79
	KFC (Sarawak) Sdn Bhd	Restaurants	Malaysia	16.74	15.79
	KFC Events Sdn Bhd	Sales of food products, vouchers	Malaysia	16.74	15.79
	KFC Holdings (Malaysia) Bhd #	Investment holding	Malaysia	16.74	15.79
	KFC IC Assets Sdn Bhd	Management of college/learning institution	Malaysia	16.74	15.79
	KFC India Holdings Sdn Bhd	Investment holding	Malaysia	16.74	15.79
	KFC Manufacturing Sdn Bhd	Bakery, trading in consumables, investment holding	Malaysia	16.74	15.79
	KFC Marketing Sdn Bhd	Sales and marketing of food products	Malaysia	16.74	15.79

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1	**CORE BUSINESS (CONTINUED)**				
C	**RESTAURANT/FOOD (CONTINUED)**				
	ACTIVE COMPANIES (CONTINUED)				
	KFCH Education (M) Sdn Bhd	Management of college/learning institution	Malaysia	16.74	15.79
	Ladang Ternakan Putihekar (N.S.) Sdn Bhd	Breeder farms	Malaysia	16.74	15.79
	Massive Equity Sdn Bhd	Investment holding	Malaysia	51.00	-
	Mauritius Food Corporation Pvt Ltd	Investment holding	Mauritius	16.74	15.79
	MH Integrated Farm Berhad	Property holding	Malaysia	16.74	15.79
	Multibrand QSR Holdings Pte Ltd	Investment holding	Singapore	31.86	31.14
	KFCH Restaurants Private Limited (formerly known as Mumbai Chicken Pvt Ltd)	Restaurants	India	16.74	15.79
	Pintas Tiara Sdn Bhd	Property holding	Malaysia	16.74	15.79
	PHD Delivery Sdn Bhd	Delivery of pizzas	Malaysia	31.86	31.14
	Pizza Hut Restaurants Sdn Bhd	Quick service restaurants	Malaysia	31.86	31.14
	Pizza Hut Singapore Pte Ltd	Quick service restaurants	Singapore	31.86	31.14
	Pune Chicken Restaurants Pvt Ltd	Restaurants	India	16.74	15.79
	QSR Brands Bhd #	Investment holding & provision of management services	Malaysia	31.86	32.51
	QSR Ventures Sdn Bhd	Investment holding	Malaysia	31.86	32.51
	Rasamas BC Sdn Bhd	Restaurants	Malaysia	16.74	15.51
	Rasamas Holding Sdn Bhd	Restaurants	Malaysia	16.74	15.79
	Rasamas Sdn Bhd (Brunei Darussalam)	Restaurants	Brunei	7.69	7.28
	Rasamas Wangsa Maju Sdn Bhd	Restaurants	Malaysia	16.74	14.21
	Region Food Industries Sdn Bhd	Sauce manufacturing plant	Malaysia	16.74	15.79
	Rentak Alam Sdn Bhd	Agriculture	Malaysia	100.00	-
	Roaster's Chicken Sdn Bhd	Investment holding	Malaysia	16.74	15.79

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
SPM Restaurants Sdn Bhd	Meals on wheels, property holding	Malaysia	16.74	15.79
Usahawan Bistari Ayamas Sdn Bhd	Ayamas Corner	Malaysia	16.74	15.79
WQSR Holdings (S) Pvt Ltd	Investment holding	Singapore	16.74	15.79
DORMANT COMPANIES				
Agrotech Farm Solutions Sdn Bhd	Broiler farm	Malaysia	16.74	15.79
Asbury's (Malaysia) Sdn Bhd	Property holding	Malaysia	16.74	15.79
Ayamas Contract Farming Sdn Bhd	Dormant	Malaysia	16.74	15.79
Ayamas Food Corporation (S) Pte Ltd	Dormant	Singapore	16.74	15.79
Ayamas Franchise Sdn Bhd	Dormant	Malaysia	16.74	15.79
Ayamas Marketing (M) Sdn Bhd	Dormant	Malaysia	16.74	15.79
Ayamas Selatan Sdn Bhd	Dormant	Malaysia	16.74	15.79
Ayamas Shoppe (Brunei) Sdn Bhd	Dormant	Brunei	7.69	7.28
Ayamas Shoppe (S) Pte Ltd	Dormant	Singapore	16.74	15.79
Bakers' Street Sdn Bhd	Restaurants	Malaysia	16.74	15.79
Cemerlang Sinergi Sdn Bhd	Dormant	Malaysia	16.74	15.79
Chippendales (M) Sdn Bhd	Dormant	Malaysia	16.74	15.79
Efinite Revenue Sdn Bhd	Biodiesel	Malaysia	16.74	15.79
Gratings Solar Sdn Bhd	Dormant	Malaysia	16.74	15.79
Helix Investments Limited	Investment holding	Singapore	-	15.79
Hiei Food Industries Sdn Bhd	Dormant	Malaysia	13.56	12.76
Integrated Poultry Industry (Kampuchea) Private Limited	Broiler & processing production	Cambodia	31.86	15.79

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
KFC (East Malaysia) Sdn Bhd	Investment holding	Malaysia	16.74	15.79
KFC Restaurant Holdings Sdn Bhd	Investment holding	Malaysia	16.74	15.79
PH Property Holdings Sdn Bhd	Dormant	Malaysia	31.86	31.14
Pizza Hut Holdings (Malaysia) Sdn Bhd	Investment holding	Malaysia	31.86	31.14
Pizza Hut Delco Sdn Bhd	Dormant	Malaysia	31.86	31.14
Pizza (Kampuchea) Private Limited	Operator of Pizza Hut restaurants	Cambodia	17.52	17.27
QSR Captive Insurance Limited	Dormant	Singapore	31.86	31.14
Rangeview Sdn Bhd	Dormant	Malaysia	16.74	15.79
Rasamas Bangi Sdn Bhd	Restaurants	Malaysia	16.74	15.79
Rasamas Batu Caves Sdn Bhd	Restaurants	Malaysia	16.74	15.79
Rasamas Bukit Tinggi Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	15.51
Rasamas Butterworth Sdn Bhd	Restaurants	Malaysia	16.74	15.51
Rasamas Endah Parade Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	15.79
Rasamas Kota Bahru Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	14.22
Rasamas Larkin Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	15.79
Rasamas Melaka Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	14.22
Rasamas Mergong Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	15.79
Rasamas Nilai Sdn Bhd	Operator of Rasamas restaurant	Malaysia	16.74	14.22
Rasamas Terminal Larkin Sdn Bhd	Dormant	Malaysia	14.93	14.22
Restoran Keluarga Sdn Bhd	Operator of KFC Restaurant	Malaysia	16.74	15.79
Restoran Sabang Sdn Bhd	Restaurants	Malaysia	16.74	15.79
SBC Coffee Holdings Sdn Bhd	Dormant	Malaysia	31.86	31.14

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1	**CORE BUSINESS (CONTINUED)**				
C	**RESTAURANT/FOOD (CONTINUED)**				
	DORMANT COMPANIES (CONTINUED)				
	Seattle's Best Coffee Sdn Bhd	Restaurants	Malaysia	16.74	15.79
	Signature Chef Dining Services Sdn Bhd	Restaurants	Malaysia	16.74	15.79
	Signature Chef Food Services and Catering Sdn Bhd	Restaurants	Malaysia	16.74	15.79
	Sterling Distinction Sdn Bhd	Dormant	Malaysia	31.86	31.14
	Wangsa Progresi Sdn Bhd	Property holding	Malaysia	16.74	15.79
	WP Properties Holdings Sdn Bhd	Investment holding activities	Malaysia	16.74	15.79
	Yayasan Amal Bistari	Corporate Social Responsibilities	Malaysia	21.28	20.28
	Yes Gelato Sdn Bhd	Dormant	Malaysia	13.39	12.61
D	**HEALTHCARE**				
	ACTIVE COMPANIES				
	Ampang Puteri Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
	Bandar Baru Klang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
	Bima Galeksi Sdn Bhd	Specialist hospital	Malaysia	26.49	-
	Bukit Mertajam Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
	Damansara Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
	Diaper Technology Industries Sdn Bhd	Providing IT services and rental of software	Malaysia	35.48	32.23
	Energy Excellent Sdn Bhd	Specialist hospital	Makaysia	37.84	-
	Fabricare Laundry Sdn Bhd	Laundry services	Malaysia	37.84	40.67
	FP Marketing (S) Pte Ltd	Distributor of pharmaceutical products	Singapore	37.84	40.67
	Hospital Penawar Sdn Bhd	Specialist hospital	Malaysia	11.35	12.20
	Hospital Pusrawi SMC Sdn Bhd	Specialist hospital	Malaysia	11.80	20.74

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Ipoh Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.25	39.86
Jeta Gardens (Qld) Pty Ltd	Retirement Home	Australia	21.63	20.74
Johor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Kajang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Kedah Medical Centre Sdn Bhd	Specialist hospital	Malaysia	17.27	18.57
Kota Kinabalu Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	36.70	39.45
KPJ Education Services Sdn Bhd	College	Malaysia	37.84	40.67
Advanced Health Care Solutions Sdn Bhd	IT system	Malaysia	37.84	30.50
KPJ Healthcare Berhad #	Investment holding	Malaysia	37.84	40.67
Kuantan Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	29.34	31.32
Kuching Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	26.49	28.47
Kumpulan Perubatan (Johor) Sdn Bhd	Investment holding and specialist hospital management	Malaysia	37.84	40.67
Lablink (M) Sdn Bhd	Lab and pathology services	Malaysia	37.84	40.67
Maharani Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Medical Supplies (Sarawak) Sdn Bhd	Pharmaceutical dealer and outlets	Malaysia	28.38	30.50
Open Access Sdn Bhd	Pharmacy operator	Malaysia	37.84	40.67
Pahang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Pasir Gudang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Penang Specialist Hospital Sdn Bhd	Development, education and general trading	Malaysia	37.84	40.67
Perdana Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	22.92	24.81

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Perlis Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
PharmaCARE Sdn Bhd	Trading and chain of pharmacy	Malaysia	37.84	40.67
Pharmaserv Alliances Sdn Bhd	Distributor of pharmaceutical products	Malaysia	37.84	40.67
Point Zone (M) Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
PT Khasanah Putera Jakarta Medical	Specialist hospital	Indonesia	28.38	30.50
PT Khidmat Perawatan Jasa Medika	Specialist hospital	Indonesia	80.00	80.00
Pusat Pakar Kluang Utama Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Pusat Pakar Tawakal Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Puteri Nursing College Sdn Bhd	Nursing college	Malaysia	37.84	40.67
Puteri Specialist Hospital (Johor) Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Selangor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	22.70	24.40
Sentosa Medical Centre Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Seremban Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Sibu Geriatic Health & Nursing Center Sdn Bhd	Geriatric health & nursing centre	Malaysia	37.84	40.67
Sibu Medical Centre Corporation Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
SMC Healthcare Sdn Bhd	Specialist hospital	Malaysia	37.84	20.74
Sri Kota Refractive and Eye Centre Sdn Bhd	Eye Centre	Malaysia	30.27	32.54
Sterile Services Sdn Bhd	Sterile services	Malaysia	24.60	26.44
Taiping Medical Centre Sdn Bhd	Specialist hospital	Malaysia	37.84	40.67
Tawakal Holdings Sdn Bhd	Investment holding	Malaysia	37.84	40.67

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
DORMANT COMPANIES				
Amity Development Sdn Bhd	Dormant	Malaysia	37.84	20.74
Bayan Baru Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	20.81	22.36
Freewell Sdn Bhd	Ladies sanitary napkin manufacturer	Malaysia	30.27	32.53
KPJ Mediktv Sdn Bhd	Dormant	Malaysia	37.84	40.67
Malaysian Institute of Healthcare Management Sdn Bhd	Institute of healthcare management	Malaysia	28.38	30.50
Pharmacare Surgical Technologies Sdn Bhd	Manufacturing of surgical thread	Malaysia	37.84	40.26
Renal Link Sentosa Sdn Bhd	Dormant	Malaysia	37.84	40.67
Renalcare Perubatan (M) Sdn Bhd	Haemodialysis services	Malaysia	37.84	40.67
E TIMBER/INTRAPRENEUR VENTURE				
ACTIVE COMPANIES				
Delmar Marine Ventures Sdn Bhd	Vessel owning	Malaysia	17.90	10.20
E.A. Technique (M) Sdn Bhd	Provision of sea transportation and related services	Malaysia	28.32	29.16
Epasa Shipping Agency Sdn Bhd	Shipping and forwarding agent services	Malaysia	55.53	42.87
General Access Sdn Bhd	Field clearing, earthwork, road construction and resurfacing	Malaysia	39.97	45.15
Granulab (M) Sdn Bhd	Trading granular synthetic bone graft	Malaysia	49.98	51.45
Guadalcanal Plains Palm Oil Limited	Operate as legal entity for New Britain Palm Oil Ltd	Solomon Islands	21.75	23.18
Jejak Juara Sdn Bhd	Rubber plantation	Malaysia	40.49	46.31
Johor Shipyard and Engineering Sdn Bhd	Ship building, fabrication of steel structures, engineering services and consultancy	Malaysia	28.32	29.16
Julang Sempurna Sdn Bhd	Trading in Biochemical Fertilizer	Malaysia	33.32	34.30

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
E TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Metro Equipment Systems (M) Sdn Bhd	Trading of parking and other related equipments	Malaysia	60.08	42.88
Metro Parking (B) Sdn Bhd	Parking operator and other transport related services	Brunei	45.06	24.81
Metro Parking (HK) Ltd	Parking operator and other transport related services	Hong Kong	33.04	23.58
Metro Parking (M) Sdn Bhd	Parking operations and the provision of related consultancy services	Malaysia	60.08	42.88
Metro Parking (S) Pte Ltd	Parking operator and consultancy services	Singapore	42.06	30.01
Metro Parking (Sabah) Sdn Bhd	Parking operator and other transport related services	Malaysia	60.08	42.88
Metro Parking Management (Philippines) Inc.	Parking operator and other transport related services	Philippines	45.06	43.40
Metro Parking Services (India) Private Limited	Parking operator and consultancy services	India	60.08	42.88
Microwell Bio Solutions Sdn Bhd	Business in agriculture and natural products, water treatment, biotechnology research and development	Malaysia	33.32	34.30
MIT Insurance Brokers Sdn Bhd	Insurance brokers	Malaysia	49.98	51.45
MM Vitaoils Sdn Bhd	Producer and wholesale of palm oil and other edible oil and fats	Malaysia	19.44	19.83
Orkim Challenger Sdn Bhd	Vessel owning	Malaysia	7.96	4.53
Orkim Discovery Sdn Bhd	Vessel owning	Malaysia	7.96	4.53
Orkim Energy Sdn Bhd	Vessel owning	Malaysia	19.89	11.23
Orkim Express Sdn Bhd	Vessel owning	Malaysia	11.93	6.80
Orkim Leader Sdn Bhd	Vessel owning	Malaysia	11.93	6.80

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
1 CORE BUSINESS (CONTINUED)				
E TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Orkim Marine Sdn Bhd	Vessel owning	Malaysia	19.89	11.33
Orkim Merit Sdn Bhd	Vessel owning	Malaysia	11.93	6.80
Orkim Power Sdn Bhd	Vessel owning	Malaysia	11.93	6.80
Orkim Reliance Sdn Bhd	Vessel owning	Malaysia	7.96	4.53
Orkim Sdn Bhd	Investment holding	Malaysia	19.89	11.33
Orkim Ship Management Sdn Bhd	Vessel owning	Malaysia	19.89	11.33
Pro Office Solutions Sdn Bhd	Bulk mailing services	Malaysia	50.15	51.45
Sindora Berhad #	Intrapreneur venture business, oil palm plantation and investment holding	Malaysia	55.53	57.17
Sindora Development Sdn Bhd	Property development	Malaysia	55.53	57.17
Sindora Timber Sdn Bhd	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	Malaysia	45.55	51.45
Sindora Wood Products Sdn Bhd	Property letting	Malaysia	55.53	57.17
Smart Parking Management System Sdn Bhd	Trading of parking and other related services	Malaysia	60.08	42.88
DORMANT COMPANIES				
Sindora Timber Products Sdn Bhd	Dormant	Malaysia	55.53	57.17
Sindora Trading Sdn Bhd	Dormant	Malaysia	55.53	57.17
Tiram Fresh Sdn Bhd	Mushroom cultivation business	Malaysia	45.55	51.45

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2	**INTRAPRENEUR**				
	A SME				
	ACTIVE COMPANIES				
	Akli Resources Sdn Bhd	Provider of in-house and external training programme	Malaysia	52.75	54.30
	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	16.74	14.18
	Ayamas Feedmill Sdn Bhd	Broiler farm	Malaysia	16.74	13.38
	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 machineries and parts	Malaysia	41.65	42.88
	Effective Corporate Resources Sdn Bhd	Advisors and consultants in company management, administration and finance	Malaysia	100.00	91.50
	Exquisite Livestock Sdn Bhd	Commercial cattle farming	Malaysia	55.53	51.44
	Extreme Edge Sdn Bhd	Computer equipment supplier and services	Malaysia	41.65	57.16
	HC Duraclean Sdn Bhd	Franchisor of cleaning services	Malaysia	55.47	75.00
	Healthcare IT Solutions Sdn Bhd	IT services	Malaysia	32.75	35.20
	Healthcare Technical Services Sdn Bhd ~	Project management and engineering maintenance services	Malaysia	53.41	50.16
	IPPJ Sdn Bhd	Entrepreneurial training programmes and seminars	Malaysia	79.00	79.00
	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	55.53	34.00
	JTP Trading Sdn Bhd	Trading of tropical fruits	Malaysia	55.53	45.73
	KCW Electrical Sdn Bhd	Electrical installation services	Malaysia	41.65	42.87

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
KCW Hardware Sdn Bhd	Hardware supplier	Malaysia	41.65	42.87
KCW Kulim Marine Services Sdn Bhd	Marine maintenance	Malaysia	41.65	42.87
Kulim Civilworks Sdn Bhd	Facilities management	Malaysia	41.65	42.87
Kulim Livestock Sdn Bhd	Breeding and sales of cattle	Malaysia	55.53	51.44
Kulim Nursery Sdn Bhd	Oil palm nursery and other related services	Malaysia	41.65	51.45
Kulim Top Plant Sdn Bhd	Production of oil palm clones	Malaysia	33.32	34.30
M.N. Koll (M) Sdn Bhd	Commercial cleaning and landscape	Malaysia	44.63	86.67
Maruah Emas Sdn Bhd	Islamic pawnshop	Malaysia	91.19	91.19
Optimum Status Sdn Bhd	Mill maintenance and fabrication	Malaysia	41.65	42.87
Perfect Synergy Trading Sdn Bhd	Fertilizer supplier	Malaysia	37.49	42.87
Pinnacle Platform Sdn Bhd	Software maintenance and supplier	Malaysia	52.75	57.16
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	Restaurants	Malaysia	16.74	14.18
Rasamas Taman Universiti Sdn Bhd	Restaurants	Malaysia	16.74	14.04
Rasamas Tebrau Sdn Bhd	Restaurants	Malaysia	14.93	14.06
Renown Value Sdn Bhd	Cultivation of pineapples and other agricultural produce	Malaysia	41.65	42.88
Semangat Juara Sdn Bhd	Broiler farm	Malaysia	16.74	11.81
Skop Yakin (M) Sdn Bhd	Dormant	Malaysia	36.54	36.54
Southern Poultry Farming Sdn Bhd	Broiler farm	Malaysia	16.74	14.18
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 2012 %	Group Effective Interest Dec 2011 %
2	**INTRAPRENEUR (CONTINUED)**				
A	**SME (CONTINUED)**				
	ACTIVE COMPANIES (CONTINUED)				
	Special Appearance Sdn Bhd	Production house and event management	Malaysia	49.98	51.45
	Superior Habour Sdn Bhd	Aquaculture operations for food consumption	Malaysia	43.31	44.59
	Syarikat Pengangkutan Maju Bhd	Investment holding and bus services	Malaysia	90.01	90.01
	Synergy Poultry Farming Sdn Bhd	Poultry broiler farm	Malaysia	16.74	13.35
	Tepak Marketing Sdn Bhd	Contract packing	Malaysia	42.70	8.66
	Teraju Farma Sdn Bhd	Supplier of pharmaceutical products	Malaysia	28.38	37.22
	Teraju Fokus Sdn Bhd	Security services	Malaysia	30.00	30.00
	TMR Urusharta (M) Sdn Bhd	Facilities management	Malaysia	49.59	96.30
	Ventures Poultry Farm Sdn Bhd	Poultry broiler farm	Malaysia	16.74	14.18
B	**NON-SME**				
	ACTIVE COMPANIES				
	Advanced Global Corporate Resources Sdn Bhd ^	Providing management services	Malaysia	100.00	91.50
	Akademi JCorp Sdn Bhd	Operator of Strategic Business School and 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
	Century Nexus (M) Sdn Bhd	Management of Khairat Insurance	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Convenue Marketing Sdn Bhd	Marketing of convention centre	Malaysia	79.00	79.00
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
Tunjuk Laut Resort Sdn Bhd (formerly known as 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	100.00	51.00
Harta Facilities Management Sdn Bhd	Facilities management	Malaysia	49.59	96.30
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	Investment holding	Malaysia	100.00	100.00
JKING Sdn Bhd ^	Producer of sports attire	Malaysia	98.75	98.75
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
Johor Logistics Sdn Bhd ^	Warehousing	Malaysia	100.00	51.00
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

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2	**INTRAPRENEUR (CONTINUED)**				
B	**NON-SME (CONTINUED)**				
	ACTIVE COMPANIES (CONTINUED)				
	Langsat Marine Base Sdn Bhd	Provision of marine base engineering services	Malaysia	100.00	51.00
	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	100.00	25.50
	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	90.01
	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	69.46
	Sibu Island Resorts Sdn Bhd	Island resorts operator	Malaysia	100.00	100.00
	SPMB Holdings Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
	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

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2	**INTRAPRENEUR (CONTINUED)**				
	B NON-SME (CONTINUED)				
	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	49.59	96.30
	TMR Koll Sdn Bhd	Provide engineering consultancy services	Malaysia	49.59	96.30
	Total Project Management Sdn Bhd	Property management	Malaysia	100.00	100.00
	TPM Management Sdn Bhd	Provider of technical services	Malaysia	39.00	40.00
	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
	Makmuran Veneer & Plywood Sdn Bhd	Processing and trading of sawn timber	Malaysia	&	&
	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 development	Malaysia	100.00	100.00
	Harta Consult Sendirian Berhad	Property management	Malaysia	100.00	100.00
	Jedcon Engineering Survey Sdn Bhd ^	Land survey services	Malaysia	100.00	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

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
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	93.58
Persada Antarabangsa (Johor) Sdn Bhd	Convention centre management	Malaysia	100.00	100.00
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	40.00
Sergam Berhad ^	Trading of steel bars and building materials	Malaysia	96.78	96.78
Tanjung Leman Theme Park (formerly known as 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

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
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
QSR Brands (M) Holdings Sdn Bhd (formerly known as Triple Platform Sdn Bhd)	Investment holding and provision of management services	Malaysia	51.00	100.00
Tropika Landskap Sdn Bhd	Property development	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
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

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
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	@	@
	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	&	&

LIST OF SUBSIDIARIES AND ASSOCIATES
(CONTINUED)

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest Dec 2012 %	Group Effective Interest Dec 2011 %
DORMANT COMPANIES (CONTINUED)				
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	@	@

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