JOHOR CORPORATION

ANNUAL REPORT

2014

FORGING AHEAD TOGETHER

Membina dan Membela

ڤربادنن جوهر

Perbadanan Johor

CORE/STRATEGIC BUSINESSES

KULIM

Spearheaded by Kulim (Malaysia) Berhad. Established in 1933 in United Kingdom as Kulim Rubber Plantations Limited. Main activities: Plantations (Oil Palm), Intrapreneur Ventures as well as Oil And Gas (O&G). Kulim's management and growth strategies are steered on the basis of Vision 30:30.

SPECIALIST HEALTHCARE

KPJ Healthcare Berhad is Malaysia's largest group of private healthcare and specialist medical care. It is a listed entity in the Main Board of Bursa Malaysia since 1994. Managing 25 private hospitals in Malaysia; Jakarta, Indonesia (two) and Dhaka, Bangladesh (one) while investing an amount with investment in a Bangkok-based private hospital as well as a hospital and aged-care facility in Brisbane, Australia. Supported by over 1,000 medical specialists and 11,000 employees.

FOODS AND RESTAURANTS SERVICES

Spearheaded by QSR Brands (M) Holdings Sdn Bhd. Main activities: Foods and restaurants services businesses. Total number of employees: 30,000. Implementing fully-integrated value chain. Franchise holder and operator of KFC chain of restaurants in Malaysia, Singapore, Brunei, Cambodia and partially in India. Franchise holder and operator of Pizza Hut chain in Malaysia and Singapore. Widely involved in poultry industry through manufacturing activity of chicken feed, production of livestock and contract farming management of broilers; hatchery and processing of Ayamas chicken-based downstream products, as well as various other businesses including bread factory, commissiary, manufacturing of Life sauce and a distribution company known as QSR Trading Sdn Bhd.

PROPERTY DEVELOPMENT

Spearheaded by Johor Land Berhad since 1972 involving residential property and commercial developments with 1,214 hectares of land bank at strategic locations within Iskandar Malaysia. Current and future development projects are Bandar Dato' Onn, Bandar Tiram, Taman Seroja, Taman Damansara Aliff, Bandar Baru Majidee, Larkin Central Park, Kempas, Bandar Baru Tampoi, Pasir Gudang and Sri Gading in Batu Pahat. Implementing sustainable development concepts through provision of quality housing as well as neighbourhoods of exclusive identity for clients in each of its township as well as providing strategic commercial spaces and business locations. Realising the policy of Dasar Perumahan Rakyat Johor through construction of 8,000 units of Johor Affordable Housing (RMMJ) beginning 2013 until 2020.

INVESTMENT

- **DAMANSARA ASSETS SDN BHD**
  Implementing investment activities pertaining to commercial properties and management of premises particularly shopping malls, office buildings, transport terminal, bazaars, sport complex and resorts.
- **AL-'AQAR HEALTHCARE REIT**
  The world's first Islamic REIT and the first healthcare-related Islamic REIT in Asia.

INDUSTRY

- **TPM TECHNOPARK SDN BHD**
  Developing industrial areas and playing the vital role as Johor Corporation's project manager. Involved in management services of commercial projects and developments of infrastructure. Represents the marketing agent and developer of industrial areas owned by Johor Corporation.
- **PELABUHAN TANJUNG LANGSAT**
  Tanjung Langsat Port ("TLP") stretching at 405 hectares is a gateway and backbone of Tanjung Langsat Industrial Complex (TLIC). TLP provides port services for industries operating in TLIC with approximate width of 2,000 hectares.

ENTREPRENEUR BUSINESS

This scheme represents Johor Corporation's approach in light of nurturing business culture particularly among employees and external communities demonstrating interests in business ventures.

Vision

- Membina dan Membela

Mission

- A conglomerate contributing to the sta
efficient and effective business model w

- A market-driven, profit-motivated, co
products and services.

- A catalyst harnessing entrepreneurial t
and environmentally sustainable busine

- Contributing and adding values for the
success as well as Corporate Responsi

COVER RATIONALE

Forging Ahead Toge

After almost 45 years
the status of a Congl
spearheading a num
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reality, Johor Corpora
realise its transforma
to ensure that this en
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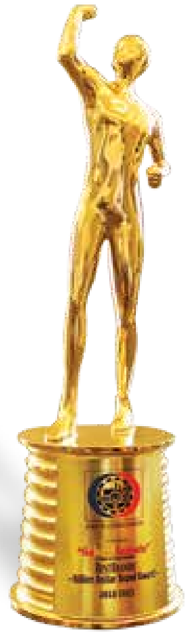
and discharging Corp

AWARDS AND ACCOLADES

Johor Corporation was recognised through various national as well as international awards and accolades throughout 2014.



AWARD

The BrandLaureate Awards 2014-2015

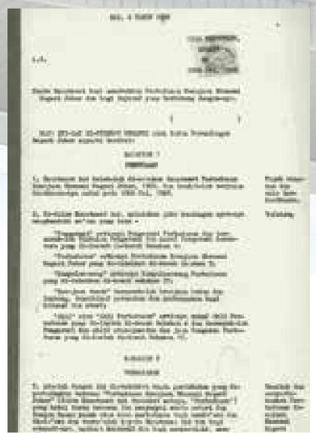
CATEGORY

Billion Dollar Brand

STATEMENT

- The Billion Dollar Brand is an inaugural category that recognises excellent brands garnering revenue exceeding RM1 billion mark.
- Johor Corporation had been awarded on the basis of its outstanding Group financial performance as it charted revenue nearing RM7 billion and profit before tax of over RM1 billion on the financial year ended 2013.
- The BrandLaureate Awards is an international award and accolade by Asia Pacific Brands Foundation (APBF) that recognises the branding strength of a conglomerate based on successful Group branding spectrum.

Optimising
POTENTIAL FOR OUR FUTURE



1968

Johor State Economic Development Corporation ("JSEDC") was established.

1970

Started operations with RM10 million loan from Johor State Government.

1988

Acquired Kemajuan Intisari Sdn Bhd and changed its name to Kumpulan Perubatan (Johor) Sdn Bhd.

1991

Masjid An-Nur Kotaraya, the first mosque in Malaysia built in a shopping complex was completed.

2010

Johor Corporation celebrated its 40th anniversary.

2014

KOMTAR JBCC opened to public.

The opening of the Angry Birds Activity Park Johor Bahru in KOMTAR JBCC and the first of its kind in Southeast Asia.

The listing of E.A. Technique (M) Berhad in Bursa Malaysia.

Vision

- Membina dan Membela

Mission

- A conglomerate contributing to the 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.
- Contributing and adding values for the well-being of the community through business success as well as Corporate Responsibility undertakings.

COVER RATIONALE

Forging Ahead Together

After almost 45 years of establishment and achieving the status of a Conglomerate, Johor Corporation is now spearheading a number of core businesses domestically as well as in the regional markets. Coming upon the reality, Johor Corporation continues its commitment to realise its transformation plan and adopting innovations to ensure that this entity is consistently leading its future in business while mobilising state development initiatives and discharging Corporate Responsibility undertakings.

OUR NEW FEATURES IN THIS ANNUAL REPORT

pg.

We've allowed some repetition so as not to interrupt your reading too often beside cross-references. This icon tells you where you can find related information in our report.

These QR code links will take you to information that is viewable on your smartphone. Download an application for your phone, scan the code and the relevant page will open in your browser window. Bakodo or i-nigma for iPhone, QR Code Scanner Pro for BlackBerryR and Barcode Scanner for Android all work well.

This icon tells you where you can find more information online at *www.jcorp.com.my.*

i-nova

What is i-nova? i-nova is a feature within The JCorp Mobile App. It combines image recognition and Augmented Reality (AR) technology to deliver messages that go beyond print. i-nova this page to find out how you can get the most out of this amazing technology.

Six easy steps to view more information from Johor Corporation ("JCorp") Annual Report 2014:

1. Search for i-Nova App from Apple App Store or Google Play on your smartphone.
2. Click the app and install. (Please check your device compatibility before installing)
3. Once installed, click open to launch the Augmented Reality (AR) App.
4. Click the start button from the i-Nova App to launch the AR camera.
5. Look for the "AR Icon" in the book and scan the Annual Report cover image with AR camera to enjoy interactive AR content.
6. You may click on the interactive buttons to explore additional contents.

FACTS AT A GLANCE

CORPORATE INFO

Total Workforce

63,157

Total Number of Companies Listed in Bursa Malaysia

4

Total Active Companies within the Group

271

Total Number of Directors within the Group including Women

379

COMMERCIAL ENTITY ROLE

Total Number of Patients Treated

At KPJ Hospitals (Domestic & Abroad)

2,814,530

Total Hectarage of Planted Oil Palm

Domestic & Abroad

47,729

Total Number of Restaurant Outlets

Domestic & Abroad

810 KFC | 456 Pizza Hut

Total Number of Developed Houses

31,062

Total Real-Estate Trust Fund

580 Million Units

Total Number of Retail Areas Created

(Markets, Bazaars, Shopping Complexes)

2,510,989 (sf)

DEVELOPMENTAL ROLE

CORPORATE RESPONSIBILITY UNDERTAKINGS

Number of Industrial Areas

31

Number of Operational Companies

1,214

Funds Channelled to Corporate Responsibility Programmes

>RM100

Million

Total Investments Accumulated

RM63

Billion

Job Opportunities Created

184,000

Total Number of Mosques

5 | 17,000

Kariah Members

Total Hectarage of Industrial Land

5,799.6

Total Number of Vessels Berthed

at TLP for the period of 2012-2014

2,179

Total Number of Patients Treated at Waqaf An-Nur Clinics & Hospital

1.09

Million

Total Number of Affordable Housing Developed

12,758

* As at 31 December 2014

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CORPORATE STATEMENT

RESILIENCE REDEFINED

Our 2013-2022 Strategic Business Transformation Plan, made commendable progress in spite of the challenging global economic environment and fluctuations in commodity prices. We are making good advances in enhancing our presence in the ASEAN region through our strategic core businesses - Plantation, Specialist Healthcare, Foods & Restaurants Services and Property - which will allow Johor Corporation ("JCorp") to better compete on a higher scale and at the same time, achieve zero gearing by the year 2022.

To transform JCorp into a formidable state conglomerate, we had to strengthen our foundation and achieved this by allocating RM800 million in capital expenditure during the year to maintain the four core businesses. At the same time, we identified the energy industry as one of the potential business segments that could create new income streams and help JCorp grow from strength to strength, which will hold us in good stead to embark on projects that will ultimately benefit the people of Johor.

FINANCIAL PERFORMANCE

JCorp Group earned a pre-tax profit of RM627 million on the back of Group revenue of RM4.7 billion in 2014. Some 82 percent of the earnings were contributed by the Plantation, Specialist Healthcare and Property business segments. Our financial results reflected strong underlying performance across our four core businesses which unfortunately was marred by price volatility in the commodity markets as well as increased operating and administrative costs as we expanded our four core businesses.

CORPORATE STATEMENT

The Plantation business registered a commendable performance during the year, in spite of the sharp fall in palm oil prices in the second half of 2014. Average price of crude palm oil in 2014 reached RM2,370 per metric tonne (mt), lower than RM2,472 per mt in 2013 on the back of slumping mineral oil prices, weaker demand from China and the challenging global scenario. The Plantation business performance was attributed to an increase of 4.10 percent in the Group's production of Fresh Fruit Bunches (FFB) as well as improved Oil Extraction Rates (OER) in 2014. The Group's OER was marginally higher at 20.6 percent in 2014.

We are pleased to note that the Specialist Healthcare business has turned in a solid performance during the year, with revenue in 2014 registering a 13 percent increase to RM2.6 billion from RM2.3 billion in 2013 due to the trifecta that are supporting the demand for healthcare services: population growth, improved life expectancy and the rise of the middle income group in the region, including Malaysia. During the year, profit before tax reached RM215.8 million, up 36.7 percent from RM157.7 million in 2013.

Meanwhile, our Foods & Restaurants Services business continued to expand its market presence and strengthening its chain of KFC outlets with the opening of 54 new outlets (including the relocation of 14 outlets) and upgrading works of 95 existing outlets to realise the commitment in providing a fresh ambiance to the outlets for a better customer experience.

As for our Port business, Tanjung Langsat Port ("TLP") is rapidly becoming a focal point of the Oil and Gas (O&G) industry attributed to the inflows of substantial amount of investment. The increase in production capacity is achieved through improved infrastructures and amenities that have poised TLP to stay competitive in the niche port business through nine of its berths. As its full operation commences in August 2015, berths 8 & 9 will create additional 10 million cubic metres of storage capacity or 56 percent increase from 18-28 million metric tonnes of liquid cargo.

On our industrial development – besides selling and collection of proceeds from industrial land, JCorp through TPM Technopark Sdn Bhd ("TTSB") also actively plans to continue developing new industrial areas including the extension of Zone 5 at Tanjung Langsat Industrial Complex (TLIC), new industrial area within Pengerang Integrated Petroleum Complex (PIPC) and expansion of Sedenak Industrial Area.

In the property development sector, KOMTAR Johor Bahru City Centre (KOMTAR JBCC) commenced operations in 2014 and simultaneously contributed positively to the JCorp Group's revenue while realising State's aspiration to transform Johor Bahru city into a metropolis of international standing by 2020.

CORPORATE STATEMENT

THE OPERATING ENVIRONMENT

In 2014, higher growth in the United States (US) and European Union (EU) provided some cheer, with the world economy registering National Gross Domestic Product (GDP) growth of 3.3 percent in 2014 compared to 3.0 percent in 2013.

Closer to home, tighter financial conditions and slower manufacturing activities in China saw the country recording lower GDP growth of 7.4 percent against 2013's 7.8 percent. The modest growth in global economies and China, a major consumer of commodities, translated into tepid demand for crude and palm oils during the year. This is in contrast to the vast supply availability of both commodities, which led to the unravelling Brent crude oil and crude palm oil prices.

Brent crude oil prices plunged from a year-high of USD115 per barrel to around USD55 per barrel, which was the lowest since May 2009. Prices of palm oil skidded as well, after hitting an 18-month high of RM2,916 per mt in March 2014, to RM1,914 per mt in September 2014; the lowest in 5 ½ years.

Yet there was a silver lining to the global economic gloom. Malaysia charted a modest growth with GDP of 6 percent in 2014 (against 4.7 percent in 2013), driven largely by stronger private sector spending. Against this backdrop, JCorp remained focused on charting a sustainable growth path in order to contribute significantly to the development of the state of Johor.

CORPORATE EVENTS

The year 2014 saw the corporation taking a significant step in growing the O&G segment. Having disposed 48.97 percent stake in New Britain Palm Oil Ltd for RM2.8 billion, Kulim (M) Berhad ("Kulim") earmarked a significant portion of the proceeds from the disposal to grow and expand its footprint in the O&G segment.

Following a memorandum of understanding with PT Graha Sumber Berkah ("PT GSB") in 2013, Kulim teamed up with PT GSB and PT Radiant Bukit Barisan E&P in a Joint Operating Agreement signed during the year to explore and develop an O&G field in the southwest of Bukit Barisan block in central Sumatra. At the same time, Kulim will continue to invest in its plantation business through the setup of an oil palm plantation in Indonesia.

Damansara Assets Sdn Bhd ("DASB") also made significant progress during the year with the official launch of UTC Johor at Galleria@Kotaraya on 3 July 2014 as a one-stop centre for over 34 core government agencies, public amenities, private sector services and government-related services for Johor residents.

The recent listing of E.A. Technique (M) Berhad ("EATech") in Bursa Malaysia on 11 December 2014 serves as a testimony of success to the development of our Entrepreneur companies in providing quality products and services while expanding and moving forward.

Meanwhile on November 2014, Syarikat Pengangkutan MAJU Berhad ("MAJU") had won the Special Merit Operator award in the Best Bus Operator category during the Land Public Transportation Symposium Award 2014.

On top of it all, JCorp marked a significant milestone in 2014 as the Corporation was recognised as a leading brand in Asia Pacific when it won the BrandLaureate Billion Dollar Brand Award 2014-2015. Organised by Asia Pacific Brands Foundation, winners of the Billion Dollar Brand award are at the top of the sectors they operate in and with worldwide operations, they generate significant impact in the economic development of the regions. Recipients of the award were decided on a broad range of criteria including but not limited to branding strategy, culture and performance.

CORPORATE STATEMENT

THE NEED FOR GREATER FOOD SECURITY

With the advent of increasingly severe weather events, seeking sustainable solutions and making improvements to the agricultural sector has become more and more important to ensure Malaysia's food security. To that end, JCorp has taken an increasing interest in helping to realise the vision of self-sufficiency for the nation in cattle and poultry industries. This has encouraged us to set up Ihsan Permata Sdn Bhd ("IPSB") in 2012 and KARA Holdings Sdn Bhd ("KARA") in 2014. Through KARA and IPSB, we are able to focus on Halal Poultry Industry value added chain and supply of livestock through feedlot whilst ensuring the quality and safety of products.

The steep rise in food prices in 2008-2009 pushed the government to boost food production, which included intensifying the productivity of the ruminant sector to achieve at least 40 percent self-sufficiency in beef. In an effort to meet the goals of the government, IPSB aims to step up production and supply of livestock through feedlot which oversaw operations and managed feedlots—also known as cattle-fattening stations—facilities owned by the Department of Veterinary Services. To further enhance the feedlot services value chain, IPSB has also partnered with Unit Peneraju Agenda Bumiputera ("TERAJU") and Department of Veterinary Services to provide funding and infrastructures for agropreneurs.

Therefore, we are pleased to note that under the satellite scheme, 10 agropreneurs from 21 cattle farms in Johor who are participating in the project had received funding in 2014. The farms are located within Permanent Food Production Plants in three districts, namely Muar, Segamat and Kota Tinggi.

To increase participation and develop a sustainable beef industry, IPSB on behalf of JCorp, will supply livestock to selected agropreneurs. As of to date, six agropreneurs have received a total of 1,008 cattle imported from Australia for the first cycle.

JCorp has taken an increasing interest in helping to realise the vision of self-sufficiency for the nation in cattle and poultry industry

40 percent

self-sufficiency in beef

21 cattle farms

in Johor

CORPORATE STATEMENT

CORONATION OF THE SULTAN OF JOHOR

Johor celebrated the coronation of His Royal Highness Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan and The Sovereign Ruler of the State and Territories of Johor Darul Ta'zim on 23 March 2015, the first of such event in 55 years, with pomp, parades and concerts. Drawing on a mix of Islamic, Malay and Western cultures, the ceremony at Istana Besar in Johor Bahru coronated Sultan Ibrahim as the fifth ruler of modern Johor, while Her Royal Highness Raja Zarith Sofiah Binti Sultan Idris Shah was crowned the Permaisuri of Johor, the first time a Permaisuri title used in the state.

As the state's leading enterprise, JCorp and its Group of Companies celebrated and commemorated the historic event by sponsoring the live telecast, thus allowing Johor people and the rest of Malaysia to watch the coronation on domestic television channels.

OUTLOOK

The year 2015 is shaping up to be a momentous period for the 620 million people living in ASEAN. The planned launch of the ASEAN Economic Community (AEC) at the end of 2015, where the 10-member nations will adopt liberalisation measures to allow for freer movement of goods and services, will help sustain the region's rapid economic growth and accord fair access to wealth-creating opportunities to ASEAN citizens.

And as the ASEAN chair for the year, Malaysia will take the lead in the integration of AEC, through more liberalisation measures such as tariff and protectionist policies as well as subsidy reductions to achieve ASEAN's aspirations of a liberalised market. The liberalisation measures will help offset lower oil prices and help boost Malaysia's highly diversified economy, with strong tourism, manufacturing and electronics industries.

On the domestic front, the Malaysian economy is expected to register moderate growth, according to Bank Negara Malaysia projections, with GDP growth expectations of around 4.4 to 5.5 percent for the year ahead, dictated by uneven economic growth in developed nations. And with the US widely expected to raise interest rates, the Ringgit is anticipated to weaken further.

Given our exposure to exchange rates and our ambitions to venture beyond the Malaysian shores, a weaker Ringgit may have a potential impact on our future financial performance. However, we are confident that we will be able to navigate any currency risks arising from translation differences due to JCorp's Strategic Business Transformation Plan 2013-2022 which gives us the financial agility to adapt to the adverse developments. For instance, for the hospitality and health tourism segments, the weaker Ringgit represents a significant advantage as JCorp's long-established involvement in the industry will allow us to ride on Malaysia's booming medical tourism industry.

As far as energy prices are concerned, a period of softer crude oil prices is expected to persist, at least in the first half of 2015, owing to higher production in major oil-producing nations. While crude oil prices are likely to stabilise to USD60 to USD70 per barrel in the middle of the term, we believe the current environment of low energy prices will allow the government to continue its crucial reduction of fuel subsidies. Savings achieved from the reduction of fuel subsidies can then be channelled to sectors crucial to nation-building.

CORPORATE STATEMENT

CORPORATE GOVERNANCE

JCorp is committed to maintain the highest standards of corporate governance for sustainable long term growth and to safeguard the interests of the shareholders and stakeholders. Towards this end, we have expanded the duties and responsibilities of the Audit Committee with the establishment of two departments namely Business Continuity Management and Inspectorate.

To strengthen the existing corporate governance, we have also established a new committee – Information Assessment Committee – to review and evaluate information or complaints received, whether they are criminal, violations of the code of ethics and business conducts or otherwise.

As part of JCorp's commitment to help the government combat corruption and unethical practices, we have rolled out the 'No Gifts and Entertainment Policy' on 26 November 2014. The introduction of this policy is aimed at inculcating integrity and avoiding conflict of interests for either party in existing or potential business dealings between JCorp and its Group of Companies with external parties. Details of our corporate governance initiatives and internal control policies can be found in the relevant sections of this Annual Report.

HUMAN CAPITAL

JCorp is committed in developing competent and qualified workforce in Johor and Malaysia at large, as qualified manpower is seen as one of the determining factors when businesses decide where to locate their high-value operations.

In early February 2015, JCorp has embarked on an initiative aimed at producing highly qualified accountants through the Johor Corporation Chartered Accountancy Programme (JCAP) with total allocation of RM7.2 million.

Through this programme, young accounting graduates are able to attain the Chartered Accounting qualification, thus contributing to the pool of highly qualified, professional workers needed to help contribute to the dynamism of the country, industry and the firms.

Similarly, JCorp had also allocated RM16 million for JCorp's tertiary scholarships to 100 deserving graduates every year under the Johor Corporation Education Sponsorship Programme (JESP) to help students who are pursuing their degrees in the fields of economics, engineering, law and/ or accountancy.

CORPORATE RESPONSIBILITY

As a state-owned conglomerate, JCorp believes that its foremost duty is to better serve the state of Johor and its residents at large through its comprehensive corporate responsibility programmes and responsible business growth.

In our commitment towards Corporate Responsibility (CR), we have successfully disbursed over RM100 million through various philanthropic programmes and donations throughout 2014.

In addition, our regular engagement with our stakeholders and the communities in which we operate allows us to continuously improve our approach to CR to ensure our efforts help make a difference to the underprivileged and underserved segments of Johor society.

CORPORATE STATEMENT

We have achieved this through stakeholder dialogues such as the *Jalinan Ukhuwah An-Nur* which linked industry leaders and society through socially constructive activities and ventures.

On the other note, affordable housing is another initiative undertaken towards the government's socio-economic development for the rakyat and Johor residents; we believe we stand in good stead to contribute to the government's aim to build more affordable homes for its people. Following a memorandum of agreement signed with the Johor State Government, JCorp through its subsidiary company Johor Land Berhad ("JLand") is on track and had partially completed the 8,000 low-cost and affordable housing (RMMJ) throughout 2014.

To empower individuals and cultivate spiritual identities, JCorp took the initiative of funding the publication of 10,000 copies of Jawi newspapers for 54 weeks, distributed to all secondary schools and public receptions in Johor with the aim of ensuring the legacy of the Jawi script endures for future generations.

ACKNOWLEDGEMENTS

Over the last few years, we have worked hard to transform JCorp into a formidable corporation. The achievements of 2014 were not possible without the support of the Johor State Government, the Malaysian Government and all relevant stakeholders.

JCorp registers its appreciation to all public-listed investors and institutions of the Group and shareholders who have stated and given their support to all corporate plans and business transactions throughout 2014.

A bouquet of gratitude and thanks also goes to all Members of the Board of Directors for giving their guidance, wisdom and expertise which enabled the Group to be placed on a strong footing in developing its business operations, executing its role and quality services as well as enhancing its value chain and business synergies for the sake of all stakeholders and the society at large.

We are pleased to report that JCorp has maintained a strong record on gender diversity aspect amongst the Board of Directors and senior management team, with 25 percent women's representation at the top management team level, and 33 percent women's representation at the Board of Directors level, higher than the national average.

Our heartfelt thanks to Yang Berhormat Dato' Haji Obet Bin Tawil and Yang Berbahagia Datuk Mohd Hashim Bin Abdullah who were both retiring as Board Members on 9 April 2014 and 7 July 2014 respectively. On behalf of the Board, we thank them for their immense contributions to the growth of the organisation over the years.

Accordingly, JCorp wishes to congratulate Yang Berhormat Dato' Haji Ismail Bin Karim for his appointment as the new Johor State Secretary. Consequently, JCorp would also like to congratulate Yang Berbahagia Datuk Seri Dr Rahamat Bivi Binti Yusoff, Director General of Economic Planning Unit at Prime Minister's Department on her appointment as our new Board member on 15 April 2015.

APPRECIATION

The outstanding efforts of JCorp Group's 63,000 employees enabled our organisation to be on a firmer footing as we navigated a challenging external environment.

The employees of JCorp Group have also been capable of operating existing duties and responsibilities while concurrently executing a major transformation be it from the organisational or individual aspect to produce such achievements. Last but not least, a round of appreciation goes to our employees irrespective of those in the management or the support team for all their commitments, dedication and loyalty given to put the JCorp Group on the pedestal of success and pride.

And while we have managed to address the numerous challenges we faced, we are acutely aware of the need to continuously improve and innovate in our bid to build quality businesses that will benefit the people of Johor and Malaysia.

DATO' MOHAMED KHALED BIN NORDIN
Chairman
Johor Corporation

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

16 April 2015

CORPORATE PROFILE & INFORMATION

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For more information, log on to: www.jcorp.com.my

* Artist illustration of KOMTAR JBCC development.

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-owned Conglomerate, JCorp through its Group of Companies is involved in core businesses encompassing these sectors:
- KULIM - Kulim (Malaysia) Berhad.
- Specialist Healthcare - KPJ Healthcare Berhad.
- Foods & Restaurants Services - QSR Brands (M) Holdings Sdn Bhd.
- Property Development - Johor Land Berhad, Damansara Assets Sdn Bhd, TPM Technopark Sdn Bhd & Tanjung Langsat Port Sdn Bhd.
- Entrepreneur Business.
- Hospitality.

JCorp is a domestic market leader in a number of core businesses while expanding operations overseas.

KULIM businesses involve operations and business interests in:
- Malaysia : 51,160 hectares
- Indonesia : 40,645 hectares

Specialist Healthcare businesses domestically spearheaded by KPJ Healthcare Berhad has been expanded to:
- Jakarta, Indonesia
- Brisbane, Australia
- Bangkok, Thailand
- Dhaka, Bangladesh

Foods & Restaurants Services spans from Malaysia to:
- Singapore
- Brunei
- Cambodia (Phnom Penh)
- India (Mumbai, Pune, Nashik & Aurangabad)

* As at 31 December 2014

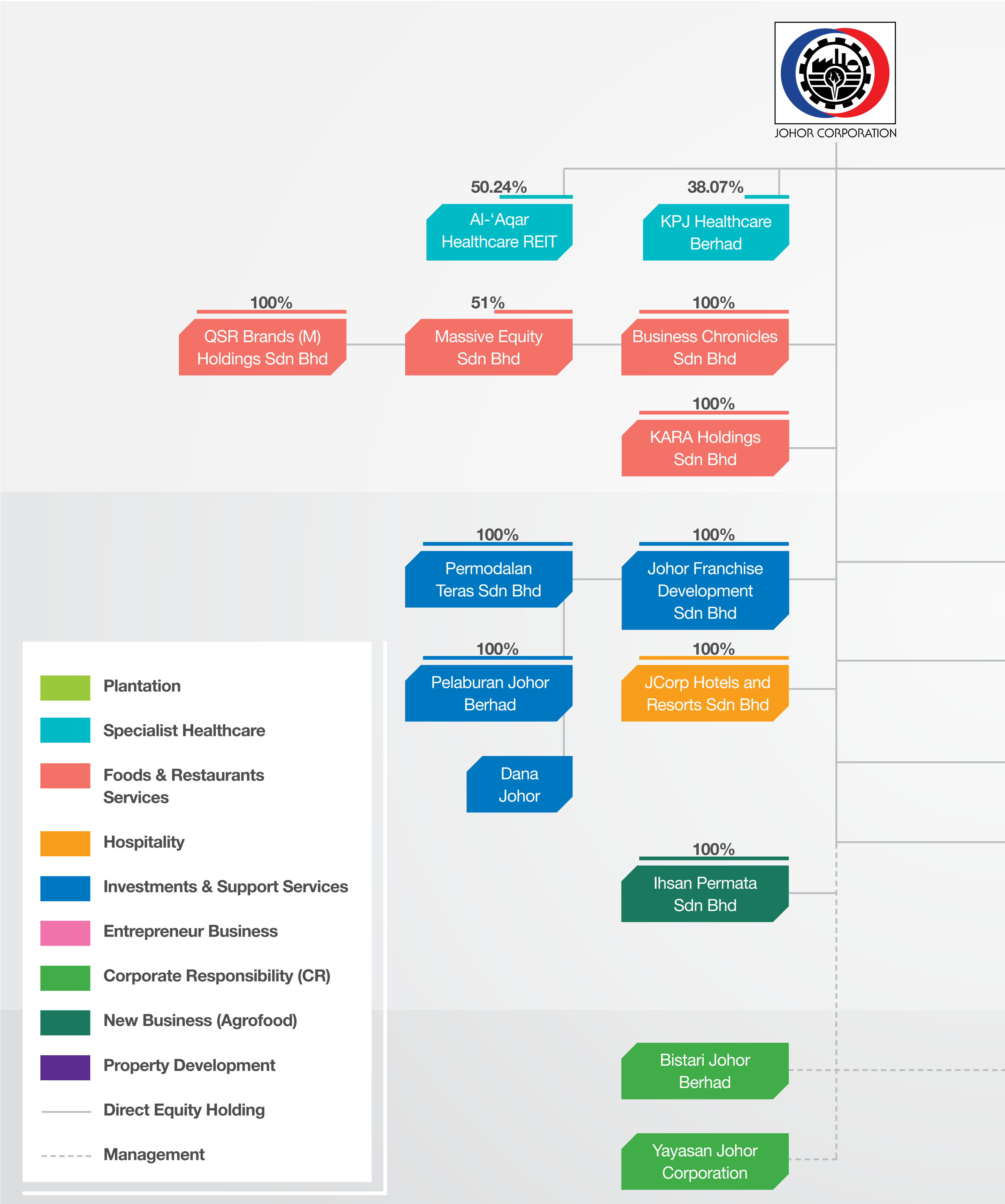
Number of Listed Companies in Bursa Malaysia:
4 companies

Kulim (Malaysia) Berhad (23370-V) KPJ HEALTHCARE BERHAD

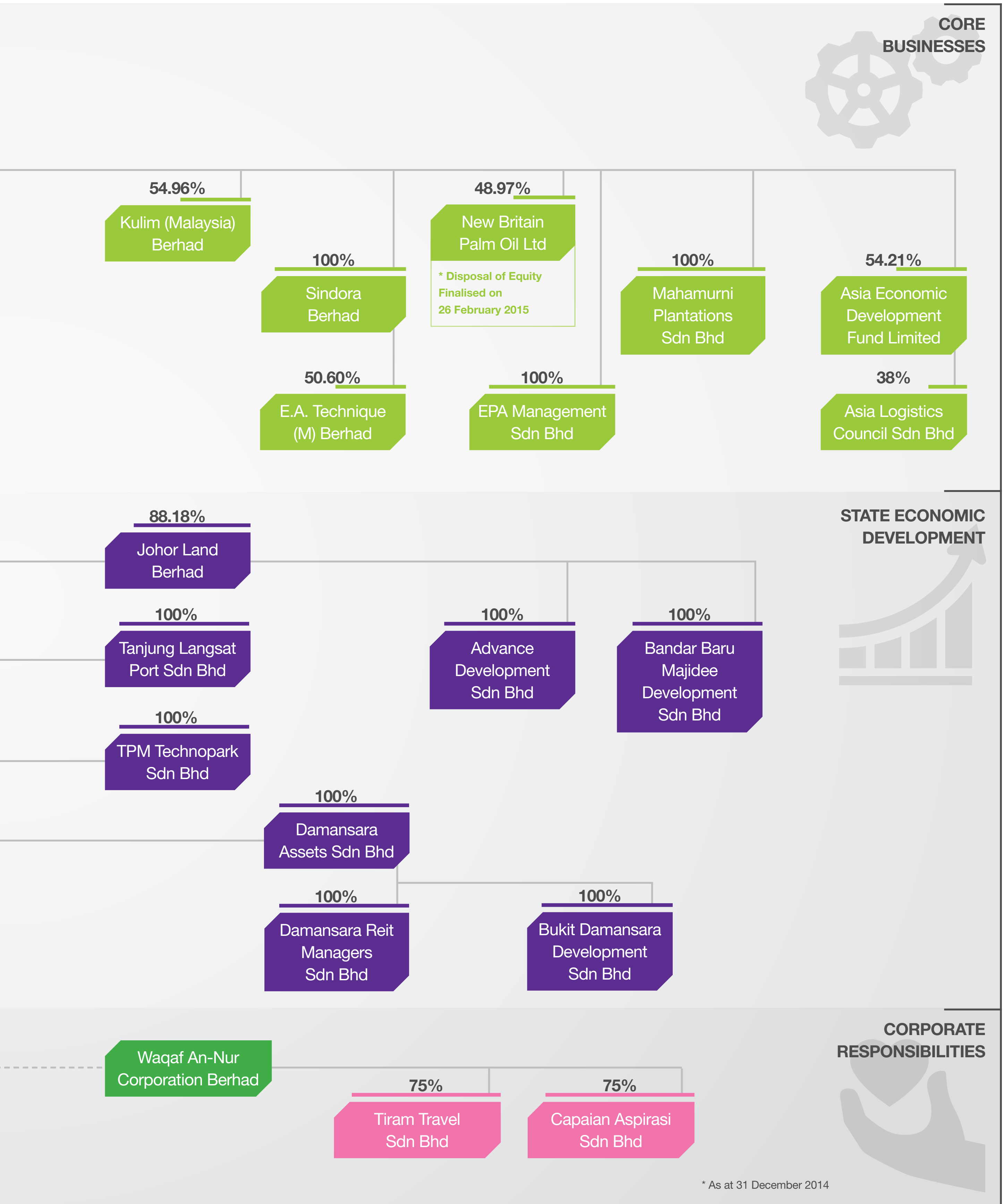
AL-'AQAR HEALTHCARE REIT E.A. Technique

Total Number of Companies: 364
Number of Active Companies within the Group: 271
Total Number of Employees: 63,157

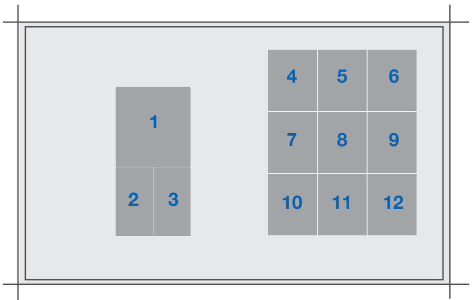
BUSINESS & CORPORATE STRUCTURE



BUSINESS & CORPORATE STRUCTURE



BOARD OF DIRECTORS



1. **YAB DATO' MOHAMED KHALED BIN NORDIN**
   Chief Minister of Johor
   Chairman
   Johor Corporation

2. **YBHG TAN SRI DR ALI BIN HAMSA**
   Chief Secretary To The Goverment of Malaysia
   Deputy Chairman
   Johor Corporation

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

4. **YB DATO' HAJI ISMAIL BIN KARIM**
   State Secretary of Johor
   Chairman
   Board of Tender Committee

5. **YB DATO' ISHAK BIN SAHARI**
   State Legal Advisor of Johor

6. **YB DATO' HAJI MARSAN BIN KASSIM**
   State Financial Officer of Johor

7. **YB TUAN HAJI MD JAIS BIN HAJI SARDAY**
   Chairman of Johor State Education, Information, Entrepreneur Development and Cooperatives Committee

8. **YBHG DATO' SITI ZAUYAH BINTI MD DESA**
   Director of National Budget
   Ministry of Finance

For more information, log on to: www.jcorp.com.my

9. YBHG DATO' HAFSAH BINTI HASHIM
Chief Executive Officer
SME Corporation Malaysia

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

11. YBHG ENCIK IZADDEEN BIN DAUD
Chairman
Board of Audit Committee
Johor Corporation

12. ENCIK IDHAM JIHADI BIN ABU BAKAR
Secretary
Johor Corporation

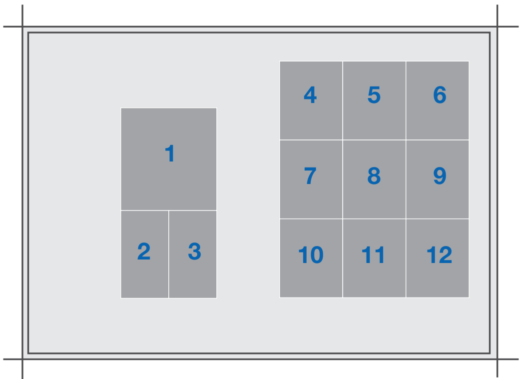
BOARD OF DIRECTORS' PROFILE

1. YAB DATO' MOHAMED KHALED BIN NORDIN
Chairman, Johor Corporation

Aged 57. He was appointed as the Chairman of Johor Corporation Board of Directors effective 14 May 2013. He holds a Bachelor of Laws (Hons.) from University of Malaya. He is currently the Chief Minister of Johor.

2. YBHG TAN SRI DR ALI BIN HAMSA
Deputy Chairman, Johor Corporation

Aged 60. 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 (PhD) from Oklahoma State University in 1997, MS (Economics) from Oklahoma State University in 1986, B.A. (Hons) from University of Malaya in 1979 and Diploma in Public Management from INTAN in 1980. He is currently the Chief Secretary to the Government of Malaysia, Prime Minister's Office.



Refer to pages 18 and 19 for Board of Directors

For more information, log on to: www.jcorp.com.my

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

Aged 51. 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, before his appointment as the Senior Vice President, Corporate Services & Finance of Johor Corporation beginning 1 January 2010 and Acting President & Chief Executive of Johor Corporation beginning 29 July 2010.

4. YB DATO' HAJI ISMAIL BIN KARIM
Member, Board of Director

Aged 60. He was appointed as a Director of Johor Corporation representing the State Government effective 10 April 2014 . He holds a Bachelor of Social Science from Universiti Kebangsaan Malaysia in 1981. He is currently the State Secretary of Johor.

5. YB DATO' ISHAK BIN SAHARI
Member, Board of Director

Aged 53. He was appointed as a Director of Johor Corporation representing the State Government effective 1 January 2014. He holds a Bachelor of Law (Hons) from University of Malaya in 1986. He is currently the State Legal Advisor of Johor.

6. YB DATO' HAJI MARSAN BIN KASSIM
Member, Board of Director

Aged 60. 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 University of Malaya in 1979. He is currently the State Financial Officer of Johor.

BOARD OF DIRECTORS' PROFILE

7. YB TUAN HAJI MD JAIS BIN HAJI SARDAY

Member, Board of Director

Aged 48. He was appointed as an Independent Director of Johor Corporation effective 1 September 2013. He holds a Bachelor of Science from University of Malaya. He is currently the Chairman of Johor State Education, Information, Entrepreneur Development and Cooperatives Committee.

8. YBHG DATO' SITI ZAUYAH BINTI MD DESA

Member, Board of Director

Aged 56. 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, BSc (Hons) in Quantity Surveying from University of Reading, United Kingdom and Diploma in Public Administration from the National Institute of Public Administration (INTAN). She is currently the Director of National Budget, Ministry of Finance.

9. YBHG DATO' HAFSAH BINTI HASHIM

Member, Board of Director

Aged 58. She was appointed as a Director of Johor Corporation representing the Federal Government effective 1 December 2013. She holds a Bachelor in Applied Science from Universiti Sains Malaysia and Masters in Business Administration from Aston University, United Kingdom. She is currently the Chief Executive Officer, SME Corporation Malaysia.

10. YBHG DATUK SERI DR RAHAMAT BIVI BINTI YUSOFF

Member, Board of Director

Aged 58. She was appointed as a Johor Corporation Director representing the Federal Government effective 15 April 2015.

Prior to the appointment i.e. beginning 1 February 2009, she was also appointed as Johor Corporation Director representing the Federal Government upon her capacity as the Deputy Secretary General of Treasury (System And Control), Ministry of Finance until 18 October 2011, prior to her transfer to the Economic Planning Unit, Prime Minister's Department. She was reappointed as Johor Corporation Director beginning 1 November 2011 until 31 October 2013.

She holds a Philosophy Doctorate from Australian National University, Masters in Economy from University of Western Michigan USA, Bachelor's Degree (Hons) in Human Sciences (Economy) from Universiti Sains Malaysia and Diploma in Public Administration from the National Institute for Public Administration (INTAN). She is now the Director General of Economic Planning Unit, Prime Minister's Department.

11. YBHG ENCIK IZADDEEN BIN DAUD

Member, Board of Director

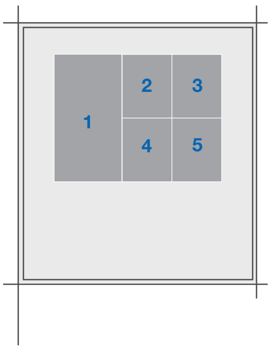
Aged 47. He was appointed as an Independent Director of Johor Corporation effective 1 September 2013. He holds a Bachelor of Science (Hons) Accounting and Law from De Monfort University, Leicester, United Kingdom in 1991 and is currently a Director of Universiti Utara Malaysia and the Chairman of Investment Committee of Universiti Utara Malaysia. He is also a Director of Iskandar Investment Berhad, Permodalan Darul Takzim and Kumpulan Prasarana Rakyat Johor.

12. ENCIK IDHAM JIHADI BIN ABU BAKAR

Secretary, Johor Corporation

Aged 48. He was appointed as the Secretary of Johor Corporation effective 19 July 2013. He is a qualified Company Secretary and holds a qualification of Institute of Chartered Secretaries and Administrators (UK). He is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators. He is currently the General Manager of Company Affairs Department.

BOARD OF AUDIT COMMITTEE



CHAIRMAN

1. **YBHG ENCIK IZADDEEN BIN DAUD**
   Independent Director of
   Johor Corporation

MEMBERS

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

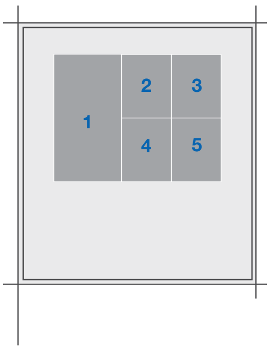
3. **YB DATO' HAJI MARSAN BIN KASSIM**
   Independent Member

4. **PUAN HAJAH ZAINAH BINTI MUSTAFA**
   Independent Member

SECRETARY

5. **ENCIK ONN BIN ISMAIL**
   Vice President
   Compliance & Risk Management
   Division

BOARD OF
TENDER COMMITTEE



CHAIRMAN

1. **YB DATO' HAJI ISMAIL BIN KARIM**
   State Secretary of Johor

MEMBERS

2. **YB DATO' HAJI MARSAN BIN KASSIM**
   State Financial Officer of Johor

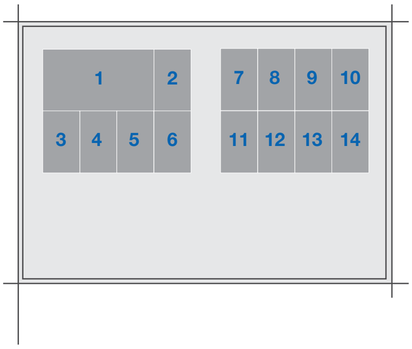
3. **YB DATO' KAMARUZZAMAN BIN ABU KASSIM**
   President & Chief Executive

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

SECRETARY

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

GROUP TOP MANAGEMENT COMMITTEE (TERAJU)



CHAIRMAN

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

MEMBERS

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

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

4. **ENCIK ROZAINI BIN MOHD SANI**
   Vice President /
   Chief Financial Officer
   Johor Corporation

5. **TUAN HAJI AMINUDIN BIN DAWAM**
   Vice President
   Land & Business Development Division
   Johor Corporation

GROUP TOP MANAGEMENT COMMITTEE (TERAJU)

6. ENCIK WAN AZMAN BIN ISMAIL
Vice President
Special Administration Division
Johor Corporation

7. ENCIK ONN BIN ISMAIL
Vice President
Compliance & Risk Management Division
Johor Corporation

8. TUAN HAJI ABDUL RAHMAN BIN SULAIMAN
Executive Director
Tanjung Langsat Port Sdn Bhd
& Kulim (Malaysia) Berhad

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

10. YBHG DATO' AMIRUDDIN BIN ABDUL SATAR
Managing Director
KPJ Healthcare Berhad

11. ENCIK MOHAMED IZAHAM BIN ABDUL RANI
Executive Director
QSR Brands (M) Holdings Sdn Bhd

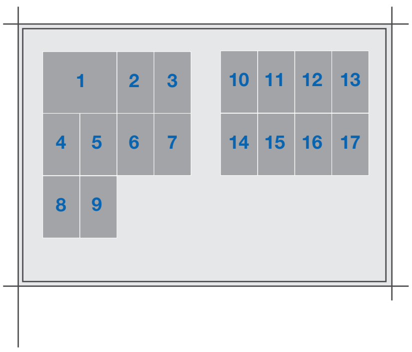
12. PUAN HAJAH AZIZAH BINTI AHMAD
General Manager
Akademi JCorp Sdn Bhd

SECRETARIES

13. ENCIK IDHAM JIHADI BIN ABU BAKAR
General Manager
Company Affairs Department
Johor Corporation

14. ENCIK ALFADZILAH BIN HAJI MAT ARIS
Manager
Office of the President & Chief Executive
Johor Corporation

TERAJU KORPORAT COMMITTEE



CHAIRMAN

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

MEMBERS

2. **ENCIK ROZAINI BIN MOHD SANI**
   Vice President / Chief Financial Officer
   Johor Corporation

3. **TUAN HAJI AMINUDIN BIN DAWAM**
   Vice President
   Land & Business Development Division
   Johor Corporation

4. **ENCIK WAN AZMAN BIN ISMAIL**
   Vice President
   Special Administration Division
   Johor Corporation

5. **ENCIK MOHD SAHIR BIN RAHMAT**
   Vice President (1)
   Corporate Services
   KPJ Healthcare Berhad

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

TERAJU KORPORAT COMMITTEE

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

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

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

10. ENCIK IDHAM JIHADI BIN ABU BAKAR
General Manager
Company Affairs Department
Johor Corporation

11. PUAN WAN SU BINTI ALI
General Manager
Legal Department
Johor Corporation

12. PUAN RABIATUL ADAWIAH BINTI ADNAN
General Manager
Land Services Department
Johor Corporation

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

14. TUAN HAJI BUKHARI BIN ABDUL RAHMAN
General Manager
Business Development Department
Johor Corporation

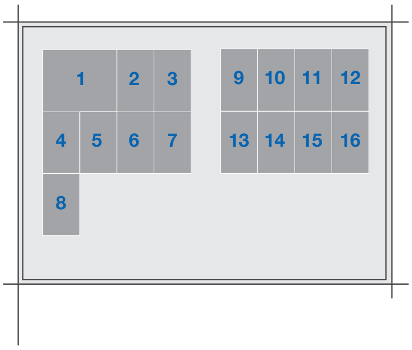
15. ENCIK MOHD BAHRIN BIN BAKRI
Deputy General Manager
Finance & Account Department
Johor Corporation

SECRETARIES

16. ENCIK JAMALLUDIN BIN KALAM
Deputy General Manager
Company Affairs Department
Johor Corporation

17. PUAN RASHIDAH BINTI MD DAUD
Executive
Office of the President & Chief Executive
Johor Corporation

EXECUTIVE COMMITTEE (EXCO)



CHAIRMAN

1. TUAN HAJI AMINUDIN BIN DAWAM
Vice President
Land & Business Development Division
Johor Corporation

DEPUTY CHAIRMAN

2. PUAN HAJAH AZIZAH BINTI AHMAD
General Manager
Akademi Johor Corporation

MEMBERS

3. ENCIK MD FAIZAL BIN ABDULLAH
General Manager
Corporate Strategy & Corporate Finance Department
Johor Corporation

4. TUAN HAJI ROSDI BIN YAACUB
General Manager
TPM Technopark Sdn Bhd

5. TUAN HAJI ABDUL HAMID BIN ABD RAHMAN
General Manager
Administration Department
Johor Corporation

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

EXECUTIVE COMMITTEE (EXCO)

7. **ENCIK JAMALLUDIN BIN KALAM**
Deputy General Manager
Company Affairs Department
Johor Corporation

8. **CIK NARIMAH BINTI ABDULLAH**
Deputy General Manager /
Special Officer to
Senior Vice President /
Chief Operating Officer
Johor Corporation

9. **PUAN ROZITA BINTI TURUT**
Senior Manager
Human Capital Development Department
Johor Corporation

10. **ENCIK ABD RAHIM BIN MUSTAFA**
Senior Manager
Land Services Department
Johor Corporation

11. **ENCIK MOHD KAMAL BIN AHMAD**
Senior Manager
Relationship & Corporate Communications Department
Johor Corporation

12. **PUAN HAJAH ROHANA BINTI MD TAHIR**
Senior Manager
Business Development Department
Johor Corporation

13. **TUAN HAJI MOHD HANIZAM BIN ABDUL AZIZ**
Senior Manager
Amal Business Department
Johor Corporation

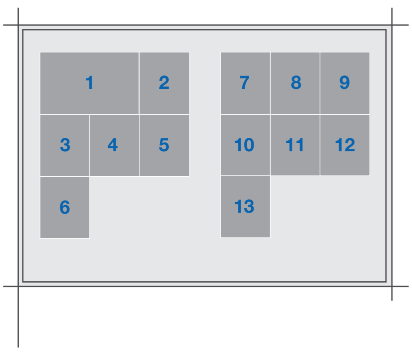
14. **ENCIK MOHD TAUFIK BIN HAJI ESA**
Manager
Finance & Account Department
Johor Corporation

15. **PUAN HAJAH ANDEK NOOR HUDAYAH BINTI BACHOK**
Deputy Manager
Legal Department
Johor Corporation

SECRETARY

16. **ENCIK MUHAMMAD ASHRAF BIN MOHD YUNUS**
Executive
Office of the President & Chief Executive
Johor Corporation

INVESTMENT
REVIEW COMMITTEE (JAWS)



CHAIRMAN

1. **ENCIK WAN AZMAN BIN ISMAIL**
   Vice President
   Special Administration Division
   Johor Corporation

MEMBERS

2. **TUAN HAJI AMINUDIN BIN DAWAM**
   Vice President
   Land & Business Development Division
   Johor Corporation

3. **YBHG DATO' AMIRUDDIN BIN ABDUL SATAR**
   Managing Director
   KPJ Healthcare Berhad

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

5. **TUAN HAJI BUKHARI BIN ABDUL RAHMAN**
   General Manager
   Business Development Department

INVESTMENT REVIEW COMMITTEE (JAWS)







6. ENCIK IDHAM JIHADI BIN ABU BAKAR
General Manager
Company Affairs Department
Johor Corporation

7. PUAN RABIATUL ADAWIAH BINTI ADNAN
General Manager
Land Services Department
Johor Corporation

8. ENCIK AZMAN BIN TAMBI CHIK
General Manager
Relationship & Corporate Communications Department
Johor Corporation

9. ENCIK MD FAIZAL BIN ABDULLAH
General Manager
Corporate Strategy & Corporate Finance Department
Johor Corporation

10. ENCIK MOHD BAHRIN BIN BAKRI
Deputy General Manager
Finance & Account Department
Johor Corporation

11. TUAN HAJI MAT SALLEH BIN HASSAN
Chairman
JCorp Intrapreneur (M) Berhad

12. PUAN HAJAH ANDEK NOOR HUDAYAH BINTI BACHOK
Deputy Manager
Legal Department
Johor Corporation

SECRETARY

13. ENCIK MUHAMMAD ASHRAF BIN MOHD YUNUS
Executive
Office of the President & Chief Executive
Johor Corporation

2010-2014 FINANCIAL HIGHLIGHTS (JCORP)

REVENUE
RM (MILLION)

'14	204
'13	531
'12	348
'11	474
'10	388

PROFIT BEFORE TAX
RM (MILLION)

'14	160
'13	145
'12	167
'11	114
'10	118

PROFIT AFTER TAX
RM (MILLION)

'14	196
'13	129
'12	203
'11	137
'10	119

TOTAL ASSETS
RM (MILLION)

'14	6,915
'13	6,271
'12	5,604
'11	5,806
'10	5,173

TOTAL LIABILITIES
RM (MILLION)

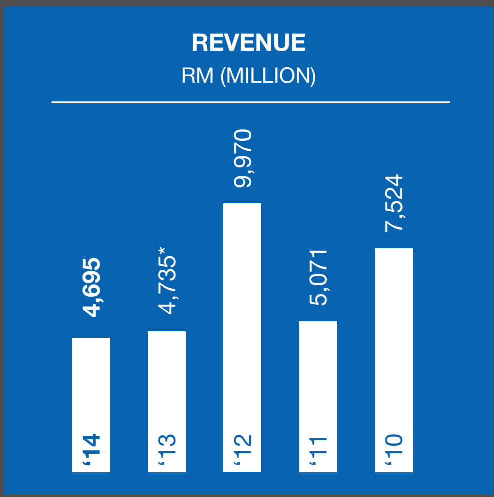
'14	5,399
'13	4,949
'12	4,408
'11	4,802
'10	4,303

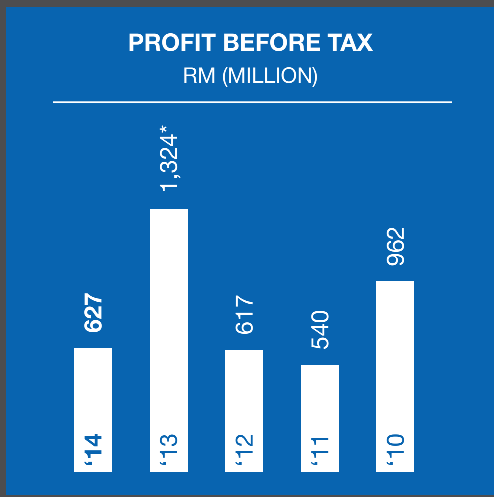
TOTAL EQUITIES
RM (MILLION)

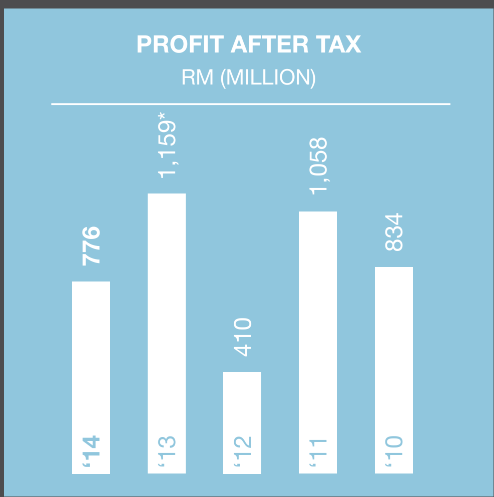
'14	1,516
'13	1,322
'12	1,196
'11	1,004
'10	870

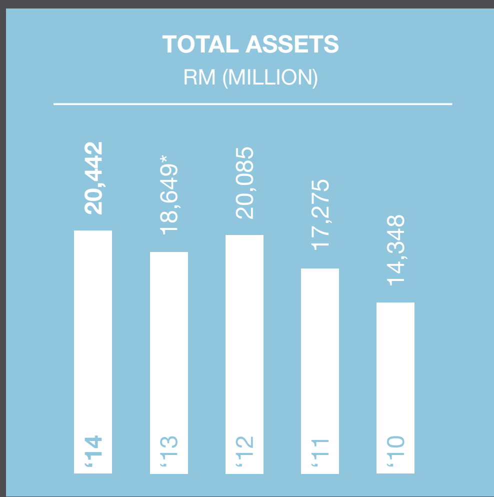
2010-2014
FINANCIAL HIGHLIGHTS
(GROUP)

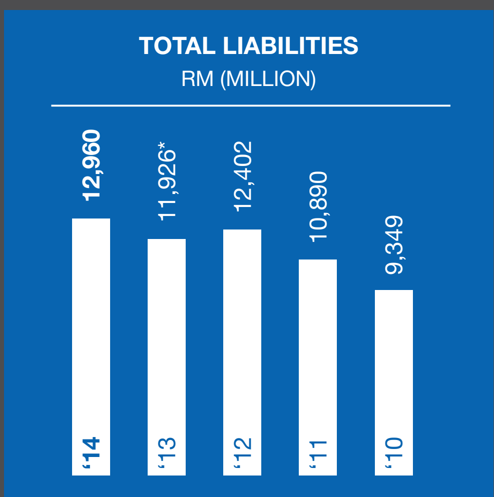
* 2013 - Restated

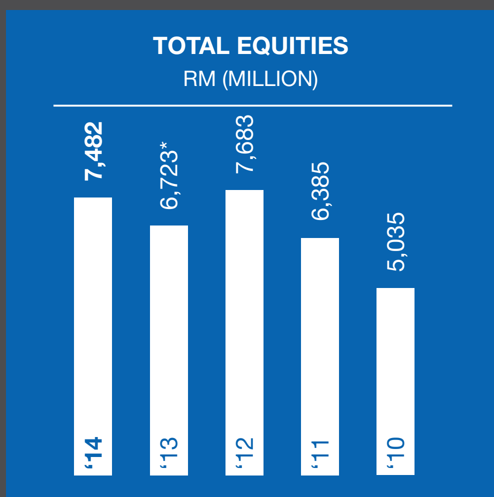












ECONOMIC REVIEW

FOR THE YEAR 2014, THE MALAYSIAN ECONOMY GREW BY 6 PERCENT AMID A CHALLENGING GLOBAL FRONT AS IT WAS DICTATED BY THE DEVELOPED NATIONS.

While there was improvement in the United States (US), China or among the largest consumers of commodities in the world showed signs of dampening growth. Thanks to its domestic demand-driven economy, Malaysia has managed to chart an increase in its real GDP for the year in review. Subsequently, the local economy continued to chart a moderate inflation with decline in oil prices from its peak in July 2008 of USD140 to about USD50 per barrel. This coincided with subdued demand from European Union which has yet to recover from 2009 debt crisis and weakening growth in Japan as the country entered into recession.

Besides dwindling demand for oil translating into lower oil prices, slowing external environments had affected the demand for other commodities including crude palm oil (CPO). As such, CPO prices had remained dull throughout the year 2014. Malaysia was seen as vulnerable as the net exporter of oil and the second biggest producer of palm oil in the world. Lower oil revenue in the nation's coffers and diminishing commodity and other exports prices exacerbated worries over Malaysian growth and fiscal condition. This has put pressure on the Ringgit as there were massive foreign fund outflow and saw Ringgit tumbling to above 3.50 against the US Dollar.

ECONOMIC OUTLOOK

The global growth trajectory will continue to be restrained by uneven economic performances among countries across the globe, notably among the developed nations. On a short term basis, the adverse external conditions followed by lower demand for the nation's export may continue to dampen the prospect of the local economy. As such, Malaysian economy is expected to achieve slower growth ranging from 4.5 to 5.5 percent as projected by the government. The continued fall in oil prices may also cause a protracted substantial capital outflow aggravation as foreign funds responded to a better return when US increased its interest rates. As such, the local currency could weaken further. Thus, the country's ability to withstand this global catastrophe and oil prices stability at a level deemed satisfactory are seen critical in the immediate term.

Nevertheless, Malaysia's transition to broaden its earnings base and become less dependent on oil revenue through the imposition of Goods and Services Tax (GST) in April 2015 is commendable and timely. GST serves as additional revenue and stable source of income from an expanded tax base that facilitate the government's efforts to achieve a decent growth projection and reduce its fiscal deficit. The economy will be less susceptible to economic downturns as well. Additionally, lower consumption as the result of GST shall also be mitigated by lower pump prices that lead into more money in consumers' pockets.

By end 2015 under the Asean Economic Community (AEC) Blueprint, the 10 member countries including Malaysia will embark on further liberalisation of goods and services trades. While it will result to a fully integrated Asean into global value chains, it could also see Malaysia reducing protections and subsidies to its industries. However, the nation can still rely on AEC's potential benefits and the country's wide array of industries, in any case of setbacks to assist the local economy in addressing any financial shortcomings.

For that matter, the diversity within Johor Coporation's ("JCorp") activities gives the Group an edge in this highly competitive economic and business environments. Furthermore, the Group's involvement in industries that are defensive in nature enables them to weather any adverse circumstances. Its ability to overcome previous economic calamities also signifies its strength and resilience. The expected weakening of Ringgit could translate into higher revenue on export of its CPO, mitigating the soft CPO prices. Weak Ringgit also implies higher demand for its hospitality and healthcare tourism businesses whereby more tourists are expected to flock to the country for competitive vacation deals and reasonable medical expenses.

Falling oil prices has also made the government's task much easier to gradually bring down the level of subsidy that cost them billions every year. Elevated savings from the elimination of subsidies shall also be allocated effectively to those sectors considered important to the economy, notably for the nation's socio-economic development including the development of affordable houses. Thus, JCorp Group shall be able to engage in the development plan through its exposure in the property business. Stable demand for property especially in Johor and strong support by the government through incentives given for the purchase of affordable property will also ensure sustained activities of JCorp's property businesses. Subsequently, Johor's position as among the most preferred investment destination in Malaysia with substantial investments catered for the oil and gas sector in Pengerang shall give JCorp Group a huge advantage. Its significant interest in the district and its vicinity as well as in the pertinent industry makes possible for the Group to grow along with the development of the highly potential key growth area.

KULIM BUSINESSES

A NEW ENERGY

There was much to be positive about Kulim (Malaysia) Berhad's ("Kulim" or "Kulim Group") performance, despite a challenging operating environment for the financial year ended 31 December 2014 (FY 2014). Kulim Group recorded revenue of RM1.09 billion and Profit Before Tax (PBT) of RM95.5 million, despite lower palm oil product prices and volatility in the commodities market. Consistent with its policy of rewarding shareholders, an interim dividend of 9.5 sen per share totaling to RM126.11 million in respect of FY 2014 was paid on 29 December 2014.

Kulim remained focused on improving its businesses and commendable progress were made in managing costs, enhancing productivity and efficiency in its core Plantation Segment, whilst adhering to the principles of sustainability. Kulim's Intrapreneur Ventures (IV) segment continued to perform well, validating a strategic decision to diversify into the Oil and Gas (O&G) business. It was an eventful year on the corporate front, with several key developments laying the foundations for its growth agenda.

CORPORATE DEVELOPMENTS

Expansion of Landbank/Plantation

Having defined the right strategies for new growth, FY 2014 was a landmark year on the corporate front. The year kicked off with the completion of a 74 percent equity interests acquisition in PT Wisesa Inspirasi Nusantara ("PT WIN") on 14 February 2014 to take control of 40,645 hectares of oil palm land in Indonesia for a purchase consideration of USD42.86 million. This acquisition is key to Kulim's goal to diversify its geographical presence and grow its plantation segment, especially with the New Britain Palm Oil Limited ("NBPOL") disposal that was subsequently concluded on 26 February 2015.

Visit www.kulim.com.my or scan the QR code for further information about Kulim.

KULIM BUSINESSES

REVENUE
RM1.09
billion

Solidifying Involvement in Global Digital Logistics Business

On 2 May 2014, Kulim exercised its right to convert its subscription of 3-year Irredeemable Convertible Cumulative Unsecured Loan Securities (ICCULS) in Asia Economic Development Fund Limited ("AEDFL") with an aggregate nominal value of USD15.34 million inclusive of capitalised interest. With the conversion, Kulim now holds 54.21 percent equity interests in AEDFL - a company holding interest in the global digital logistics business. It will serve as a platform for Kulim Group to participate in a unique new business activity with a "first-mover advantage" in the development and deployment of a global solution towards increasing global trade.

Diversification into Oil and Gas

Consistent with the Group's long-term business plan to diversify its business activities, Kulim's wholly-owned subsidiary, Kulim Energy Nusantara Sdn Bhd ("KENSB") executed a Joint Operating Agreement (JOA) with PT Graha Sumber Berkah ("PT GSB") and PT Radiant Bukit Barisan E&P ("PT RBB") on 23 October 2014 to participate in the exploration and development of an O&G field in the South West Bukit Barisan (SWBB) Block in Central Sumatera, Indonesia.

Subsequently, on 10 December, KENSB entered into a Conditional Subscription and Shares Purchase Agreement (CSSPA) with PT Citra Sarana Energi ("PT CSE") and its existing shareholders, PT Wisesa Inspirasi Sumatera ("PT WIS") and PT Inti Energi Sejahtera ("PT IES") for a 60 percent stake in PT CSE for USD133.55 million. The move is aimed to secure Kulim's interest at the shareholding level and is expected to enable Kulim to expand its involvement in the O&G sector in Indonesia, particularly in the niche upstream activities of exploration, development and production.

UNLOCKING ASSET VALUE

Divestment of Nexsol

While expanding its asset portfolio, Kulim is also selectively divesting assets that are underperforming, are no longer in line with the Group's strategic vision or when they can realise significant value. Thus on 3 December 2014, Kulim Group disposed its entire 100 percent equity interests in Nexsol (Malaysia) Sdn Bhd ("Nexsol") to PGEO Group Sdn Bhd ("PGEO Group") for a cash consideration of RM27 million.

As part of the deal targeted for completion by the first half of 2015, PGEO Group will also purchase 12 hectares of leasehold land whereby the plant is located for RM23 million. The divestment of these two assets will enable Kulim to realise some value in its investments in Nexsol and its facilities which were not in operation. Proceeds from the sale will be utilised as working capital.

KULIM BUSINESSES

Divestment of NBPOL

During the year, Kulim also announced its proposal to dispose its entire interests in NBPOL to Sime Darby Plantation Sdn Bhd ("SDP") for a disposal consideration of approximately RM2.75 billion. The proposed divestment provided timely opportunity for Kulim to realise its investment in NBPOL at an attractive premium, with a gain on disposal of approximately RM1.29 billion net of expenses recorded upon completion in February 2015. Part of the proceeds will be utilised to reduce the gearing level of the Group and strengthen its working capital to support its core plantation businesses and other ventures in Malaysia and abroad. At an Extraordinary General Meeting (EGM) held on 3 December 2014, shareholders have given Kulim the green light to proceed with the divestment of NBPOL. The divestment exercise was completed on 26 February 2015. The first tranche of RM500 million special dividend arising from the disposal proceeds was subsequently paid on 23 March 2015.

Listing of E.A. Technique (M) Berhad

In its IV Segment, the most significant development was the listing of E.A. Technique (M) Berhad ("EATech") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 11 December 2014. The Initial Public Offering (IPO) exercise is expected to enable the company to raise funds from the capital market to finance its expansion plans. It has also provided an opportunity for the investing community to participate directly in EATech's equity and continue growth.

Total Oil Palm Planted Area

55,950 hectares

(JCorp and Kulim)

AWARDS AND RECOGNITION

For the seventh year in a row, Kulim was the winner of the National Annual Corporate Reporting Award (NACRA) for the Plantations & Mining Category. In its efforts to provide holistic and strategic insights to its stakeholders, Kulim has adopted some of the key principles and concepts of the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework (IRF) in the FY 2014 Report – Kulim's first Integrated Annual Report.

Integrated Reporting (IR) is a journey and Kulim is still at an embryonic stage. In laying the foundations, its goal is to have a report that meets the principles of the IIRC framework over the next three (3) years.

Kulim's Sustainability Report 2012/2013 was also shortlisted for the ACCA Malaysia Sustainability Reporting Awards (ACCA MaSRA) 2014. The ACCA MaSRA Awards gives recognition to companies that report and disclose full sustainability, environmental and social information.

Kulim was also ranked 49th amongst the top 50 companies shortlisted for the Malaysia-ASEAN Corporate Governance Award organised by the Minority Shareholder Watchdog Group (MSWG). The award is intended to showcase the top Malaysian public-listed companies with good corporate governance practices using the ASEAN Corporate Governance Scorecard Methodology.

At the Asia Corporate Excellence and Sustainability (ACES) Awards 2014, Kulim's Managing Director, Ahamad Mohamad did the Group proud by being named one of the Top Outstanding Leaders in Asia. The Award recognises exceptional individuals who have demonstrated sound leadership qualities, successfully applying it to spearhead growth and prominence for the company.

KULIM BUSINESSES

SEGMENT HIGHLIGHTS

Plantations

As at 31 December 2014, the divestment of NBPOL by Kulim was still in progress and was subsequently completed on 26 February 2015. Therefore, for operational reporting purposes, operational review for plantations in Papua New Guinea (PNG) and the Solomon Islands (SI) are still included in this year's report.

Kulim Group is considered as one of the oil palm industry leaders in terms of yield performance. In FY 2014, the Group including JCorp and NBPOL produced 2.66 million tonnes of FFB, an improvement of 9.6 percent from 2.43 million tonnes achieved in the previous year. The PNG operations were the biggest contributor to FFB production, accounting for 1.55 million tonnes or 58.4 percent, followed by Malaysia (36.4 percent) and SI (5.2 percent).

PLANTATION IN MALAYSIA

During the year, Malaysia (Kulim and JCorp) operations produced a total of 969,235 tonnes of FFB, a 4.10 percent increase from 931,055 tonnes produced in 2013. Correspondingly, the division also achieved a 1.04 percent increase in Yield per Hectare (YPH) to 22.12 tonnes from 21.60 tonnes recorded the previous year. The division's FFB performance was superior compared to the average yield achieved by the industry in Johor as well as Peninsular Malaysia, which was 19.50 tonnes and 18.23 tonnes respectively.

The division is committed in improving the age profile of its palms. In FY 2014, some 2,275 hectares were replanted with new high yielding clones. Replanting is undertaken on a staggered basis to maximise the crop potential before felling is carried out. As the result of replanting initiatives, the average age profile of Kulim's palms improved to 11.17 years.

Good Agricultural Practices and Manufacturing Practices have been adopted at all stages of the division's plantation operations to enhance efficiency and productivity. They cover an entire spectrum of activities, ranging from nursery preparation, field planting and up-keeping, right up to FFB harvesting, transportation and processing at the mills.

Over the years, proactive measures have been taken to step up the division's mechanisation and automation programmes to reduce dependency on labour, especially for FFB harvesting and evacuation. The latest addition to its mechanisation programme involve the use of a Bin System for faster and more efficient FFB loading and evacuation. The way forward for plantation players like Kulim is to increase the level of mechanisation in the upstream sector of the industry in view of the yearly increase in salary cost as result of the collective wage revision agreements between the Malaysian Agricultural Producers Association (MAPA) and the National Union of Plantation Workers (NUPW).

In FY 2014, the division's four (4) mills in Malaysia produced 257,881 tonnes of CPO, an increase by 1.2 percent from previous year. This was despite a 0.56 percent decrease in FFB processed from both the division's estates and external suppliers. Palm Kernel (PK) production amounted to 69,681 tonnes, a slight decrease of 1.71 percent from FY 2013.

The division achieved OER of 20.58 percent, which is an improvement from 20.22 percent recorded in 2013 as the result of mainly favourable drier weather and increased matured crops from the division's estates. However, the Kernel Extraction Rate (KER) declined marginally from 5.63 percent to 5.56 percent over the same period. It is noteworthy that the division's OER is higher than the industry average of 20.19 percent for Peninsular Malaysia while its KER is at par with the industry average.

KULIM BUSINESSES

PLANTATION IN PNG AND SI

During the year, a total of 2,331,756 tonnes of FFB were processed, a 11.8 percent increase from previous year's 2,085,670 tonnes. Correspondingly, NBPOL Group's CPO extraction rate for the year was 22.35 percent versus 22.15 percent recorded in 2013. Total oil production was 574,124 tonnes (2013: 507,856 tonnes), with 521,204 tonnes of CPO produced and 52,920 tonnes of PKO produced (2013:462,060 tonnes and 45,796 tonnes respectively).

In 2014, NBPOL Group completed 1,183 hectares of new plantings (with a further 1,479 hectares under preparation) and 2,743 hectares of replanting. CPO prices traded during the year were between USD675 and USD935 per tonne, starting the year at USD785 per tonne, increased to USD935 per tonne during the year and ended at around USD700 per tonne with current prices trading at approximately USD700 per tonne.

74 percent

in PT WIN equity interest

40,645 hectares

of new oil palm plantations in Central Kalimantan

PLANTATION IN INDONESIA

In 2013, Kulim was presented with an opportunity to re-enter Indonesia having left it in 2007. The completion of 74 percent acquisition in PT WIN paved the way for Kulim and PT GSB to develop 40,645 hectares of new oil palm plantations in Central Kalimantan, Indonesia. Being a socially and environmentally responsible corporate citizen, Kulim is committed to the expansion of its plantation operations, especially in Indonesia, guided by the RSPO's New Planting Procedures (NPP) apart from the relevant Indonesian regulations through a formal process to secure the necessary documentation to obtain a release permit prior to land development.

Accordingly, Kulim initiated the necessary stakeholders' engagement programme as early as June 2013, including surveys to determine the High Conservation Value (HCV) area and engagement with the local Dayak community to explain its development plans and obtain their consent to proceed with its development plans. In July 2014, the relevant documents were submitted to TUV Rheinland Indonesia, a leading service provider for RSPO certification. The report by auditors from TUV Rheinland was completed in September and was subsequently published on the RSPO website for public notification purposes.

Kulim is in the final stages to obtain the necessary permits to convert 7,133 hectares of forest (Hutan Produksi Konversi - "HPK") to grow oil palms (Areal Penggunaan Lain – "APL"). The final approval from the Forestry Ministry is expected by June 2015.

INTRAPRENEUR VENTURES DIVISION

Kulim's Intrapreneur Ventures (IV) Division is the test-bed for the Group's entrepreneurial talents. Kulim is constantly on the look-out for new and promising businesses that can be nurtured to maturity. Kulim's efforts have paid off with some success stories, notably that of EATech and its subsequent listing on the Main Market of Bursa Malaysia.

As expected, Kulim also had its shares in businesses that had not performed in line with expectations. These businesses were downsized or restructured. Some operations were outsourced while those under-performing or no longer in line with the Group's business objectives were divested. In FY 2014, Kulim acquired a new company and disposed two companies, while operations of two companies were outsourced.

KULIM BUSINESSES

OUTLOOK AND PROSPECTS

Kulim and the business environment are in for very challenging but interesting times in the coming year. The sharp decline in oil prices since mid-2014 will support global activity and help offset some of the grown headwinds in oil-importing developing economies. On the other hand, it will also dampen growth prospects for oil-exporting countries. In January 2015, the Malaysian Government revised its economic growth forecast for the year in the face of fiscal deficit challenge.

Key Component

By 2020, Malaysia's palm oil sector is targeted to boost the country's total Gross National Income (GNI) by RM125 billion to RM178 billion and create 41,600 new employments. The palm oil industry has been identified as one of the National Key Economic Areas (NKEA) to transform the nation into a high-income economy by 2020.

Leveraging New Growth

The disposal of NBPOL had enabled Kulim Group to realise its investment in the company at an attractive premium and a gain of approximately RM1.29 billion. The disposal was in line with Kulim's strategy of constantly evaluating its portfolio of investments and to unlock the value of some of these investments for the benefit of its shareholders.

In addition to returning cash surplus to shareholders, the sale of NBPOL will reduce the gearing level of the Group from approximately 0.40 times to approximately 0.21 times. It will free up cash flow and provide Kulim with further financial flexibility to pursue opportunities to acquire additional plantation land and to venture into other viable business opportunities. Moreover, Kulim had an established track record of identifying new viable assets or businesses that can be acquired and nurtured to sustain growth and profitability.

Consistent with its balanced business strategy, Kulim's investment in the SWBB PSC venture represented the Group's first step to expand its involvement in the niche Indonesian O&G activities. The venture also offered high potential to contribute positively to Kulim's future earnings and enhance shareholders' value in the long run. Kulim believes that significant results from the O&G business are expected to be visible from 2016 onwards.

The first 500 hectares of land under PT Sumber Sawit Rejo ("PT SSR") had already been cleared for a new planting programme, along with the setting up of a 80-hectare oil palm nursery in the third quarter of 2014. Kulim expects the first crops to be ready for harvesting in 2017. Meanwhile, the socialisation process with the surrounding villages is ongoing at all three (3) sites, namely PT SSR, PT Harapan Barito Sejahtera ("PT HBS") and PT Wahana Semesta Kharisma ("PT WSK").

Downstream Activities

Downstream activities that can be expanded alongside Kulim Group's palm oil milling activities include the biogas plant from Palm Oil Mill Effluent (POME), which is its current focus. The Kulim Group's first biogas plant at Sedenak Palm Oil Mill commenced operation on 8 April 2014, whereas the next biogas plants in the pipeline are located at Pasir Panjang Palm Oil Mill and Sindora Palm Oil Mill. Apart from the added value to be accrued as downstream activities, the projects are also part of Kulim's sustainability efforts towards promoting renewable or green energy within the oil palm sector.

KULIM BUSINESSES

Potential Growth Areas – Property Development

Spurred by government-driven mega projects, including Iskandar Malaysia and the PETRONAS Refinery and Petrochemicals Integrated Development (RAPID) project in Pengerang, the Group see these as great potentials for property development, given the proximity of some of Kulim's estates to these areas. These estates include the REM Estate (2,576 hectares), Sungai Papan Estate (3,022 hectares) and Siang Estate (3,452 hectares).

Business Plans and Strategies are in place, and Kulim's main priorities in FY 2015 is to leverage growth on the following main pillars:

1. Constantly explore and evaluate business opportunities in promising new areas to achieve multiple revenue streams.
2. Continue to solidify the financial strength of the Group and fine-tune its operations even more.
3. Intensify efforts to achieve greater cost efficiency and maximise margins, while increasing productivity abiding by the principles of sustainability.
4. Inculcate a high performance culture throughout the Group.

Although Kulim remains cautious about the global economy, it is confident about the future of the Group and the businesses it ventures in. Despite the uncertainties of the business environment, Kulim is well positioned to pursue opportunities for new growth. Kulim is convinced that its business and investment approaches will lead to unlocking further value for its shareholders.

SPO Certification

The successful attainment of Sustainable Palm Oil (SPO) certification will further enhance Kulim's reputation globally of its awareness of environmental issues and help it to be the front runner in the global supply chain. Sustainability premiums could become an important contributor to Kulim Group's margins.

SPECIALIST HEALTHCARE BUSINESSES

Since the opening of its first hospital in Johor Bahru in 1981, KPJ Healthcare Berhad ("KPJ") – a leading private healthcare provider in Malaysia – maintains a very positive track record. In line with the mission to deliver quality healthcare services, the year 2014 witnessed KPJ upgrading its existing hospitals, including KPJ Johor, KPJ Seremban, KPJ Selangor, KPJ Sabah, KPJ Puteri and Sentosa Medical Centre. In addition, KPJ has introduced several new services and technologies to further enhance the quality of its overall services.

The year 2014 also witnessed the launch of new hospitals in the KPJ Group. KPJ Klang Specialist Hospital was officially launched in February 2014 by HRH Tengku Panglima Diraja Selangor, Tengku Sulaiman Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, representing the HRH Sultan of Selangor. This eight-storey hospital worth RM120 million, with a capacity of 220 beds offers a variety of specialties which are of international standard, with more than 30 consultants from various disciplines supported by well-trained medical professionals.

Meanwhile, KPJ Pasir Gudang – the fourth KPJ hospital in Johor – organised two major events in 2014. The first being a Public Health Camp in Kampung Senibong, launched by YAB Dato' Mohamed Khaled Nordin, Chief Minister of Johor in January 2014. This program was aimed at increasing public awareness about the importance of good healthcare. The Health Camp succeeded in encouraging the public to participate in activities involving outpatient clinics, health talks, blood donation campaign, health screening, *gotong-royong* and a colouring contest for children. The second event was the official launching of the hospital, also officiated by YB Dato' Mohamed Khaled Nordin in August 2014. The eight-storey building worth RM73 million and has a total of 130 beds, four operating rooms, an Intensive Care Unit (ICU) with other advanced and attentive facilities.

In August 2014, KPJ also launched another new hospital, KPJ Rawang in Selangor. Starting its operation in March 2014, this hospital made history as the first hospital built in the thriving area of northern Selangor. It has a capacity of 160 beds, equipped with various facilities and expertise to meet the needs of the Rawang community and its surrounding area.

KPJ Bandar Maharani in Muar is the fifth KPJ hospital in Johor. It was built to meet the growing market demand in the northern parts of Johor and also the neighbouring state of Melaka. The hospital started its operations in June 2014 and offered various healthcare services including 15 clinics, two operation theatres, three labour rooms, an Intensive Care Unit (ICU) with seven beds including isolation rooms and an accident & emergency (A&E) service that operates 24 hours a day. The hospital has 120 beds, beside outpatient and inpatient services such as Paediatrics, Obstetrics and Gynaecology, Ear, Nose and Throat surgery, Urology and Orthopaedics. This hospital will also have a Royal Ward and Premier Ward.

Moving forward, KPJ will continue to build more hospitals in other areas such as KPJ Pahang Specialist Hospital and KPJ Perlis Specialist Hospital which are both expected to open in 2015.

KPJ Pahang Specialist Hospital will open its doors to the public in the fourth quarter of 2015. Located at the new commercial centre of Tanjung Lumpur, the hospital will have a capacity of nearly 200 beds. KPJ Pahang is a joint venture between Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB", which is a wholly owned subsidiary of KPJ) with PASDEC Corporation Sdn Bhd (a subsidiary of PASDEC Holdings Berhad) to provide services for the 600,000 residents of Kuantan and the surrounding area. The hospital will be equipped with the latest medical facilities including a 1.5 Tesla Magnetic Resonance Imaging (MRI) and 64-slice Computer Tomography Scanner.

Meanwhile, KPJ Perlis is expected to commence operations in the fourth quarter of 2015. Located in Kangar, it is the first private hospital to be built in Perlis. The hospital is a joint venture between KPJSB and Yayasan Islam Perlis. With the capacity of 90 beds, this hospital will be equipped with the latest technology including 16-slice Computer Tomography (CT scanner), General X-Ray, Ultrasound, Mobile C-Arm, Mobile X-Ray, CR System and Mammography.

SPECIALIST HEALTHCARE BUSINESSES

In addition KPJ signed a tripartite agreement with Pelaburan Hartanah Bhd and Nadayu Properties Bhd to build KPJ Damansara II, near the commercial area of Mutiara Damansara, Selangor. The hospital is scheduled to begin construction in 2016 and will be completed in 2018.

International Presence

KPJ Group has also partnered with Sheikh Mujibur Rahman Memorial Trust to manage and control Sheikh Fazilatunnessa Mujib Memorial KPJ Specialised Hospital and Nursing College in Dhaka, Bangladesh. With only 53 employees at the beginning, the hospital began to provide outpatient services on 14 April 2014. Services to inpatients started on 18 October 2014 with 100 beds. KPJ will continue to seek growth opportunities, including offering consultations and hospital management expertise in Asia and the Middle East.

KPJ hospitals in Indonesia showed a positive performance over the previous year, lowering their losses by 65 percent. On average, the gross profit margin increased from 36.1 percent to 41.3 percent in 2014, while the marginal loss decreased by 65.4 percent. The increase in gross proft margin was driven partly by the recovery strategy by KPJ.

KPJ's investment in Thailand is through a 23.4 percent equity ownership in the Vejthani Hospital in Bangkok. This hospital has 193 beds and is renowned for its speciality in orthopaedic treatments. The year 2014 saw the hospital garnering a net profit of RM10.4 million, a decrease of 24.6 percent from RM13.8 million recorded in 2013, due to the political turmoil in the country.

Jeta Gardens (part of KPJ Group) is a senior living centre or aged care facility in Australia and it managed to record an increase of 5 percent in terms of revenue, i.e. achieving RM29.5 million in 2014, up RM1.5 million on to the previous financial year.

KPJ Advantage - Healthcare Industry Support Segment

Other than hospital-based healthcare, KPJ has now become more innovative by pursuing healthcare-related services. This holistic approach enables KPJ to achieve greater competitiveness and it also contributes to the Group's long-term sustainability. It also reflects KPJ's capacity to meet the increasing needs in today's market.

SPECIALIST HEALTHCARE BUSINESSES

In August 2014, KPJ Senior Living Care (Nursing Home) began its operations in Kuala Lumpur. Located in Tawakkal Health Centre (THC), the newly renovated and upgraded building provides a comfortable environment for elderly inpatients. THC's main advantage is the customer care and 24-hour medical supervision by trained nurses and regular visits by medical specialists. Patients can choose to stay either for short or long period of time according to their needs. KPJ Senior Living Care provides quality care to all customers regardless of race, social status and religion.

Meanwhile, in October 2014, the KPJ Centre for Sight (CFS) was officially launched in THC. CFS offers specialist outpatient services and ophthalmology daycare facilities. Apart from the domestic market, the centre also provides eye examinations for foreign nationals, including for MM2H family residing in this country.

Increase in Number of Patients

In 2014, KPJ hospitals provided services to more than 2.8 million patients compared to 2.7 million in the previous year. The number of outpatients increased by 2.6 percent amounting to 2,533,882 patients compared to the previous year's 2,469,543 patients.

With the increased number of beds in KPJ Group in 2014, 280,648 patients were admitted to the ward, thus recording an increase of 8.2 percent over the 259,488 patients for the corresponding period in 2013.

2014 Improved Financial Performance

KPJ Group recorded a turnover of RM2.64 billion on 31 December 2014, an increase of 13 percent compared to RM2.33 billion in the previous year. KPJ also achieved pre-tax profit of RM215.8 million compared to RM157.7 million in 2013, an increase of 36.8 percent.

KPJ's Innovative Technology

During the year under review, KPJ also became the first private healthcare organisation in ASEAN investing in a 'Cloud' infrastructure. The Group had spent RM17 million over a period of three years and the system will enhance management of the hospitals' integrated database nationwide.

KPJ Healthcare University College (KPJUC)

In 2014, KPJUC offered 35 courses ranging from foundation programmes to PhD across its campuses. This marked the addition of nine new programmes with a total of 1,952 students enrolled during the year. Among the new programmes offered are Bachelor and Master of Paediatrics Radiology, whereby the intake started in June 2014. Other programmes include the Bachelor of Science in Nursing (Hons), Bachelor of Physiotherapy (Hons), Certificate of Healthcare of the Elderly, Dialysis Technician and Obstetric Care.

In addition to the academic programmes, KPJUC further strengthened its Research and Development (R&D) capabilities focusing on postgraduate and PhD students. Therefore, KPJUC will continue to strengthen its collaboration with international partners in R&D to a higher level. KPJUC will also collaborate with foreign universities in this regard. A total of 14 ongoing and new research projects are being carried out by KPJUC employees.

SPECIALIST HEALTHCARE BUSINESSES

KPJ WAS RECOGNISED BY THE MALAYSIA BOOK OF RECORDS AS THE LARGEST PRIVATE HEALTHCARE SERVICE PROVIDER CHAIN IN MALAYSIA

Talent Management

Up until December 2014, KPJ Group had 11,626 employees. A total of 10,583 or 91 percent worked in the hospitals while the remaining 1,043 (9 percent) worked in the Corporate Headquarters and subsidiaries. From the total number of employees, 26 percent of the managers are women. This proves that KPJ is in line with the aspirations of the nation to have women holding up to 30 percent of the senior policy decision-making positions in the corporate sector by 2016.

KPJ's talent management strategy aims to fully maximise staff potential through learning and development, expanding their experience, encouraging employee engagement and enhancing the career-life balance. KPJ has been successful in this context and recognised by HR Asia as one of the Best Companies to Work For in 2014.

In 2014, three important leadership programmes were organised as part of the organisation's overall Succession Plan. Participants in the programme were specifically selected from the ranks of management for the Group and hospitals. In addition, the Group also advocated the Executive Development Programme for the third time together with the AMG-KPJ Leadership Programme.

Patient Safety and Accreditation

To date, a total of 15 KPJ hospitals attained accreditation status from the Malaysian Society for Quality of Health (MSQH) and four by the Joint Commission International (JCI). The two hospitals that received accreditation status of MSQH in early 2014 were Sentosa Medical Centre and Kuantan Specialist Hospital.

Awards and Recognitions

KPJ received several awards and recognitions throughout 2014. In February 2014, KPJ received the IAIR Award of Excellence in Global Economy, Best Leadership Company for Private Healthcare Service Provider in Malaysia.

In April 2014, KPJ was recognised by the Malaysia Book of Records as the Largest Private Healthcare Service Provider Chain in Malaysia.

In addition, KPJ continues to be recognised by Business Media International as Asia's Best Companies to Work for in Asia Award 2014.

Corporate Responsibility

Waqaf An Nur Clinics (KWAN) is KPJ's primary CR initiative, providing medical attention to the less fortunate in the community. There are 20 KWAN clinics throughout Malaysia. Since its inception, KWAN clinics have treated 1,048,797 underprivileged Bumiputra patients and 78,729 (8 percent) non-Bumiputra patients. MSQH had also accredited five KWAN clinics for their continued aspirations in quality services and materialisation of KPJ's core values - safety, courtesy, integrity, profesionalisme and continuous improvements.

On 10 October 2014, KPJ signed a Memorandum of Cooperation with OrphanCare Foundation, under the patronage of HRH Sultanah Pahang, Sultanah Hajjah Kalsom. This project witnessed KPJ hospitals collaborate with OrphanCare to provide a safe home for babies through The Baby Hatch programme.

FOODS & RESTAURANTS SERVICES BUSINESS

Total revenue for the year increased to RM3,911.4 million, up 1.5 percent on the RM3,852.2 million achieved in 2013.

In 2014, revenue of all restaurants of the Group climbed 1.8 percent to RM3,234.1 million. Revenue (including intercompany sales) at the Group's Integrated Poultry segment improved to RM1,594.5 million, a 0.8 percent gain on 2013.

FOODS & RESTAURANTS

In 2014, the total number of foods and restaurant outlets grew further. The total outlets operating under the Pizza Hut and KFC brands had grown by 6.1 percent to a total of 1,172 units from 1,105 in 2013.

Pizza Hut and Pizza Hut Delivery outlets grew by 7.5 percent to 417 units; while KFC outlets by 5.3 percent to 755 units.

KFC operates across five countries in Asia, of which comprises of Malaysia, Singapore, Brunei, Cambodia, and India.

Despite higher revenue at the Foods and Restaurants division by 1.8 percent to RM3,234.1 million in 2014, the profit before tax had declined by 36.9 percent to RM185.6 million against the previous year of RM294 million.

KFC

KFC Malaysia

In 2014, KFC Malaysia's revenue jumped to RM1,965.1 million, 1.5 percent up on the RM1,935.5 million recorded in the previous year.

FOODS & RESTAURANTS SERVICES BUSINESS

Reflecting the commitment to provide customers with a fresh and inviting dining ambience, the Group renovated 95 restaurants during the year. In addition, 19 stores were renovated due to the recent floods. 39 new outlets (including 13 relocated outlets) and 11 closures 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.

2014 also marked a year of great achievement for KFC Malaysia as they were awarded the Franchisee of the Year 2013. The title, which was awarded by Yum! Brands, Inc. is largely based on the consistent performance and execution of KFC Malaysia over the years. KFC Malaysia also received two other awards namely the Development Excellence for their diligence and tenacity in driving strong growth, and building a consistently great looking KFC Brand with their development programme; and Marketing Excellence, for their demonstrated excellence in marketing in 2013 across all three of Yum! Brands, Inc. marketing pillars – Value, Innovation and Core.

With 605 restaurants in total – 504 in Peninsular Malaysia and 101 in East Malaysia – the Group has once again retained its market dominance, and KFC remains as Malaysia's largest restaurant chain. Another 34 new restaurants are lined up for operation in 2015.

KFC Singapore

KFC Singapore continues to strive and innovate to meet consumers' tastes and pockets. In the face of transaction challenges, KFC Singapore drove value through Rice Bucket $4 Campaign, L.O.V.E. (Loads of Value Everyday) Campaign, Celebration Combo $4.90 and KFC a.m. Brekkie Burger $2 Campaign to drive transactions as well as innovations; Zinger Double Down with football star Ronaldo and Black Pepper Crunch to drive excitement. KFC Singapore also broke new ground in contemporising the KFC brand with the introduction of KFC Froyo and KFC Coffee.

2014 ended with 85 stores in which there were eight new openings, one relocation and offset by four closures.

Sales were 0.5 percent above 2013 at SGD171.9 million, an increase of SGD0.9 million.

KFC Brunei

There was no new outlet opened for KFC Brunei during 2014. Thus, the number of outlets remains at 16 restaurants. Total revenue slightly reduced by 0.4 percent to RM31.1 million, a decrease of RM0.1 million. Expansion plans for 2015 consists of two new restaurants.

KFC Cambodia

KFC Cambodia generated sales of RM14.0 million in the year 2014, which was a big improvement over 2013 by 12 percent from its RM12.5 million revenue in 2013. Further reduction in food cost has helped further improve KFC Cambodia's gross margin by 8.5 percent. Two new stores were built being KFC AEON Mall opened in June and KFC Boueng Keng Kong (BKK) opened in December. KFC Cambodia ended the year 2014 with a total of 11 restaurants.

KFC India

In its fifth year of operations, KFC India reported revenue of RM46.9 million, an increase on 2013 sales of RM40.8 million.

Currently, KFC India has 38 outlets, of which five new stores were opened, one store relocated and two stores were closed in 2014.

(** please note that an exchange rate of RM0.0551:INR 1 has been used.)

FOODS & RESTAURANTS SERVICES BUSINESS

PIZZA HUT

Pizza Hut Malaysia

Pizza Hut Malaysia's sales revenue experienced a slight decrease by 1.9 percent, to register RM484.4 million in 2014 against RM494.0 million in 2013. However, Pizza Hut shows much promise in gaining further profit through many exciting promotions lined up for 2015.

In 2014, Pizza Hut launched 8 major promotions during the year with new products tied to the festive seasons. In August, Pizza Hut Malaysia enhanced their commitment to being at the top of their game as the pizza place of choice, with a pledge to serve the new and improved Pan Pizzas with a satisfaction guaranteed promise. The pan pizzas are guaranteed to be freshly prepared, with only the best in quality ingredients and great taste. So if customers are not satisfied, Pizza Hut would gladly replace it with another pizza for free.

Pizza Hut Malaysia also received the Development Excellence award from Yum! Brands, Inc. for their hard work and initiative for setting the bar higher for Pizza Hut delivery growth each year. They built a staggering 40 units in 2013, on the heels of 35 in 2012. Pizza Hut continues to drive their penetration and accessibility to customers to ensure it remains as the brand of choice for pizza delivery.

Pizza Hut Malaysia ended 2014 with 355 outlets. A total of 30 new outlets were opened and eight were closed. Another 28 outlets underwent image enhancement during the year. Out of the 30 outlets in 2014, 19 outlets were delivery stores. For the year 2015, Pizza Hut plans to open another 28 outlets of which 16 will be dine in restaurants, 10 will be delivery stores and two will be Pizza Hut Express that will add to their growing number of stores.

Pizza Hut Singapore

With the strong casual dining and delivery trend, Pizza Hut experienced resounding success from the strategic launch of Hand Stretched Thin Crust, Signature Series pizzas and Cheesy 7 Pockets pizza in 2014. Growth for delivery was driven by strong value programmes via the Double Box and Big Box; and a new Pizza Hut Express concept was introduced to capture a share of the 'on-the-go' market segment.

Sales were 6 percent above 2013 at SGD92.4 million, an increase of SGD5.4 million. Pizza Hut ended 2014 with 62 stores, comprising of nine new stores and two closures.

INTEGRATED POULTRY OPERATIONS

The Integrated Poultry Operations segment saw another year of growth in 2014. Revenue including intercompany sales advanced 0.8 percent from 2013, climbing to RM1,594.5 million.

Ayamas Food Corporation Sdn Bhd ("AFCSB") processing plants contributed greatly to the increase up by 2.1 percent on 2013 levels. The Group's expanding restaurant chains and stores – KFC and Pizza Hut – continue to increase their order volumes, thus boosting internal sales figures.

QSR Trading Sdn Bhd

QSR Trading Sdn Bhd (formerly known as KFC Marketing Sdn Bhd) was established in 2001 as a sales, marketing and trading arm for QSR Brands and external markets, both domestically and internationally. With a vision to be the preferred distributor of superior quality halal brands, the subsidiary performed well in 2014, with sales growing by 4.5 percent to reach RM338.6 million.

FOODS & RESTAURANTS SERVICES BUSINESS

In addition to the Group's own brands namely Ayamas, Life, Amy, Zippie, and Bakers' Street; QSR Trading has also become the third-party distributor for international brands namely Simplot, Divella, Kewpie, Lactima, Belle and Leggo's. QSR Trading also supplies halal chicken meat to KFC and Pizza Hut restaurants across Malaysia.

Feedmill Division

The feedmill revenue for 2014 was RM219 million. Increased broiler production to meet the Group's chicken requirements translated into 134,000 metric tonnes of feed milled. Estimates of broiler requirements for 2015 are higher still, and feed volume is also expected to grow.

Breeder Farms & Hatchery

Under the Group's Breeder Farm and Hatchery division, the breeder farms produce eggs which are sent to hatcheries to be hatched into Day-Old-Chicks (DOC). In 2014, the division produced 51 million DOCs compared to 48 million in 2013, an increase of 6.3 percent.

ANCILLARY OPERATIONS

Sauce Manufacturing

Region Food Industries Sdn Bhd ("RFI"), which manufactures sauces both for the Group and external markets under the 'Life' brand, reported a sales growth of 3 percent from RM118 million to RM122 million in 2014.

At RM108.1 million, internal sales accounted for 88.5 percent of the revenue. Meanwhile, external domestic sales of RM0.2 million and export sales of RM13.8 million contributed 0.2 percent and 11.3 percent of the revenue respectively.

Bakery & Commissary

In 2014, the Bakery division recorded sales of RM40.3 million. It also achieved 9.1 percent increase in bun production for KFC. The Commissary division generated sales of RM3.4 million (net of intraco).

Tepak Marketing

Tepak Marketing Sdn Bhd ("Tepak"), a wholly owned subsidiary of QSR Brands produces, markets, and sells beverages and nutritional drinks for the domestic and export markets. Tepak's revenue for 2014 was RM30.3 million, an increase of 14.6 percent from year 2013.

KFCH INTERNATIONAL COLLEGE

Since its establishment in year 2011, KFCH International College successfully operates two campuses; Johor Bahru as the main campus and Puchong as the branch campus. During the year 2014, the College achieved revenue of RM9.78 million from its Diploma programmes and a further RM0.11 million from short courses, besides RM0.12 million from coffeehouse sales.

As at December 2014, KFCH International College achieved a total enrolment of 1,261 in year 2013 and in 2014, the College recorded a total number of 1,101 enrolments. About 384 students successfully graduated with excellent grades in November 2014. The vision for KFCH International College is to be the leading institution providing quality higher education programmes.

The College has obtained full accreditation status from Malaysian Qualifications Agency (MQA) for all its Diploma programmes in both campuses, with exception of two programmes: Diploma in Hotel Management and Diploma in Business Administration in Johor Bahru campus which are still under provisional accreditation. However, both programmes are in motion to gain the full accreditation.

In line with its mission to focus on higher education programmes at the Certificate and Diploma levels, the two new additional programmes, namely Diploma in Food Science & Technology and Diploma in Halal Management & Food Safety had been approved by Ministry of Education and will help to jumpstart the prospect in food science and *halalan toyyiban*.

PROPERTY BUSINESSES

MIXED DEVELOPMENT

Johor Land Berhad ("JLand") spearheads Johor Corporation's ("JCorp") Property Division in residential and commercial development in building thriving communities and enriching lives in Johor since the last four decades. JLand's key achievement in developing and maintaining strong track record of building community has been proven by the success of development of residential neighbourhoods in Pasir Gudang and currently the on-going development of premier township in Bandar Dato' Onn, Johor Bahru.

Net Tangible Asset

RM **1.015** BILLION

2014 against

RM **924** MILLION

in the preceding year

PROPERTY BUSINESSES

PROPERTY BUSINESSES

JLand has a substantial land bank of about 1,214 hectares, strategically located in the heart of Iskandar Malaysia and has huge potential when fully developed within the next 10 – 15 years. The vast development of Iskandar Malaysia with their mega hub and industrial development centre services, including medical, financial and recreational sectors will transform Johor Bahru into a world-class city, and this in turn will boost the property market in Johor, with particular to the demand for residential properties. JLand will continue to benefit from the positive spillover by creating innovative development concepts and delivering quality homes as well as distinctive neighbourhoods to its customers in exceptional townships.

FINANCIAL PERFORMANCE

JLand continued to record remarkable performance in 2014 as compared to the previous year, with a revenue of RM413 million against RM316 million in 2013, while profit before tax surged to RM117 million against RM108 million in 2013. JLand's performance is expected to improve in 2015 by taking into consideration the completed projects as well as new projects, although the property market condition is expected to be more challenging in the years to come.

JLand's balance sheet remains fundamentally strong as net tangible assets increased to RM1.015 billion in 2014, against RM924 million as recorded in the preceding year.

PROPERTY BUSINESSES

OPERATIONAL REVIEW

Bandar Dato' Onn

JLand has grown to be a dominant player of property business in Johor. JLand's strategy of offering innovative and attractive products continues to hold the company in good stead. Bandar Dato' Onn is one of such offerings. Encompassing 612.69 hectares of freehold land, this premier development is easily accessible via a dedicated interchange to and from the North-South Highway and located only 12 kilometres from the Johor Bahru City Centre. It has been planned as a self-contained city and a place for more than 90,000 residents to call home. The township is scheduled to be completed over a 10 to 15 years period and will feature approximately 17,200 residential and commercial properties with expected gross development value (GDV) of RM8 billion.

Bandar Dato' Onn's excellence in design, planning and development, gained recognition when JLand received the Planning Design Award at International Conference JB Towards World City on 29 April 2014. This recognition demonstrates the ability of Bandar Dato' Onn as one of the components that make Johor Bahru a world city by 2020. Bandar Dato' Onn will also be one of the most beautiful townships and modern places to live in the Southern Peninsular Malaysia.

Bandar Dato' Onn continues to be recognised when it won the Malaysia Landscape Architecture Award 2013 in the category of Landscape Analysis And Study Award through a research project called "Central Park: A Sustainable Township Park For Bandar Dato' Onn, Johor Bahru". JLand received the award on 30 April 2014.

In July 2014, JLand launched 74 units of double-storey terraced houses at Mutiara Heights, Taman Bukit Mutiara, Bandar Dato' Onn with a GDV of RM43 million. In September 2014, JLand also launched 26 units of three-storey shop offices at Neighbourhood 15, Bandar Dato' Onn with a GDV of RM42 million. JLand's involvement in an exclusive residential development in Bandar Dato' Onn started with the launch of 32 units of exclusive bungalows at B'Onn Hill Villas, Neighbourhood 2, with a GDV of RM111 million. To date, Bandar Dato' Onn has completed a total of 1,367 residential and commercial units and another 663 units will be completed in 2015. The development works at Bandar Dato' Onn have been progressing according to schedule and JLand anticipates strong interest in its innovative product offerings.

PROPERTY BUSINESSES

Bandar Tiram

Bandar Tiram is rapidly becoming an address of choice among discerning buyers who prefers a modern and peaceful lifestyle. This development covering 485.62 hectares (Bandar Tiram Phase 1-5) will consist of 11,000 residential and commercial units. The entire project has a GDV of RM2.6 billion.

Bandar Tiram is being developed in phases and the first phase of the township will comprise a mixed development of about 1,600 residential and commercial units with a GDV of RM440 million. The design of houses reflects JLand's focus on quality living space that is practical, functional and affordable. The entire Bandar Tiram is scheduled to be completed by 2020 and will transform Ulu Tiram into a modern and thriving new township.

In 2014, a total of 167 residential units at Bandar Tiram had been completed and handed over to purchasers. Until 2014, a total of 535 residential and commercial units at Bandar Tiram 1 were launched with a GDV of RM200 million. Bandar Tiram's interchange was also completed in 2014 providing residents with direct accessibility to Johor Bahru City Centre or Kota Tinggi as well as other various destinations via Senai-Desaru Highway.

Taman Bukit Dahlia

Taman Bukit Dahlia sited on a 168.75-hectare parcel of land, is strategically located in Pasir Gudang municipality, one of Johor's growth corridors. This mixed development will house more than 3,800 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, polytechnic, police station, KPJ Pasir Gudang Specialist Hospital, banks, hypermarkets, racing tracks and sports stadium. The project is expected to generate a GDV of RM990 million. In 2014, a total of 66 units of bungalows and semi-detached houses have been completed and handed over to purchasers.

Taman Damansara Aliff

Taman Damansara Aliff is developed by Damansara Realty (Johor) Sdn Bhd, a subsidiary of Damansara Realty Berhad ("DBhd") on 90.29 hectares of land consisting shop offices, apartment and residential units.

The neighborhood is directly accessible via Perling-Pasir Gudang Highway and Jalan Tampoi. DBhd with JLand's collaboration had completed 121 units of double-storey terraced houses of the Aliff Puteri 2. During the year, JLand and DBhd developed a total of 42 units of shop offices, scheduled to be completed in 2015. In December 2014, a total of 87 units of double-storey Aliff Puteri 3 terraced houses were launched with a GDV of RM67 million.

11,000

residential and commercial units in Bandar Tiram. The entire project has a GDV of

RM2.6

BILLION

PROPERTY BUSINESSES

The Twin Residences, Tampoi

The Twin Residences is a twin tower block apartment, located along the Perling-Pasir Gudang Highway. It is another ongoing project developed by JLand and offers a 14 storey apartment building consisting of 320 units. It aims to provide maximum comfort with panoramic views all around and is created as a haven of safety and serenity for today's discerning home-makers. The project is expected to be completed in 2015 with a GDV of RM126.3 million.

PROPERTY BUSINESSES

INVESTMENT

DAMANSARA ASSETS SDN BHD

Damansara Assets Sdn Bhd ("DASB") is a wholly owned subsidiary of Johor Corporation ("JCorp") which its principal activity is commercial property development and management particularly shopping centres and office towers. To-date, DASB manages a total of 250,000 square metres of lettable area in Kuala Lumpur and Johor Bahru. The shopping centres owned and managed by DASB include the newly completed KOMTAR JBCC, Galleria@ Kotaraya, @mart Kempas community hypermarket and Taman Dahlia Business Centre, while the office towers are Menara KOMTAR, VSQ Tower 1 and KFCH International College building.

DASB is also managing commercial properties owned by JCorp Group, such as, Menara JCorp, Menara 238, Menara Ansar, Tanjung Leman Jetty, Tanjung Leman Beach Resort and Larkin Sentral. Besides that, DASB is also managing Kompleks Pusat Bandar Pasir Gudang owned by Pasir Gudang Municipal Council.

Opening of KOMTAR JBCC

KOMTAR JBCC boasts a total of 168 retail space which houses various international and local brands, a food court called *Selera Pindang*, Souk for local bazaars, Metrojaya as the anchor tenant and Angry Birds Activity Park for family activity theme park. The shopping centre was opened on 18th July 2015 with 23 premier retailers, such as, Pandora, Ice Watch, Tissot, Brands Outlet, Puma, Clarks, Adidas, Vincci etc.

YAB Dato' Mohamed Khaled Bin Nordin, the Chief Minister of Johor, paid a working visit to the shopping mall in conjunction with the opening of KOMTAR JBCC.

A total of 86 tenants have operated their businesses at KOMTAR JBCC at the end of 2014 representing 50 percent of occupancy rate. The shopping mall is expected to be fully occupied by mid of 2015.

Opening of Angry Birds Activity Park Johor Bahru

DASB has built the first Angry Birds family activity theme park in South East Asia called Angry Birds Activity Park Johor Bahru encompassing an area of 2,150 square metres at KOMTAR JBCC. The President & Chief Executive of Johor Corporation, YB Dato' Kamaruzzaman Bin Abu Kassim, has launched a session to introduce Angry Birds Activity Park Johor Bahru to the media on 26 October 2014. Angry Birds Activity Park Johor Bahru was opened to the public on 31 October 2014. At the end of 2014, more than 32,500 people have visited the activity park, 85 percent of which were local tourists and the remaining 15 percent were foreigners particularly Singaporeans.

PROPERTY BUSINESSES

Opening of UTC Johor at Galleria@Kotaraya

The Urban Transformation Centre (UTC) Johor at Galleria@ Kotaraya was opened to the public on 3 July 2014. It spans over an area of 7,248 square metres at Level 2, 3 and 4 of Galleria@Kotaraya and consisting of 34 agencies representing Private, State and Federal Goverment agencies, as well as Non-Governmental Organisations. These agencies are Immigration Department, SOCSO, Inland Revenue Board, Tabung Haji, Ministry of International Trade and Industry, National Higher Education Fund Corporation, Majlis Amanah Rakyat (MARA), National Registration Department, Johor Bahru City Council (MBJB), Central Johor Bahru Council Municipal (MPJBT), Land & Minerals Departments (PTG), Johor Islamic Religions Department (JAJ), Johor Islamic Council (MAIJ), State Secretary Office (Housing), Yayasan Pelajaran Johor (YPJ), Tenaga Nasional Berhad, Syarikat Air Johor, Telekom Malaysia, Perbadanan Usahawan Nasional Berhad, Road Transport Department, Y-Centre just to name a few. The UTC Johor is facilitated with a police station, meeting rooms, link-bridge connecting Menara Ansar and Galleria@ Kotaraya, futsal centre and parking spaces at Jalan Duke. With the opening of UTC Johor, the crowds at Galleria@ Kotaraya had reached 200,000 visitors monthly and thus, increasing the sales of the tenants. By end of 2014, the occupancy rate of Galleria@Kotaraya stood at 87 percent of which 40 percent was represented by UTC Johor.

Larkin Sentral Upgrading

Larkin Sentral has undergone three major upgrading works in 2014 for the convenience of the public and also to ensure Larkin Sentral's market competitiveness. Comprising the upgrading of public lavatories, construction of Central Taxi Service and upgrading of bazaars at the Market Building. The upgrading of 61 public lavatories was completed in mid-2014 at a cost of RM1 million.

In addition, to overcome the problem of congestion in Larkin Sentral Taxi Stand, the management has created the Central Taxi Service at a cost of RM1 million which started operations on 1 November 2014. Besides that, to ensure that the tenants remain competitive, the 114 bazaar lots at Market Building had been upgraded in two stages. The first phase of the upgrading works which involved 74 lots was completed in October 2014 at a cost of RM1.7 million. The second phase will be completed in mid-2015. The total cost of the upgrading works of the bazaar is RM2.7 million.

Johor Corporation Auxiliary Police

To increase security measures for buildings managed by DASB particularly in shopping centres, DASB had set up Johor Corporation Auxiliary Police on 24 February 2014 with 166 personnel. The handing over of the certificates of approval by Datuk Wira Ayub Yaacob, Director of the Crime Prevention Department PDRM Bukit Aman to YB Dato' Kamaruzzaman Abu Kassim, President & Chief Executive of JCorp was held on 3 June 2014 at Kompleks Mutiara Johor Land in conjunction with Malaysia Auxiliary Police Symposium 2014.

The first intake of 12 experienced personnel who have passed the basic course was held on 10 June 2014, while a total of 29 trainees were sent to attend the Auxiliary Police Basic Course in PULAPOL Bukit Sentosa, Rawang and successfully completed the course on 11 October 2014.

The Opening of DASB's Kuala Lumpur Corporate Office at VSQ Tower 1

DASB Corporate Office in Kuala Lumpur was relocated from Damansara Town Centre to its new building namely VSQ Tower 1, Petaling Jaya on 16 June 2014. This new 19-storey building has an area of 15,995 square metres and is equipped with almost 1,000 vehicle parking lots. VSQ Tower 1 is occupied by DASB's Corporate Office in Kuala Lumpur, Damansara REIT Managers Sdn Bhd, Premier Revenue Sdn Bhd and will be occupied by QSR Brand's office as the anchor tenant beginning mid 2015.

Management of Menara 238

DASB has been entrusted to manage KPJ Healthcare Berhad's new 36-storey building namely Menara 238 starting from April 2014 with an area of 45,613 square metres and is equipped with almost 900 parking spaces, a swimming pool on the rooftop and a café. The main tenants are Royal Malaysia Police and Headquarters of KPJ Healthcare Berhad.

Sales of Property to Al-Salām REIT

On 15th September 2014, DASB submitted an application to the Securities Commission for the sales of four of its properties worth RM625.2 million, comprising KOMTAR JBCC, Menara KOMTAR, Pasaraya Komuniti @mart Kempas and KFCH International College Bandar Dato' Onn building to Al-Salām REIT. The Securities Commission has approved the application on 18th February 2015 and is expected to be listed on Bursa Malaysia in the third quarter of 2015.

PROPERTY BUSINESSES

Financial Standing 2014

DASB Group's revenue as at 31st December 2014 amounted to RM36.67 million against 2013's revenue of RM81.02 million. Most of the decline in revenue in 2014 was due to the disposal of Kempas Town Centre Shop, office which was completed in 2013 causing DASB's revenue reduction of RM29 million and also the disposal of Damansara Town Centre at the end of 2013, which caused DASB's subsidiary, Bukit Damansara Development Sdn Bhd's ("BDDSB") income reduction of RM14.7 million.

However, DASB Group's Profit Before Tax (PBT) as at 31st December 2014 stood at RM104.7 million compared to the same period in 2013 of RM5.3 million. The increase in PBT is particularly contributed by the proceeds from the sales of commercial land in Jalan Storey and Terminal Bas Sentral Kotaraya totalling to RM82.5 million.

AL-'AQAR HEALTHCARE REIT

INTRODUCTION

Al-'Aqar Healthcare REIT ("Al-'Aqar") was listed on the Main Board of Bursa Malaysia Securities Berhad on 10 August 2006. Al-'Aqar has set many milestones, amongst others, the world's first listed Islamic REIT, Asia's first Healthcare REIT and a benchmark for the development of Islamic REITs in Malaysia, as well as in the region. As at 31 December 2014, Al-'Aqar asset size stood at RM1.50 billion with a market capitalisation of RM961 million.

Al-'Aqar is supported by KPJ Healthcare Berhad, that is currently a leading private healthcare provider in Malaysia and ranked amongst the top 100 largest public companies listed in Bursa Malaysia. Al-'Aqar is managed by Damansara REIT Managers Sdn Berhad ("DRMSB" or "the Manager") – a wholly-owned subsidiary of JCorp. Al-'Aqar was established with an initial portfolio of 6 assets and has since grown to 25 assets comprising of 21 hospitals and four healthcare related properties spanning across Malaysia, Indonesia and Australia.

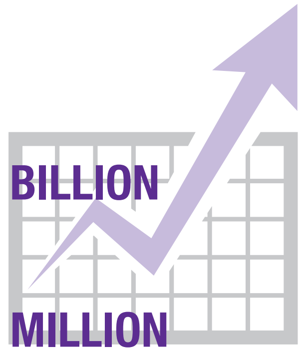
Al-'Aqar's key investment objective is to provide unitholders with stable distributions per unit with the potential for sustainable long-term growth of such distributions and the net asset value (NAV) per unit.

Asset Size

RM1.5 BILLION

with market capital of

RM961 MILLION



OPERATIONS REVIEW

FINANCIAL REVIEW

Al-'Aqar registered gross revenue of RM108.6 million in FY2014 compared to RM107.4 million in FY2013, representing an increase of 1.1 percent. Net Property Income rose by 1.1 percent from RM101.3 million in FY2013 to RM102.4 million in FY2014. Net realised income for the Fund grew 8.7 percent to RM59.6 million in FY2014 from RM54.8 million in FY2013. The improved performance was mainly attributable by yearly increment of rental income.

Profit for FY2014 was RM71.3 million comprising realised profit of RM59.9 million and unrealised profit of RM11.4 million. Realised profit for FY2014 of RM59.9 million represent an increase of 11.6 percent against FY2013 of RM53.6 million, attributable to the financial costs savings derived from capital management initiatives. The fair value gain for FY2014 was lower at RM11.4 million as compared to RM19.7 million for FY2013.

The Fund's Management Expense Ratio (MER) of 0.50 percent (FY2013: 0.26 percent) is among the lowest in the M-REITs industry. Total income available for distribution for FY2014 was RM59.9 million or 11.6 percent higher than FY2013 of RM53.6 million. Distribution yield has compressed from 5.90 percent to 5.54 percent with the increase in price from RM1.33 as at 31 December 2013 to RM1.38 as at 31 December 2014. NAV per unit was RM1.19, an increase of 1.7 percent from FY2013 arising from revaluation of the assets.

PROPERTY BUSINESSES

PROPERTY REVIEW

Asset Enhancement Initiatives

During the financial year, Al-'Aqar undertook asset enhancement initiatives which comprised total replacement of water cooled chiller, cooling tower, transformer, lifts, fire alarm and repainting of the buildings. Some of the total replacement and repainting works are still ongoing in FY2015.

Lease Expiry Profile

The percentage of properties due for renewal is at a manageable level. Al-'Aqar has a well-spread lease expiry profile as shown in the following table.

Year	No. of Properties	% of Total Properties
2015	16	64.0%
2016	3	12.0%
2017	6	24.0%

The tenancies are three-year tenancies with renewal option for another three-year term. Despite most of the properties are set for renewal in FY2015, the Manager does not foresee any interruption in lease payments as the leases will keep the existing rental structure until a new rental rate has been agreed upon by both Al-'Aqar and KPJ.

CAPITAL MANAGEMENT INITIATIVE

The Manager is committed to manage Al-'Aqar's capital to ensure that it will continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The RM655 million 5-Year Sukuk under Issue 1 was issued by Al-'Aqar Capital Sdn Bhd in FY2013. RAM Ratings has reaffirmed the respective AAA/Stable and AA2/Stable ratings of RM272 million Class A and RM55 million Class B Sukuk Ijarah, premised on the stable lease payments from KPJ, the transaction's structural features and the debt service coverage as well as loan-to-value ratios that commensurate with the respective ratings. The primary source of funds for Al-'Aqar Capital Sdn Bhd to meet its obligations under Issue 1 will be the rental income from Al-'Aqar, which in turn depends on the underlying lease payments from the hospital operators. The Manager foresee that KPJ should be able to meet its lease obligations without difficulty whilst KPJ's vested interest in Al-'Aqar and the strategic importance of the hospitals to KPJ's operations provide a strong incentive to ensure the continued performance of the transaction.

PROSPECT OF AL-'AQAR

Amid the crude oil poser, the growth in Malaysian economic is expected to taper at a steady, slowly pace. With Overnight Policy Rate (OPR) is likely to remain stable this year, this situation should be favourable to REITs, given the steady yield spread and stable interest cost on borrowings.

Future acquisitions however is expected to be more challenging upon the implementation of GST post April 1 as all purchases of commercial assets will be subjected to the 6 percent GST, hence potentially causing the assets' yields to become less attractive. At the same time, the government's cooling measures on the property industry which was introduced in 2013 has also put a check on the rising property market and the industry experts have yet to see clear direction of the local property market in 2015. Given the expectation of challenging property market, lower yields are likely for M-REITs which have exposure in commercial and offices assets. Nonetheless, Al-'Aqar which is less dependent on the cyclical nature of property market will be able to endure the headwinds from the gloomy economic forecast.

The healthcare industry will be driven by favourable domestic demographics such as an increasingly affluent population, rising health awareness and an ageing population. The prospect looks healthy in view of KPJ continuously acquiring and developing its hospitals. The acquisition of the new development in KPJ University College, Nilai which was announced in October 2014 is expected to be completed by the first half of 2015. The acquisition will add another RM77.8 million to Al-'Aqar's ever growing portfolio.

Despite our success, we have to double our effort to further expand the ever growing healthcare industry. The Manager is weighing several business proposals offering healthcare related assets. The acquisition of third party assets is hoped to enable Al-'Aqar to be less reliant on KPJ, hence broadening its income base and future earnings.

ENTREPRENEUR BUSINESSES

Johor Corporation ("JCorp") as a Johor State Economic Development Agency has been given the important role of implementing and strengthening the state's entrepreneur development programmes. JCorp's involvement is not limited to supporting the development of individuals as entrepreneurs yet creating business opportunities under the concept of JCorp Community of Entreprises.

JCorp also plays the role of enhancing the capacity in terms of the provision of skills and knowledge management as well as providing premises and appropriate infrastructure for successful entrepreneur business development in a holistic manner.

Until 31 December 2014, there were 40 companies positioned under JCorp's Entrepreneurship Scheme. Revenue for the year ended 31 December 2014, was recorded at RM558.8 million. Meanwhile, the performance of profit before taxation for the year ended 31 December 2014 showed a decrease of RM22.82 million following the listing of E.A. Technique (M) Berhad in Bursa Malaysia on 11 November 2014.

Nine companies registered profit before tax exceeding RM1 million. At the same time, continuous business monitoring of all subsidiary is conducted by JCorp especially through their respective holding companies in line with business synergies between the holding companies and their entrepreneurs.

For the year ended 31 December 2014, there were 22 entrepreneur companies under Kulim (Malaysia) Berhad; KPJ Healthcare Berhad (three); QSR Brands (M) Holdings Sdn Bhd (formerly QSR Brands Bhd) (three); Waqaf An-Nur Corporation Berhad (two); and 10 companies under JCorp's direct monitoring.

DEVELOPMENT

AFFORDABLE HOUSING

The Development Of Low Cost And Affordable Homes

Being a caring and responsible corporate organisation, JLand is committed to continue assisting the state government in achieving 'Dasar Perumahan Rakyat Johor'. This is proven through the signing of a Memorandum of Agreement (MoA) between Johor Corporation and the Johor State Government in September 2013. Through the MoA, JLand plans to build 8,000 units of low cost and affordable homes spanning over an area of 68.79 hectares, scheduled to be fully completed by 2020 and mainly located at Bandar Dato' Onn, Ulu Tiram, Larkin, Kempas and Majidee.

JLand is developing the first phase of low cost and affordable houses consisting of 3,634 units scheduled to be handed over to purchasers by 2017. The first low cost housing development is at Taman Seroja totalling to 304 units of low cost houses that consist of six blocks of flats (4 blocks of flats of RM35,000 per unit, 1 block of flats of RM50,000 per unit and 1 block of flats of RM80,000 per unit). The project will be completed and handed over to purchasers in May 2015. The project is developed on a 2.99 hectare land with development cost of RM34 million.

In September 2014, the Ground Breaking Ceremony for Affordable Homes in Bandar Dato' Onn was officiated by YB Dato' Mohamed Khaled bin Nordin, Chief Minister of Johor. The project includes the construction of 1,016 affordable housing units constructed in several phases. Phase 1 and 2 will consist of 508 units "*Perumahan Komuniti Johor Jenis B*" (PKJB), respectively. Site preparation works for the first phase with the utilisation of Industrialised Building System started in February 2014 covering an area of 6.53 hectares and expected to be completed in early 2017.

Other developments of low cost and affordable homes that will be launched will be in Bandar Tiram Phase 1 (630 units); Bandar Tiram Phase 3 (450 units); Bandar Baru Majidee (400 units); Kempas (360 units) and Larkin (340 units). JLand also plans to build various facilities including kindergartens, surau, multi-purpose halls, stalls, parking lots, management offices, playgrounds and open spaces to cater for the community needs.

JLand as the development arm for Johor Corporation is responsible in developing premier and high-end properties while embracing its commitment and responsibilities in assisting the state government to implement its agenda in providing more low cost and affordable homes for the people of Johor.

DEVELOPMENT

No	Project	No. of Units (2013-2020)	No. of Units in 5 years (2013-2017)	Project Duration Start	Project Duration Completion
1	Taman Seroja, Tampoi	304	304	2012	2015
2	Bandar Tiram Fasa 1	630	630	2014	2019
3	Bandar Dato' Onn	4,606	1,150	2014	2020
4	Bandar Tiram Fasa 3	1,360	450	2015	2020
5	Bandar Baru Majidee	400	400	2015	2018
6	Kempas	360	360	2015	2018
7	Larkin Central Park	340	340	2015	2018
	Total	**8,000**	**3,634**		

DEVELOPMENT

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

For the period ended 2014, TTSB has managed to sell 113 hectares of JCorp's industrial land with total value of RM289 million. The sales performance witnessed an increase up to 10 percent compared to the same period in 2013.

INDUSTRIAL

TPM TECHNOPARK SDN BHD

Financial Performance

For the financial year (FY) ended 31 December 2014, TTSB and its group of companies' turnover dropped to RM44.02 million as compared to RM138.11 million recorded in 2013. The 68 percent decrease in turnover of is due to transaction reversal of the Development Rights Agreement (DRA) for Tanjung Langsat Industrial Complex in August 2014.

Business operation-wise, profit before tax (PBT) stood at RM17.43 million representing an increase of 28 percent against RM13.6 million as registered in 2013. Similarly, TTSB and its group of companies registered a profit after tax (PAT) of RM11.6 million for the year under review.

Marketing Programme

TTSB participates constantly in trade missions to attract more investments from abroad and introduce Johor as an ideal location for investment. In 2014, TTSB actively took part in several trade missions organised by Malaysian Investment Development Authority ("MIDA") to overseas namely Singapore, China, Australia and European countries (Germany and Spain).

On 3 November 2014, TTSB organised a hi-tea event as to express appreciation towards investors and other stakeholders who have significantly contributed to the industrial development in Johor; in addition to providing opportunities between the guests and JCorp to interact and exchange information.

DEVELOPMENT

Project Management
Upholding the role as project manager, TTSB also manages several of JCorp Group's projects with overall estimated value of RM262 million. Amongst major projects undertaken by TTSB including the development of Johor Military Forces ("JMF") camp located at Jalan Tasek Utara, the construction of Kulim's Research and Development Centre (R&D) at Kota Tinggi and the construction of Biomass Steam Plant and Oil Tank Farm in the Palm Oil Industrial Cluster (POIC) at Tanjung Langsat.

TTSB also acted as the project manager for numerous projects awarded by the Johor State Development Office (SDO). Throughout 2014, TTSB managed 14 projects of mosques and community halls construction with an estimate value of RM22 million and 9 SDO projects which are in the planning stage valued at RM15 million.

As at 31 December 2014, TTSB completed 32 projects worth RM340 million in which the major contribution were through the redevelopment of KOMTAR JBCC as well as the completion of several SDO projects.

Construction of Premium Corporate Premises
TTSB is continuously developing business strategies that are capable to provide sustainable income through various programmes.

One of the programmes that are underway is the Premium Corporate Premises which offer 14 units of ready-built factories in Zone 12B, Pasir Gudang Industrial Area. The overall construction is expected to be completed by end of April 2015.

Development of Sedenak Industrial Park
A total area of 283 hectares in Sedenak Industrial Park has been earmarked to be developed as a Data Centre Park as announced by the Federal Government of Malaysia. Indirectly, this promotes Johor as the second data centre hub in Malaysia.

Dated 12 March 2015, the Customised Incentive Condition of Offer (CIC) agreement was inked between the Federal Government and potential investors respectively.

Future Outlook
As for 2015 outlook, besides the sales of land and collection of proceeds from industrial land, TTSB through JCorp also actively plans to continue developing new industrial areas including the extension of Zone 5 at Tanjung Langsat Industrial Complex, Pengerang Integrated Petroleum Complex (PIPC), the development of Sungai Lebam as well as transformation of Kota Tinggi.

TTSB
completed

32

projects valued at RM340 MILLION

Major contributions through the redevelopment of KOMTAR JBCC as well as completion of several SDO projects

DEVELOPMENT

The drastic drop in world's crude oil prices created an uncertain operating environment for the oil and gas (O&G) industry. Oil prices which had dropped by more than half from USD115 per barrel in June 2014 to USD55 per barrel in December 2014 has the potential to generate another round of world's economic downturn.

TANJUNG LANGSAT PORT

The crisis has directly affected Tanjung Langsat Port ("TLP") especially in the second half of 2014 as majority of the cargo throughput at the port derives from oil trading activities. The consistent drop in world oil prices is not favourable to oil trading activities which rely on fluctuating oil prices to sustain viable operations.

TLP registered a 25 percent increase in liquid cargo throughput in the first six-month of 2014 compared to the same period in 2013. Nevertheless due to the oil price crisis, liquid cargo volume had decreased by 18 percent in the second half of 2014. In spite of the double digit ups and downs in 2014, liquid cargo actually registered a 0.5 percent increase in total volume for the year as the result of higher fuel oil, gasoline and edible oils.

During the same period, the dry bulk had suffered a 22 percent decrease in total volume. Traditional cargos such as iron ore also sufferred decreasing commodity prices despite performing well before year 2013. Nevertheless all is not gloom and doom as more factories are coming on the line at Tanjung Langsat Industrial Complex (TLIC) and this augurs well with projected higher dry cargo volumes in the upcoming years. Total cargo throughput registered for the whole of 2014 was 11.61 million tonnes, slightly higher than 11.60 million tonnes registered in 2013. TLP's location along one of the world's busiest shipping lanes and its proximity to international trading hub of Singapore makes this terminal very well positioned to service the O&G industries in the region.

Business Transformation

The direct result of on-going business transformation to improve operational efficiency along with the deepening of the navigation channel for both the dry and liquid jetties had certainly benefited the port. The port had been successfully transformed into a niche development to cater to the needs of the oil and gas industry.

More Infrastructures to Meet Demand

The port made substantial investments over the years to increase its throughput capacity in terms of the enhancement of its infrastructure and facilities to enable the port to meet the growth in demands.

DEVELOPMENT

Two additional liquid berths (Berth 8 and 9) will ensure TLP to continue registering double-digit growth and further attract O&G investors to come aboard. Once operational in August 2015, the two new berths will create an additional 10 million cubic metre storage capacity, translating into a 56 percent increase in liquid cargo handling capacity from 18-28 million metric tonnes. The two additional berths, which bring the number of total liquid berths at TLP to 7, will provide an edge to current port users such as Trafigura, Shell, Petco, Dialog, MISC and Puma besides enabling the port to accommodate more new O&G related investors. The total length of the berths, ranging from the Southern end of Berth 9 to the Northern end of Berth 8, was 2.069 kilometres, making it one of the longest liquid berth jetties in Malaysia.

Dry cargos recorded less five percent out of TLP's total cargo throughput in the last two years. The low throughput was expected since less than 40 percent of the investments committed to TLIC were either under construction or in operations. Nevertheless with the establishment of Langsat OSC Sdn Bhd ("LOSC") and Langsat Marine Terminal Sdn Bhd ("LMT") coming up in July and October 2015 respectively and factories producing more outputs in the upcoming months, the port is anticipating to handle bigger vessels and more bulk cargos. Dredging works to deepen the dry jetty's operational water to 11 metres was completed in July 2014. To-date, the 450-metre long dry jetty with 2 berths can accommodate vessels up to 40,000 dwt.

New Port Users

TLP continues to receive strong interests from investors to set their operation in the port area. TLP will continue to work closely with government agencies such as Malaysian Investment Development Authority ("MIDA"), Johor State Investment Centre ("JSIC"), Iskandar Regional Development Authority ("IRDA") and Johor Petroleum Development Corporation ("JPDC") to fortify the port's position.

Musim Mastika, a subsidiary of Musim Mas Group, one of the largest edible oil producers from Indonesia is setting up an integrated edible oil downstream activities at TLIC. The facilities were inaugurated in September 2014. Musim Mastika contributed an average of approximately 25,000 tonnes of edible products per month.

Puma Energy, an associate company of the commodity trading multinational Trafigura Beeher BV developed its own facility at the port to expand its bitumen business operations. The plant commenced operations in June 2014.

Regional Marine Supply Base & Logistics Hub

The Regional Marine Supply Base is being developed on a joint venture basis involving JCorp and Oilfields Supply Centre Ltd ("OSC"). Development of Phase 1 involving the construction of 17 units manufacturing facilities at the cost of RM106 million is on schedule for completion in May 2015. The project has secured several O&G multinationals as its tenants, in line with the project's goal of providing support services for the regional O&G exploration and production activities.

The Warehouse and Logistics Hub is being developed by LMT, a wholly-owned subsidiary of JCorp. It will provide bonded warehouses and open yards, together with bonded land for manufacturers. The hub is also progressing well and will be operational by October 2015.

Offshore Fabrication and Maritime Hub

TLP aims to be a fully-integrated port providing multiple business opportunities especially for the O&G players. Currently the port has developed liquid and dry jetties, storage terminals, industrial land and a Regional Marine Supply Base.

There have been numerous requests for the set-up of offshore fabrication facilities at the port but due to limited space, TLP has been unable to provide the land required by the investors. Due to the importance of offshore fabrication and vessels activities to the O&G industry, JCorp is developing 171.99 hectares of land located next to the port area as a new offshore fabrication and maritime hub. The project will be able to accommodate fabricators, shipbuilders, ship repair operators, manufacturers and distributors of maritime-related products/equipment.

Future Prospect

There are opportunities in a crisis. The low crude oil prices is encouraging refiners and oil traders to accumulate stock of clean products in anticipation of higher future prices, therefore pushing the demand for storage terminals. The weakened Ringgit is also giving a rare opportunity for foreign investors to set-up their operations in Malaysia at a much lower cost.

The current crisis is expected to end soon even though there are signs such as supply glut, that crude oil prices will not be reaching the pre-crisis level. TLP is one of the fully developed major O&G sites in Malaysia that has the capabilities to capture the potential of O&G industries when the crisis is over.

DEVELOPMENT

Funding for the Corporate Licensing Scheme entrepreneur is provided through cooperation with Permodalan Usahawan Nasional Berhad ("PUNB") which agreed to fund up to

90

percent

ENTREPRENEUR

In tandem with government's aspiration, Johor Corporation ("JCorp") strives to increase the number of entrepreneurs through another subsidiary, KARA Holdings Sdn Bhd by offering business opportunities through Corporate Licensing Scheme for Kedai Ayamas outlets nationwide.

In December 2014, six outlets pioneered the said Corporate Licensing Scheme whereby the entrepreneurs were funded via cooperation from Permodalan Usahawan Nasional Berhad ("PUNB") that has agreed to fund up to 90 percent of the required capital through *Skim Pembiayaan Usahawan Bumiputera*.

The offering of Corporate Licensing Scheme is an initiative under Ayamas Shoppe Sdn Bhd with cooperation from PUNB and supported by Unit Peneraju Agenda Bumiputera ("TERAJU").

Through the Corporate Licensing Scheme for Kedai Ayamas outlets, Ayamas Shoppe Sdn Bhd will offer the opportunity to the interested entrepreneurs to operate Kedai Ayamas.

The listing of E.A. Technique (M) Berhad on the Main Board of Bursa Malaysia on 11 December 2014 was another testimony of quality and identity of a JCorp entrepreneur company to continuously grow and move forward.

In November 2014, Syarikat Pengangkutan MAJU Berhad ("MAJU") received the Special Merit Operator award for the category of Hop-On-Hop-Off Bus Operator during the occasion of Land Public Transportation Symposium Award 2014.

This achievement serves as evidence that JCorp is committed in realising entrepreneur development programmes not only in Johor but also in the international level.

DEVELOPMENT

HUMAN CAPITAL

Johor Corporation ("JCorp") implemented various activities throughout 2014 towards the creation of conducive working environment while consequently producing excellent and highly innovative employees.

Among the activities which were introduced since 1985 include the *Perhimpunan Dialog dan Amanat* (PEDOMAN), which is bi-annually organised in January and July respectively. The Majlis PEDOMAN Johor Corporation 2014 which involved employees in general was held on 8 January 2014 while PEDOMAN Eksekutif was held on 3 July 2014.

Besides PEDOMAN, all employees stand for an opportunity to openly raise and discuss job-related, operational as well as improvement issues directly with the President & Chief Executive of JCorp through *Sesi Bersama Presiden*. This session illustrates the management's transparency in welcoming views and suggestions from the employees.

In order to identify employee satisfaction and the contributing aspects to their dissatisfaction, JCorp implemented a comprehensive study via online survey. A total of 308 employees (91 percent) participated in the said survey.

As a knowledge-centred organisation, JCorp organised series of programmes in 2014 with the objective to increase the knowledge of its employees. Among others, *Mukmin Professional Programme* aimed at embedding employees with personality and integrity as the catalysts towards a more productive work culture and the powerhouse of religion and nation. This programme involved all categories of employee including senior managements.

In 2015, JCorp launched Johor Corporation Chartered Accountancy Programme (JCAP) to increase the number of Chartered Accountants in Johor. This programme is a strategic collaboration between JCorp and major local accounting firms i.e. Ernst & Young, PwC, KPMG, Deloitte and BDO. A number of outstanding candidates were placed at Flemmings Chartered Accountants, United Kingdom. All participants of this programme are trained to obtain one of these following qualifications: ICAEW, ACCA, CIMA or MICPA/ICANZ. Prior to that, the candidates went through three steps of stringent evaluations including online assessment, case-study assessment and interviews. This programme was also opened to the qualified children of JCorp and Group employees.

JCorp continuously encourages activities pertaining to improvement of quality culture and innovation through Innovative & Creative Circle (ICC), Cross Functional Team (XFT) as well as *Cadangan dan Idea Ke Arah Kecemerlangan* (CEMPAKA) programmes since 1995. The peak of this programme is the Hari Mekar occasion which combines participations from JCorp Group of Companies as platform for sharing ideas and quality activities among the companies within JCorp Group. Hari Mekar 2013 was held on 15 & 16 January 2014 by Kulim (Malaysia) Berhad with the theme 'Transformation Through Quality'.

JCorp introduced Quality Environment Category (QE/5S) for the first time during the 18th *Hari Mekar* to encourage participation and recognise the implementation of QE/5S practices among the departments and companies within the Group. Generally throughout 2014, there were encouraging improvements in terms of performance in the aspect of quality that can be viewed through various recognitions and certifications awarded within JCorp Group.

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 Perbadanan Johor 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).

Corporate Governance Statement

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. JCorp takes pride in its standard of corporate governance and in the reputation it has built. JCorp believes these are essential in building an enduring brand value and safeguarding stakeholder value. JCorp Group also observes high standards of corporate conduct in line with the principles and guidelines of the Malaysian Code on Corporate Governance (where applicable).

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

THE BOARD OF DIRECTORS

Composition

The Board has 11 members which comprises of Chairman, Vice Chairman, three representatives from Johor Civil Service, three representatives from Federal Government, two independent members and President & Chief Executive. The President & Chief Executive is the only Executive Director.

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 roles of Chairman and 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 debates on various matters including strategic issues and business planning processes.

Board Meetings

The Board meets to analyse 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 2014, the Board met four times.

CORPORATE GOVERNANCE STATEMENT

Board Committees

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

Access to Information

Management provides adequate and timely information to the Board facilitate decision making. 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 Corporate Affairs Department, the company secretary service provider for the Group. The department'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, where applicable. 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 forwarded to Teraju Korporat Committee for approval.

All appointments of directors are administered by Corporate Affairs Department on an annual basis. The appointment must fulfill the criteria, including passing 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 an important role in ensuring all decisions are approved by the respective committees.

- **Group Top Management Committee (TERAJU)**
  The Committee is chaired by the President & Chief Executive and comprises of 11 members. 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 include endorsing and ratifying all decisions made at the various committees i.e. Executive Committee (EXCO) etc.

- **Executive Committee (EXCO)**
  The Committee is chaired by the Vice President (Land & Business Development Division) and comprises of 14 members among JCorp management. It deliberates on operational as well as financial matters and forward significant recommendations to Teraju Korporat Committee for further deliberations and approval.

- **Investment Review Committee (JAWS)**
  The Committee is chaired by the Vice President (Special Administration). The Committee deliberates on all proposals new projects and investments. It comprises of 11 members appointed amongst the senior management of JCorp and companies within JCorp Group.

CORPORATE GOVERNANCE STATEMENT

Besides the four main committees mentioned, there are more than 40 governance committees which have their specific terms of reference and functions in monitoring the Group's operations. The committees, among others are Nomination and Remuneration Committee, Strategic Planning Committee, Performance Appraisal Committee, Kemudi Korporat Committee, Quarterly Report Committee, Group Finance Committee and Risk Management Committee.

CORPORATE GOVERNANCE IN LISTED ENTITIES WITHIN JCORP GROUP

There are four entities within JCorp Group listed on the main board of Bursa Malaysia namely Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Al-'Aqar Healthcare REIT and E.A Technique (M) Berhad. As listed entities, these companies are requested to constantly implement good corporate governance, as well as comply with various terms and conditions issued by Bursa Malaysia. Each company has its own board of directors and audit committees.

TRANSPARENCY

Transparency in doing business

JCorp and its Group of Companies are committed to help the government in combating corruption and power abuse at organisational and individual level, besides acculturation of integrity in conducting business. As evidence, President & Chief Executive of JCorp signed the Integrity Pledge on 26 November 2013 followed by entities within the Group on 8 January 2014.

Subsequent to that, JCorp and its Group of Companies has implemented several initiatives to ensure integrity programme are carried out continuously. One of the policy being implemented within the Group is 'No Gifts and Entertainment Policy' which was introduced on 21 July 2014. The purposes of the policies are, among others as follow:

- To build a culture of not accepting any gift or entertainment before, during or after discharge of responsibilities from those who have official dealings with employees.
- To avoid staffs from predicament when making a decision as well as conflict of interest.
- To avoid accusations of corruption from any party who received the gift or entertainment which could affect the good name and reputation of JCorp and its Group of Companies.

Transparency in the decision making process

Several examples of the implementation of the transparency aspect include the information infrastructure development in the forms of the intranet and knowledge management. The knowledge management is the employees' means to give various information in the forms of suggestions and ideas. Those who express bright ideas and innovations that can be chosen to be implemented or adopted will receive awards from the management a certification through Cempaka Scheme and Quality Convention. In addition, JCorp has also developed a whistleblowing 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.

CORPORATE GOVERNANCE STATEMENT

Transparency to business partner

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

Besides that, in order to strengthen the existing complaints mechanisms in JCorp like aforementioned Ethics Declaration Form, JCorp has also revisited the Whistleblowing Policy. The policy also aims to facilitate JCorp staff, contractors, suppliers, agents or any external party to make disclosures relating to any improper conduct in their knowledge and to provide protection to the identity of the whistleblowers disclosing improper conduct as in section 6 whistleblowers Protection Act 2010. Any complaints will be reviewed by Jawatankuasa Menilai Maklumat for further action.

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 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 emphasise on the accuracy of the presentation so that balanced assessments can be made with regards to the Group's financial position and prospect. 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 pages 74 and 75.

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 their relationship with the auditors is illustrated in the Audit Committee Report set out on pages 72 and 73.

AUDIT COMMITTEE REPORT

Board Audit Committee (BAC) is chaired by YBhg Encik Izaddeen Daud, an independent member of the Board. Other members are YBhg Tan Sri Datuk Dr Hadenan A. Jalil and YBhg Puan Zainah Mustafa, independent directors of listed companies outside and within JCorp Group respectively. With effect from 17 March 2015, one of the Board member namely YB Dato' Marsan Kassim was appointed as the new member of the BAC.

Composition

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

ATTENDANCE AT MEETINGS

BAC meets on a scheduled basis at least twice a year. In 2014, BAC met in four occasions as follow:

	DATE OF MEETING			
Members	23 Jan	5 Mar	10 Jul	24 Nov
Encik Izaddeen Daud	√	√	√	√
Tan Sri Datuk Dr Hadenan A. Jalil	√	-	√	√
Puan Zainah Mustafa	√	√	√	√
Dato' Marsan Kassim (appointed w.e.f 17 March 2015)	-	-	-	-

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' report 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 shall there be more than one audit firm is involved.

Financial Statements

- Review the year-end financial statements of JCorp, focusing particularly on:
  - √ Any changes in accounting policies and practices;
  - √ Significant adjustments arising from the audit;
  - √ The going concern assumption; and
  - √ Compliance with accounting standards and other legal requirements.

AUDIT COMMITTEE REPORT

Risk Management

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

Business Continuity Management

- Review implementation of JCorp's strategic business continuity initiatives which focus on corporate responsibility (CR) and innovation as follows:
  - √ Conception, development and introduction of strategic organisational frameworks for CR and innovation;
  - √ Identification of three new future key economic areas for JCorp and propose three innovative products or services for potential venture by JCorp;
  - √ Inculcation of multi-tiered key knowledge areas focusing on CR and innovation amongst population in JCorp; and
  - √ Showcase of the implementation of business continuity initiatives.

- Review and evaluate the successful implementation of JCorp's strategic business continuity initiatives.
- To provide suggestions and ideas towards enhancing value-added JCorp's business management agenda.

Inspectorate

- To discuss the findings resulting from inspection and evaluation of activities and projects developed by JCorp and its Group of Companies.

Strategic Planning

- To review and deliberate on strategic planning of JCorp and Group of Companies.

Material Litigation

- To discuss litigation issues that gives a huge impact and disrupts business continuity of JCorp and its Group of Companies.

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 2014, the activities of the BAC included the followings:

- Review reports by the IAC which had held its meetings on 23 June and 11 November 2014;
- Review and approve 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 discuss the findings and other concerns of the external auditors;
- Review reports by the RMC which had held its meetings on 6 July and 10 November 2014.

STATEMENT ON INTERNAL CONTROL

Board of Audit Committee's responsibilities are complemented by the work of JCorp Group Internal Audit Committee, Risk Management Committee and Audit Committee 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

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.

STATEMENT ON INTERNAL CONTROL

Financial Reporting

Detailed budgets prepared by each companies 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 as well as safeguarding assets from physical loss and insuring them 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 subject to review by both Panel and JAWS Committees, before being presented in TERAJU meeting 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 Compliance & Internal Audit Department (GCIA) of JCorp. GCIA adopts a risk-based audit plan – an approach whereby the auditor focuses on the factors that affect, beneficially or adversely, the achievement of the objectives of the organisation and its operations. Its scope covers the risks, and the way 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 GCIA, supported by the internal audit departments of the respective listed companies. The department plans its internal audit schedules each year in consultation with the management; (yet independent from it) and the plan is submitted to IAC/BAC for approval.

JCorp is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM"). GCIA 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; and
- Management of the Internal Audit activities.

To ensure that the internal audits are performed by competent professionals and technical knowledge remains current and relevant, GCIA provides appropriate training and development opportunities to its staff, including the Certified Internal Auditor (CIA) programme. At present, there are nine practicing CIAs throughout JCorp Group.

RISK MANAGEMENT STATEMENT

Johor Corporation ("JCorp") is committed in developing and nurturing an organisational work culture based on good corporate governance. The ultimate purpose of good corporate governance is to ensure risk management issues in JCorp and the Group's activities are considered, monitored and managed effectively. The risk management function of JCorp is to assist in achieving its strategic initiatives to meet the corporate objectives of JCorp and the Group.

The objective of risk management is to enable JCorp and its Group to maximise opportunities to improve its outcomes and outputs based on informed decision-making.

Risk management emphasised by JCorp and the Group also places an importance on business continuity management. Business continuity is the key driver in ensuring that businesses undertaken are suited to meet JCorp and the Group's objectives in moving forward.

Ultimately, JCorp recognises the need to systematically manage and review the risks undertaken by the Group, at the strategic, financial and operational level on a periodic basis. It is done by developing and adopting a Risk Management and Compliance Framework that maximises opportunities whilst meeting its corporate objectives.

Risk Management Objectives

- Identify and manage existing and new risks in a well-planned manner with minimum disruption and cost (this approach is particularly important for JCorp as it aligns itself to changes and opportunities arising from Government's policies and vision for the public and corporate sector);
- Develop risk awareness to encourage the companies within the Group in identifying the risks and respond to them in a timely and effective manner;
- To be recognised as a leader among State Agencies, The Federal and State Government, by adopting accepted risk management standards and in compliance with legal requirements.

Risk Management Committee

Risk Management Committee (RMC) was established in 2008 for the purpose of identifying, monitoring and managing the risks faced by JCorp and the Group. RMC's main role is to support the Board of Directors via the Board Audit Committee to fulfill its responsibility to manage the overall risk exposure of JCorp and the Group.

For the reporting year ended 31 December 2014, two meetings were held in July and November 2014.

RISK MANAGEMENT STATEMENT

Duties and Responsibilities of RMC

- To oversee the procedures and practices in identifying, monitoring, managing and mitigating the Corporation's risk exposures;
- To advise the Management periodically with regard to the types of resources and internal controls required in mitigating risks;
- To report periodically to the Board Audit Committee on risk-related issues of JCorp and the Group;
- To identify and assess the key risks faced by the business units of each division of JCorp and the Group in a systematic manner;
- To assess potential opportunities and risks;
- To develop and implement risk management strategies and assign responsibilities for action plans to manage the key risks; and
- To conduct bi-monthly review on risk trends, action plan status and report updates to the Board Audit Committee.

Group Risk Management Department

The Group Risk Management Department (GRMD) is responsible for the Risk Management and Compliance policies and framework.

The duties and responsibilities are as follows:

- Manage the process of identifying and monitoring the risks for JCorp and the Group;
- Maintenance of Risk Register;
- Responsible for developing, implementing and disseminating Risk Management and Compliance Framework;
- Develop the tools to assist JCorp and the Group to implement best practices on risks and compliance;
- Provide regular training opportunities to promote a risk culture in JCorp and the Group; and
- Publish risk management and compliance circulars to keep staff informed of relevant issues.

JCorp and the Group is currently 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 the risk register. The risk is reviewed periodically at the respective companies and subsequently, ranked, deliberated and reported to the Board Audit Committee to be informed to the Board of Directors of JCorp.

Types of Risk

JCorp has classified its risks into six types as follow:

- Strategic Risks
- Legal Risks
- Project Risks
- Financial Risks
- Operational Risks
- Hazard Risks

Procedures

JCorp has five effective ways to manage risk:

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 minimise its likelihood or impact;
3. Transfer the risk to another individual or organisation, such as outsourcing the activity;
4. Finance (insure against) the risk;
5. Avoid from engaging in activities that may result in excessive risk that does not commensurate with returns.

Managing risks in JCorp is done via a systematic risk assessment. The assessment takes into consideration the relevant information, the likelihood of events, the consequential impact and the effectiveness of its internal control to JCorp as stated in Risk Management and Compliance Framework.

CORPORATE RESPONSIBILITY

Corporate Responsibility (CR) is the third most important component in Johor Corporation's ("JCorp") business philosophy that involves interested parties inclusive of staff, oversight authorities, clients as well as the community.

CORPORATE RESPONSIBILITY

Johor Corporation Corporate Responsibility

The CR implementation is aimed at improving the quality of life of the deserving through various platforms of assistance and support to the non-governmental organisations, charitable bodies, welfare institutions and the society.

The Group's CR is implemented via non-profitable societies and establishments collectively known as Amal Business Organisation (ABO) that contributes towards the development of the ummah from the aspects of welfare, health and sports besides entrepreneurship.

In 2014, a total of 21 ABO being patronised by the Amal Business Department of JCorp clustered into several categories, being social development and public welfare, entrepreneur, sports and recreation as well as staff welfare.

TUITION PROJECT

Johor Corporation's Tuition Project was carried out with cooperation from the Johor State Education Department, targeting primary school students in the rural areas across Johor. In 2014, 20 schools have been selected to participate in this programme. Since its introduction in 2012, this programme has benefited more than 1,000 students. It has been organised with support from companies within JCorp Group, namely Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Johor Land Berhad and QSR Brands (M) Holdings Sdn Bhd.

The objective of this project is to improve students' mastery in core subjects, mainly Bahasa Melayu, English, Mathematics and Science. The project is also aimed at improving the academic achievements of moderate performing schools while narrowing the achievement gap between students in urban and rural schools.

As a result of the programme, 2014 witnessed increased performance for the selected schools in their students' Primary School Assessment Test (UPSR) results compared to the previous year, whereby 37 students achieved 5As and 28 students achieved 4As 1B. Seven students achieved 4As 1C while 42 others achieved 3As 2Bs. In comparison to 2013's achievement, 26 students attained 5As, 4As 1B (36 students), 4As 1C (seven) while 31 others achieved 3As 2Bs.

CORPORATE RESPONSIBILITY

WAQAF AN-NUR CORPORATION BERHAD

Waqaf An-Nur Corporation Berhad ("WANCorp") is a Limited by Guarantee Company established to manage the assets and shares of Johor Corporation Group of Companies endowed for waqaf.

WANCorp plays the role as the Maukuf Alaihi of shares and other forms of company securities collectively allocated into waqaf. WANCorp implements several CR initiatives on behalf of JCorp namely Waqaf An-Nur Hospital (HWAN) and chain of Waqaf An-Nur Clinics (KWAN), Waqaf Dana Niaga, Waqaf Brigade, Waqaf Community Centres and contributions to the society via general welfare allocations.

WAQAF DANA NIAGA

Waqaf Dana Niaga is an initiative to provide zero interest capital (Al-Qardhul Hasan) to the small-scaled entrepreneurs who intend to start a business or expand their existing businesses. This initiative is aimed at empowering the Islamic approaches through business activity and maneuvering the economy of the Muslims so as to discharge the benefits to all deserving Muslim entrepreneurs.

The programme was initiated in 2007; and since then, a total of 292 participants received the monetary assistance amounting to RM526,800. Among the types of businesses they venture in varies from the selling of food and beverages, tailor and sundry shops, beauty products, welding works as well as vehicle repair workshop.

TUITION PROJECT

over
1,000 pupils

CHARITABLE CONTRIBUTIONS

WANCorp's charitable contributions have generated the benefit in a way or another to the community and organisations for instance in patient's welfare, mosque activities, welfare and orphanage/poor associations as well as other CR programme implementations. Contributions are also being funnelled to the deserving students and entrepreneurs apart from increasing dakwah activities.

Jalinan Ukhuwah An-Nur was chosen as the slogan for JCorp's Corporate Responsibility programmes. The slogan reflects a shift towards a better strategised and focused task force. Apart from that, the programme focuses more on the key elements of love, thoughtfulness and empathy rather than material contributions.

CHAIN OF AN-NUR MOSQUES

JCorp through WANCorp manages five An-Nur mosques. Three of these mosques are situated in business complexes namely Masjid An-Nur Kotaraya, Masjid An-Nur Larkin Sentral and Masjid An-Nur Pasir Gudang while two others being community mosques that are Masjid An-Nur Bandar Pasir Gudang and Masjid An-Nur Taman Cendana.

The Imam (Religious Executives) and Bilal (Assistant Executives) of An-Nur mosques are chosen among JCorp staff with expertise in Al-Quran and Islamic studies. Apart from carrying out their full-time duties at the mosques, they also provide assistance and religious counsel support to JCorp Group in terms of its businesses and programmes that are being held from time to time, leading *doa* recitations in official events as well as religious functions such as *Solat Hajat*, *tazkirah* and *Yasin* recitations.

Among the weekly programmes held at the An-Nur mosques are *Kuliah Maghrib*, *Yasin & Tahlil* recitations, important Islamic historic date celebrations and *Tafaqquh An-Nur* programme. The Tafaqquh An-Nur programme which consists of *Asma' Ul-Husna & Ratib Al-Attas* recitation and *Tafsir Al-Quran* (Al-Quran interpretation) is coordinated by Imams at the An-Nur mosques.

CORPORATE RESPONSIBILITY

Several Dakwah & Training programmes are also held to improve the skills of the staff of An-Nur mosques. The programmes which officially started on 10 June 2014 were held every Wednesdays and Thursdays. The programme's agenda include *usrah*, public speaking, *tarannum* and *tajwid* classes. A seminar on empowering the mosques' management was also held in 2014 to empower the management of mosques among the staff and respective committee members.

Also in 2014, *Aqiqah*, *Qurban* and *Muharram 1436H* programmes were also held at the chain of An-Nur mosques. Meanwhile, Masjid An-Nur Bandar Dato' Onn which will be the sixth An-Nur mosque under the chain is being constructed and expected to be in operation by mid-2015.

WAQAF AN-NUR HOSPITAL AND CHAIN OF WAQAF AN-NUR CLINICS

JCorp via WANCorp in cooperation with State Islamic Councils and support from KPJ Healthcare Berhad developed and managed 19 Waqaf An-Nur Clinics (KWAN) besides a Waqaf An-Nur Hospital (HWAN) at Pasir Gudang on the fundamental of charity through waqaf concept's adaptation.

The main objective of KWAN and HWAN's establishments is to provide healthcare treatments and dialysis facilities to the general public particularly the deserving, regardless of ethnicity and religion.

Apart from Johor, KWANs are also built in Negeri Sembilan, Selangor, Perak, Sarawak and Penang that are developed with cooperation from the respective state's Islamic councils. Currently, three new clinics are being constructed in the premises of Masjid Al-Ismaili at Pasir Pekan, Tumpat, Kelantan; Masjid Bandar Baru Sultan Suleiman at Pelabuhan Klang (Selangor) and Masjid Jamek Rembau, Negeri Sembilan (this clinic is being constructed in order to replace the existing premise which is operating in a container). The constructions of new KWANs are initiatives to broaden the chain of KWAN's role across the nation. The respective new clinics are expected to commence operation in 2015.

In August 2014, KWAN Kotaraya which has been temporarily closed for operation since 2011 following the renovation works of Plaza Kotaraya (now known as Galleria@Kotaraya) had been re-opened to public.

Until 31 December 2014, a total of 1,057,154 treatments were discharged to the patients in the chain of KWAN – a 10 percent increase compared to the previous year. Out of that portion, 79,312 treatments or 8 percent were extended to non-Muslim patients.

HWAN and chain of KWANs are not only providing healthcare treatments on a nominal charge of RM5 inclusive of medication, yet offering dialysis treatment with the subsidised rate to the deserving. Patients also receive financial support from Baitulmal, PERKESO and various welfare agencies entitling them to free treatments.

CORPORATE RESPONSIBILITY

WAQAF BRIGADE

Waqaf Brigade also brought pride to JCorp as it was declared as the Champion of Marching Competition for Statutory Bodies Category during Johor Bahru State Level's 57th National Day Celebration at Kulaijaya Mini Stadium.

Waqaf Brigade organised a humanitarian calamity aid in Segamat pursuant to a storm that hit the district in August 2014. An immediate relief of RM1,700 were dispatched to six victims for the cause.

In terms of community service, Waqaf Brigade lent a helping hand in cleaning the premises of Surau Al-Falah Kampung Belukar Durian, Sedili Kecil, Kota Tinggi followed by Surau Al-Mawaddah, Kampung Padang Lerek 2, Ledang and *Pemulihan Dalam Komuniti* (PDK) in Layang-Layang state assembly. Subsequently, Waqaf Brigade organised a community service to clean the cemetery at Masjid Kampung Tanjung Langsat Pasir Gudang.

In sharpening its members' skills, Waqaf Brigade organised a number of courses and trainings such as Voluntary Search & Rescue (wise Stage 1) which involved 40 members with cooperation from the Malaysian Public Defense Department (JPAM), while 18 members took part in the Amateur Radio Handling Course.

The major flood that struck Kelantan, Terengganu, Pahang and Perak in 2014 and early-2015 captured JCorp and its Group of Companies' concern to help ease the victims' burden. Hence, Waqaf Brigade took the initiative to dispatch foods and necessity aids to the Group's staff that are affected, ranging from KPJ Kuantan, KPJ Perdana Specialist Hospital and KFC outlets.

Waqaf Brigade also took part in a post-flood relief mission, which involved cleaning works of schools in Dabong and Kuala Krai.

WAQAF COMMUNITY CENTRE

The Waqaf Community Tailoring Centre (PJWK) at Taman Bukit Dahlia, Pasir Gudang is JCorp's initiative through WANCorp with the objective to help its participants to generate income through entrepreneurship based on their talents. The premise and equipment are furnished and funded by WANCorp. With 16 participants of single-mothers, the Centre had received substantial order placements for *baju kurung*, *baju kurung moden*, *abayas*, *baju Melayu* and curtains. Support and facilitation services are also provided through a leader, chosen to oversee the Centre's marketing, administration and financial management.

The Centre also provides a Kids' Corner for the participants' children to do their homework, readings and rest while they wait for their next school sessions.

CORPORATE RESPONSIBILITY

Resulting from the success of the first PJWK, WANCorp expanded the programme with the establishment of the second PJWK in December 2014 at Taman Bukit Tiram, Ulu Tiram with eight participants and an instructor. Starting January 2015, the tailoring centre opened its doors for bulk bookings. This centre focuses on a more complex orders like wedding dresses, corporate attires, school curtains and bulk orders.

TIJARAH RAMADHAN FUND- JOHOR CORPORATION FOUNDATION

Tijarah Ramadan Programme also creates possibilities be it for companies within JCorp Group or outside and the public to discharge charitable deeds. Since its launching in 2005 up to December 2014, an amount of RM2,905,956 has been accrued via Tijarah Ramadhan Fund (TTR) via contributions from corporate bodies and the general public from all over Malaysia besides Singapore and Brunei.

From January-December 2014, Tijarah Ramadhan Fund gathered contributions worth RM351,115 from the public and companies within the Group. From that amount, TTR channelled RM2,843,085 to the deserving nationwide. From January-December 2014, a total of RM347,796 was allocated by TTR for the said purpose.

WAQAF BRIGADE

18 members

underwent
Amateur Radio Handling Course

In conjunction with the school session of 2015, TTR together with WANCorp also contributed stationeries, school bags and pocket money to students from selected schools around Johor. A total of 1,000 units of school bags were handed over to Johor Education Department to be distributed to students of the deserving.

As much as 14,217 people inclusive of deserving bodies from all over Malaysia benefited from TTR which represented various ethnics and religious denominations.

CORPORATE RESPONSIBILITY

MUTIARA JOHOR CORPORATION

Mutiara Johor Corporation chaired by Ydh Datin Noor Laila Yahaya is a women society membered by women staff and spouses of JCorp's staff. This ABO is established to take care of its member's welfare as well as offering services to the community through worthwhile activities.

In conjunction with *Israk & Mikraj*, Mutiara Johor Corporation organised a spiritual concert – *Konsert Mikraj Cinta*. The concert was held on 29 May 2014 (29 Rejab 1435H) at MBJB Indoor Stadium, Johor Bahru with the objective to generate funds for Mutiara Johor Corporation to be channelled to the deserving – orphans, single-mothers, charity homes, Ramadhan contributions and alike.

Several religious, social, education, welfare and sports activities have been undertaken by Mutiara Johor Corporation including visits to the orphanages, congregational Hajat Prayers, Zumbarobics, *Yaasin* Recitations, *Iftar* and educational visits.

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

PKP Induk is a body that plays vital role in solidifying and coordinating all staff societies within JCorp Group of Companies. Johor Corporation Closed Sports Carnival 2014 was among the activities organised by PKP Induk. Several events were contested including carom, badminton, futsal, paintball and netball. Besides, PKP Induk is indeed active in coordinating external sports participations including the ones organised by GEMAPUTRA, ADFIM and Association of Statutory Bodies.

Meanwhile, PKP Perbadanan Johor is a staff society of the headquarters. Both societies are actively involved in initiating activities among members with particular to sports and recreations apart from organising qurban activities through salary deduction, contributions to the members' high achieving children, charity *bubur lambuk*, *Aidilfitri* celebration as well as online quizzes and interactive motivational materials. Apart from that, PKP Perbadanan Johor also harnessed contributions to be handed out to staff that had lost their closest family members.

CORPORATE RESPONSIBILITY

BISTARI ENTREPRENEUR PROGRAMMES

JCorp is steadfast in encouraging the young generation to actively involve themselves in entrepreneurial activities as an alternative to generate income and ensuring a bright future.

JCorp's involvement in entrepreneurship programmes began in 1992 with the launch of Tunas BISTARI, an entrepreneurship programme for secondary school students around Johor followed by Siswa BISTARI, an entrepreneurship programme for students of higher education institutions in 2004. Upon the success of both programmes, JCorp extended the entrepreneurship programme to primary students in Johor through the launch of Didik BISTARI in 2005 which was also supported by the Education Department of Johor.

In 2014, 70 secondary schools and 100 primary schools were involved in the Tunas BISTARI and Didik BISTARI programmes, with participation from 1,000 primary school students and 1,050 secondary school students. Tunas BISTARI had received strong support from all participating parties. Participation demand for the programme had also increased. Up to 2014, a total of 19,675 students and 174 schools involved in this programme. For Didik BISTARI programme, 127 primary schools are involved with participation from 8,410 students.

The programme has also received national accreditation through the organisation of Tunas Niaga National Convention (Young Entrepreneur Programme) participated by all SEDC across Malaysia. BISTARI programmes are deemed a success for producing more than 100 entrepreneurs in numerous businesses.

JCorp's inculcation of entrepreneurship aspect is not only limited to school students, but expanded to the higher education institutions through Siswa BISTARI programme. Since its inception until now, 26 Siswa BISTARI companies were being established in UiTM Segamat, UiTM Shah Alam and Politeknik Merlimau. This programme also involves participation of mentors among executives of JCorp and entrepreneurs as the participants' advisors.

Pursuant to the entrepreneurial programmes held, JCorp took an innovative move in developing a business related board game – CATUR BISTARI. The board game is seen as a lighter and more interesting medium of approach in introducing business to all ages. It does not focus entirely on entertainment, but with a value added objective to educate the players.

CORPORATE RESPONSIBILITY

CATUR BISTARI gives exposure to business knowledge and stimulates the mind while challenging its players' creative thinking abilities in order to win. Even more interesting, CATUR BISTARI instils good morale, which could nurture Islamic entrepreneurial spirit among its players.

Since its launch in 2008 until today, more than 100,000 participants from schools, higher learning institutions, agencies, NGOs, entrepreneurs and societies had taken part in simulation programmes and competitions that have been held. Among the annual competitions are; the *Cabaran CATUR BISTARI Institusi Pengajian Tinggi Malaysia Peringkat Kebangsaan, Cabaran CATUR BISTARI Peringkat Akhir Sekolah Menengah & Rendah Negeri Johor* and *Cabaran CATUR BISTARI KFC Peringkat Kebangsaan*. These *Cabaran CATUR BISTARI* competitions received support from Waqaf An-Nur Corporation Berhad and Companies within the Group.

To ensure sustainability to the BISTARI programmes, JCorp launched the establishment of BISTARI Alumni as a platform to gather previous participants from previous BISTARI programmes. Apart from that, BISTARI Alumni serves as a benchmark to evaluate the effectiveness and achievements of the BISTARI programmes. The alumni was registered on 27 January 2014, with its members consisting of previous participants in Johor Corporation's BISTARI entrepreneurial programmes such as Tunas BISTARI, Didik BISTARI, Siswa BISTARI and CATUR BISTARI.

The objective of the BISTARI Alumni is to gather and identify successful participants, apart from keeping track of its participants' achievements in BISTARI programmes. Until today, a total of 1,450 alumni have been successfully brought together in BISTARI Alumni's fan page.

Meanwhile, CILIK BISTARI is the second board game product of JCorp, following the success of CATUR BISTARI. The production of CILIK BISTARI is projected to attract players in the 8 to 14 years age group.

This game is developed to nurture basic knowledge in entrepreneurship with a more fun approach, well-suited for children and family members. CILIK BISTARI still maintains the three main routes with two additional routes – *Jejak 1* and *Jejak 2*, which emulates the schooling environment.

CORPORATE RESPONSIBILITY

JOHOR SAILING ASSOCIATION AND MALAYSIA SAILING ASSOCIATION

JCorp also pioneers sailing activities through its involvement in Johor Sailing Association (JSA) and Malaysia Sailing Association (MSA). Both societies are led by YB Dato' Kamaruzzaman Abu Kassim, President & Chief Executive of JCorp as the president for both associations. These two ABO are actively encouraging and developing the Malaysian sailing scene at the international level as a number of sailors are equally excellent at the world stage, and capable of competing against nation's seasoned athletes.

Meanwhile, the KFC-FELDA Johor Open 2014 had also taken place at the Tanjung Leman Beach, Mersing from 17 to 20 October 2014. This event indirectly helps to promote Tanjung Leman as a gateway and attractive tourist destination in the state of Johor besides being in line with the main objectives of both societies to develop and introduce the sailing sport to the nation's youth particularly familiarising this sport to the descendants of Felda settlers.

A total of 15 teams took part in the Johor Open Regatta 2014, with 155 participants from each team. In the previous Sukan Malaysia XVII which took place from 27 May - 3 June 2014, JSA managed to bring home six bronze medals from the categories they participated in. The team was also proud to finish with a bronze in the 2014 SEA Games International 420 Women's category represented by Johor-born sailor, Nuraisyah Jamil.

JOHOR CLAY TARGET SHOOTING ASSOCIATION

Johor Clay Target Shooting Association (JCTSA) established in 1997 is a society that runs under the patronage of National Shooting Association of Malaysia (NSAM).

The association was established with the main objective of raising the bar of the shooting sport in the state and national level. The association is very active, especially in promoting the clay target events, apart from serving as a platform to identify new talents to compete in the state and national levels. The association also aims to contribute to Malaysia's Sports Tourism in general and the Johor state in particular. The association also organises monthly shooting clinics which are held on every first Sundays of the month. Members are welcomed to take the opportunity to learn the correct and safe methods of handling firearms.

Apart from the Clay Target events, the association also provides a platform for trainings and practical shooting competitions or IPSC (International Practical Shooting Confederation). The association's shooting range was chosen as the official shooting range for IPSC Level IV Australasia 2010. The existing shooting range is equipped with 24 training lanes complete with target boards and equipment for members.

Johor Clay Target Shooting Association (JCTSA) established in 1997 is an association that was under the patronage of National Shootly Association of Malaysia (NSAM).

CORPORATE RESPONSIBILITY

Each year without fail, the society organises Sultan Iskandar Cup Shooting Competition (currently known as Iskandar Shoot) in collaboration with Associations and Johor Sports Council (MSNJ). The competition is also supported by the State Government as it is enlisted in the Tourism Calendar of Johor.

In 2014, over 200 shooters represented Royal Malaysia Navy, Royal Malaysia Police, Malaysia Airlines Shooting Club, Indonesia, Singapore, Philippines, Hong Kong and Sri Lanka.

JCTSA will continue to strive in achieving its objectives through providing a more comprehensive and better training facilities besides organising more international level competitions.

JOHOR MOTOR CLUB

Johor Motor Club is a combined group of the Automobile Association of Malaysia (AAM) which is actively involved in motorsports development through activities such as Johor Clubman Race, Johor Sprint Challenge and the weekly Saturday Nite Sprint besides Petronas AAM Malaysian Cub Prix Championship. All of the club's motoring activities are being held at the Johor Circuit Pasir Gudang.

The Johor Clubman Series competition is the most popular event among the newcomers and members of the club, while the Saturday Nite Sprint is the most sought after among the youngsters as it offers possibilities to take part in a sprint under a much controlled and safer environment.

Johor Motor Club also attained AAM's accreditation to organise AAM Malaysian Motocross Championship 2014 which was held at Bandar Dato' Onn Circuit, Johor Bahru. The championship received Johor Land Berhad's support in terms of financial sponsorships and venue.

Numerous activities scheduled by Johor Motor Club are aimed to attract more motorsport and extreme sports enthusiasm in Johor. It also serves as a platform for teenagers to exhibit their talents in a healthy environment.

CORPORATE RESPONSIBILITY

KULIM WILDLIFE DEFENDERS (KWD)

JCorp also participates in wildlife and nature conservation programmes in Johor through Kulim (Malaysia) Berhad. Kulim Wildlife Defenders (KWD) was established and officiated by HRH Tunku Mahkota Johor in 2009.

KWD also plays a part in supporting Johor Wildlife Conservation Project (JWCP) since 2009 via joining of efforts through participations in monthly patrol and road blocks together with the State Government of Johor, Johor National Park Corporation, Johor Wildlife Department, Johor Forestry Department, Royal Malaysia Police, Kulim, Wildlife Conservation Society, Panthera and US Fish & Wildlife in safeguarding as well as conserving the flora and fauna along the borderline of Johor forest from any act of trespass so as illegal poaching.

In 2013, JCorp and Kulim rang the call to organise Raja Zarith Sofiah Wildlife Defenders Challenge 2013 on the initiative and great support from DYMM Raja Zarith Sofiah Binti Almarhum Sultan Idris Shah towards the wildlife conservation effort particularly in Johor which was joined by the state's 10 primary schools, 10 secondary schools and 10 higher education institutions that involved 160 students and 40 teachers.

On 4 June 2014, the closing ceremony and announcement of the programme's winners was held at Galleria@Kotaraya, Johor Bahru. The winners were students from Sekolah Kebangsaan Bandar Pontian, Sekolah Menengah Kebangsaan Seri Gading, Batu Pahat and Tora Malaysianis team from Universiti Teknologi Malaysia in their respective categories.

CONCLUSION

As a responsible corporate organisation, JCorp is convinced that its involvement together with its Group of Companies and all staff in the community and social development via various initiatives is an important role and commitment done full-heartedly and trustworthily.

JCorp Group believes that sustainable growth can be achieved through the implementation of Corporate Responsibility initiatives. The initiatives would also generate business competitiveness especially among companies within the Group. Special attention is also given towards the inculcation of good values and business strategies according to the economic and social needs of all stakeholders. JCorp also hopes that all initiatives carried out would cultivate responsible and ethical business policies and practices in all aspects.

In conclusion, corporate responsibility undertakings have uplifted JCorp's reputation, whereby it attracts, retains and motivates staff to strive towards quality. Meanwhile from a different perspective, the good reputation is seen to portray JCorp as a respectable brand that is capable to produce ethical staff in a business organisation. JCorp views that economic strength must work hand in hand with good values and contributions from the society.

EVENT HIGHLIGHTS

JANUARY

PEDOMAN JOHOR CORPORATION 2014.

HARI MEKAR JOHOR CORPORATION 2013.

MOU SINGING CEREMONY BETWEEN JOHOR CORPORATION AND PERBADANAN USAHAWAN NASIONAL BERHAD & MALAYSIA PINEAPPLE INDUSTRIAL BOARD AND YPJ HOLDINGS SDN BHD.

APRIL

SPONSORSHIP SINGING CEREMONY BY KFC (PENINSULAR MALAYSIA) SDN BHD, HANDOVER OF MYANMAR SEA GAMES 2013 INCENTIVES AND THE LAUNCHING OF *BELIA BELAYAR* AND MALAYSIA MATCH RACING CIRCUIT.

MAY

KONSERT MIKRAJ CINTA **BY MUTIARA JOHOR CORPORATION.**

JUNE

PUSPATRI CONVOCATION CEREMONY.

EVENT HIGHLIGHTS

FEBRUARY

11TH KFC-NSC LANGKAWI INTERNATIONAL REGATTA PERDANA 2014.

KPJ KLANG SPECIALIST HOSPITAL OFFICIATION CEREMONY.

DECEMBER

KPJ PASIR GUDANG SPECIALIST HOSPITAL OFFICIATION CEREMONY.

HANDOVER CEREMONY OF PARTICIPATION LETTERS TO KEDAI AYAMAS OUTLET MANAGERS IN CORPORATE LICENSING SCHEME.

LAUNCHING OF WORLD HUNGER RELIEF DISTRIBUTION PROGRAMME.

JCORP
IN THE MEDIA

Hulur dana kemanusiaan berterusan

JCorp hulur RM500,000

Niaga

Wujud pusat rawatan pakar pertama untuk sejuta penduduk di Rawang

JCorp bina hospital RM130 juta

JCorp laksana Projek Ladang Satelit

The Star 18/04/2014

JCorp sets aside RM800mil capex

Move to boost plantation, healthcare, property segments

JCorp profit doubles to RM1.4bil

Group exceeds RM1bil mark for first time

We are confident of maintaining such growth momentum from existing and new businesses.

JCorp contributed RM78.98mil to Johor govt over 25 years

JCorp untung RM1.37 bilion

JOHOR BAHRU – Johor Corporation (JCorp) yakin akan mengalami pertumbuhan berterusan bersandarkan keupayaannya mencatat keuntungan sebelum cukai mencecah RM1.37 bilion tahun lalu.

Menteri Besar, Datuk Mohamed Khaled Nordin berkata, syarikat itu dijangka akan terus memperkukuhkan perniagaan teras sedia ada dalam sektor perladangan, kesihatan dan hartanah serta sedia mewujudkan aliran pendapatan baharu.

Menurutnya, Pelan Transformasi Strategik 2012-2022 menggariskan beberapa inisiatif bagi memastikan kesinambungan entiti perniagaan teras, di samping mengimbangi peranan kumpulan dalam melaksanakan pem- bagi mengoptimumkan operasi jangka panjang.

"JCorp akan terus komited dalam menjayakan Pelan Transformasi Strategik yang akan mengukuhkan kedudukan pelbagai bisnes kami di rantau Asean dan menjadi ke arah mencapai bebas hutang menjelang 2022," katanya pada sidang media selepas Majlis Pelancaran Laporan Tahunan

pencapaian mencatatkan RM1 bilion keuntungan sebelum cukai tahun lalu berlandaskan unjuran pertumbuhan ekonomi yang lebih kukuh.

Menurutnya, transformasi berterusan itu membuka potensi yang signifikan yang mana kumpulan telah merasionalisasikan aset serta meningkatkan

Mohamed Khaled menyemak laporan tahunan JCorp 2013 sambil diperhatikan Ismail (kiri) dan Kamaruzzaman.

BH 7 OKTOBER 2014 SELASA

Tanah bekas Kem Tebrau diambil alih

- JCorp dapat sokongan kerajaan negeri buat persiapan, selesai isu setinggan

JCORP
IN THE MEDIA


NEW STRAITS TIMES ONLINE

FRONTPAGE NATION BUSINESS LIFESTYLE SPORTS

JCorp takes over land for housing project

JOHOR BARU: THE takeover process of the former Tebrau Camp land to facilitate an affordable housing project is expected to be completed within a year.


Utusan ONLINE LIVE

Berita Video Rencana Hiburan Bisnes Pendidikan

korporat

JCorp catat untung lepasi paras RM1b

KUALA LUMPUR 20 Mac - Johor Corporation (JCorp) telah mencat... kewangan bagi tahun 2013 dengan peningkatan keuntungan sebe... dua kali ganda kepada RM1.37 bilion, melepasi paras RM1 bilion.

FINANCIAL STATEMENTS

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF JOHOR CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2014

Report on the Financial Statements

The Financial Statements of Johor Corporation and the Group for the year ended 31 December 2014 have been audited by my representative, which comprise the Statement of Financial Position as at 31 December 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the approved financial reporting standards in Malaysia and the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995). The Board of Directors is also responsible for the internal controls as the management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to give an opinion on these financial statements based on the audit. The audit was conducted in accordance with the Audit Act 1957 and approved standards on auditing in Malaysia. Those standards require that I comply with ethical requirements as well as plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and presentation of financial statements that give a true and fair view in order to design audit procedures that are appropriate, but not to express an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management as well as the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements give a true and fair view of the financial position of Johor Corporation and the Group as at 31 December 2014 and of their financial performance and cash flows for the year then ended, in accordance with the approved financial reporting standards in Malaysia.

I have considered the financial statements and auditors' reports of all subsidiaries of which i have not acted as auditor as indicated in the notes to the financial statements. I am satisfied that the financial statements of the subsidiaries have been consolidated with the financial statements of Johor Corporation in form and content which is appropriate and proper for the purpose of the preparation of the financial statements. I have received satisfactory information and explanations as required for the purpose. The auditors' reports on the financial statements of the subsidiaries were not subject to any observations that could affect the financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995), I also report that, in my opinion:

i . The accounting and other records have been properly kept in accordance with Section 30(i) of the said Enactment;

ii. Receipts, expenditure, investment of monies as well as the procurements and disposal of assets by Johor Corporation for the year ended 31 December 2014 were in accordance with the provisions of the said Enactment; and

iii. Assets and liabilities are fairly stated in accordance with the accounting policies.

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

PUTRAJAYA
10 APRIL 2015

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 2014.

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

FINANCIAL RESULTS

	Group RM Million	Corporation RM Million
Profit from continuing operations, net of tax	529	196
Profit from discontinued operations, net of tax	247	-
Profit net of tax	776	196
Profit attributable to:		
Johor Corporation	430	196
Non-controlling interests	346	-
	776	196

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

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' Mohamed Khaled Bin Nordin	(Chairman)
YBhg Tan Sri Dr Ali Bin Hamsa	(Deputy Chairman)
YB Dato' Kamaruzzaman Bin Abu Kassim	(President and Group Chief Executive)
YB Dato' Haji Ismail Bin Karim	(Appointed on 10 April 2014)
YB Dato' Ishak Bin Sahari	
YB Dato' Haji Marsan Bin Kassim	
YBhg Dato' Hafsah Binti Hashim	
YBhg Dato' Siti Zauyah Binti Md Desa	
YB Tuan Haji Md Jais Bin Haji Sarday	
YBhg Encik Izaddeen Bin Daud	
YB Dato' Haji Obet Bin Tawil	(Retired on 9 April 2014)
YBhg Datuk Seri Mohd Hashim Bin Abdullah	(Retired on 7 July 2014)

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.

(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.

DIRECTORS' REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

(e) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Corporation to meet their obligations when they fall due; and

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

Signed on behalf of the Board of Directors:

DATO' MOHAMED KHALED BIN NORDIN
Chairman

DATO' KAMARUZZAMAN BIN ABU KASSIM
President and Group Chief Executive

Johor Bahru

17 March 2015

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

We, Dato' Mohamed Khaled Bin Nordin 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 in accordance to Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Corporation as at 31 December 2014 and of their results and cash flows for the year then ended.

Signed on behalf of the Board of Directors:

DATO' MOHAMED KHALED BIN NORDIN
Chairman

DATO' KAMARUZZAMAN BIN ABU KASSIM
President and Group Chief Executive

Johor Bahru

17 March 2015

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 17 MAC 2015

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 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

		Group		Corporation	
	Note	**2014**	**2013 Restated**	**2014**	**2013**
Continuing operations					
Revenue	4	4,695	4,735	204	531
Cost of sales		(3,277)	(3,062)	(49)	(120)
Gross profit		1,418	1,673	155	411
Other items of income					
Other income	5	809	1,166	238	379
Other items of expense					
Distribution expenses		(43)	(67)	(10)	(6)
Administrative expenses		(976)	(959)	(60)	(72)
Finance costs	7	(370)	(401)	(126)	(201)
Other expenses	6	(208)	(123)	(37)	(366)
Share of results of associates, net of tax		24	31	-	-
Share of result of joint ventures, net of tax		(27)	4	-	-
Profit before tax from continuing operations	**8**	**627**	**1,324**	**160**	**145**
Income tax expense	11	(98)	(182)	36	(16)
Profit from continuing operations, net of tax		**529**	**1,142**	**196**	**129**
Discontinued operations					
Profit from discontinued operations, net of tax	12	247	17	-	-
Profit net of tax		**776**	**1,159**	**196**	**129**

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	Group 2014	Group 2013 Restated	Corporation 2014	Corporation 2013
Other comprehensive income/(loss), to be reclassified to profit or loss in subsequent periods:					
Net loss on cash flow hedges		(10)	-	-	-
Net loss on available for sale financial assets		(1)	(2)	-	-
Foreign currency translation of foreign operations		97	(265)	-	-
Other comprehensive income, not to be reclassified to profit or loss in subsequent periods:					
Net surplus from revaluation of property, plant and equipment		3	-	-	-
Other comprehensive income/(loss) for the year, net of tax		**89**	**(267)**	**-**	**-**
Total comprehensive income for the year		**865**	**892**	**196**	**129**
Profit attributable to:					
Johor Corporation		430	808	196	129
Non-controlling interests		346	351	-	-
		776	1,159	196	129
Total comprehensive income attributable to:					
Johor Corporation		447	738	196	129
Non-controlling interests		418	154	-	-
		865	**892**	**196**	**129**

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

		Group		Corporation	
	Note	**2014**	**2013 Restated**	**2014**	**2013**
ASSETS					
Non-current assets					
Property, plant and equipment	14	6,044	8,631	671	520
Property development	24(a)	50	164	26	26
Investment properties	15	4,045	3,554	1,177	1,108
Intangible assets	16	351	408	-	-
Land use rights	17	126	154	-	-
Investment in subsidiaries	18	-	-	3,769	3,443
Investment in associates	19	268	285	36	36
Investment in joint ventures	20	1,246	1,272	-	-
Deferred tax assets	22	160	97	108	59
Other investments	13	57	66	4	4
		12,347	14,631	5,791	5,196
Current assets					
Property development	24(b)	785	877	430	436
Inventories	25	174	804	72	80
Trade and other receivables	23	991	1,065	354	302
Other currents assets	26	47	76	7	17
Other investments	13	146	64	42	48
Tax recoverable		-	5	71	75
Derivative financial instrument	28	2	16	-	-
Cash and bank balances	29	1,091	1,105	85	91
		3,236	4,012	1,061	1,049
Assets of disposal group classified as held for sale	21	4,859	6	63	26
		8,095	4,018	1,124	1,075
Total assets		**20,442**	**18,649**	**6,915**	**6,271**

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	Group 2014	Group 2013 Restated	Corporation 2014	Corporation 2013
EQUITY AND LIABILITIES					
Current liabilities					
Tax payable		40	54	-	-
Loans and borrowings	31	2,246	1,634	62	61
Trade and other payables	32	1,960	1,931	1,620	1,220
		4,246	3,619	1,682	1,281
Liabilities directly associated with disposal group classified as held for sale	21	2,085	-	-	-
		6,331	3,619	1,682	1,281
Net current assets/(liabilities)		**1,764**	**399**	**(558)**	**(206)**
Non-current liabilities					
Other payables	32	-	-	453	424
Other long term liabilities	30	415	400	290	267
Deferred tax liabilities	22	263	977	-	-
Loans and borrowings	31	5,951	6,930	2,974	2,977
		6,629	8,307	3,717	3,668
Total liabilities		**12,960**	**11,926**	**5,399**	**4,949**
Net assets		**7,482**	**6,723**	**1,516**	**1,322**
Equity					
Capital reserves	33(a)	1,064	1,056	55	55
Currency fluctuation reserve	33(b)	(91)	(145)	-	-
Fair value adjustments reserve	33(c)	51	51	-	-
Equity transaction reserves	33(d)	(56)	(56)	-	-
Revenue reserve	33(e)	1,972	1,598	1,461	1,267
		2,940	2,504	1,516	1,322
Non-controlling interests		4,542	4,219	-	-
Total equity		**7,482**	**6,723**	**1,516**	**1,322**
Total equity and liabilities		**20,442**	**18,649**	**6,915**	**6,271**

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 2014
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

2013 Group	Capital reserves	Currency fluctuation reserve	Fair value adjustments reserve	Equity transaction reserves	Revenue reserve	Total	Non-controlling interests	Total equity
Opening balance as at 1 January 2013	**1,046**	**(74)**	**53**	**(56)**	**787**	**1,756**	**5,927**	**7,683**
Profit net of tax	-	-	-	-	808	808	351	1,159
Other comprehensive income								
Foreign currency translation of foreign operations	-	(67)	-	-	-	(67)	(198)	(265)
Net loss on available for sale financial assets	-	-	(2)	-	-	(2)	-	(2)
Net (loss)/gain on cash flow hedges	(1)	-	-	-	-	(1)	1	-
Total other comprehensive income for the year	(1)	(67)	(2)	-	-	(70)	(197)	(267)
Total comprehensive income for the year	(1)	(67)	(2)	-	808	738	154	892
Dividend paid to minority shareholders	-	-	-	-	-	-	(614)	(614)
Disposal of subsidiaries	8	(4)	-	-	-	4	(1,307)	(1,303)
Dilution of interest in subsidiaries	4	-	-	-	21	25	46	71
Acquisition of new subsidiaries	-	-	-	-	-	-	5	5
Additional interest in subsidiaries	-	-	-	-	(16)	(16)	6	(10)
Issue of shares by subsidiary to non-controlling interests	-	-	-	-	-	-	2	2
Distribution of fund to State Government	-	-	-	-	(3)	(3)	-	(3)
Redemption of preference shares	(1)	-	-	-	1	-	-	-
	11	(4)	-	-	3	10	(1,862)	(1,852)
Closing balance as at 31 December 2013	**1,056**	**(145)**	**51**	**(56)**	**1,598**	**2,504**	**4,219**	**6,723**

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

2014 Group	Capital reserves	Currency fluctuation reserve	Fair value adjustments reserve	Equity transaction reserves	Revenue reserve	Total	Non-controlling interests	Total equity
Opening balance as at 1 January 2014	**1,056**	**(145)**	**51**	**(56)**	**1,598**	**2,504**	**4,219**	**6,723**
Profit net of tax	-	-	-	-	430	430	346	776
Other comprehensive income								
Revaluation surplus on property, plant and equipment	3	-	-	-	-	3	-	3
Foreign currency translation of foreign operations	-	19	-	-	-	19	78	97
Net (loss)/gain on available for sale financial assets	-	-	-	-	(2)	(2)	1	(1)
Net loss on cash flow hedges	(3)	-	-	-	-	(3)	(7)	(10)
Total other comprehensive income for the year	-	19	-	-	(2)	17	72	89
Total comprehensive income for the year	-	19	-	-	428	447	418	865
Dividend paid to minority shareholders	-	-	-	-	-	-	(160)	(160)
Disposal of subsidiaries	(7)	32	-	-	(13)	12	(4)	8
Dilution of interest in subsidiaries	(6)	3	-	-	(22)	(25)	(12)	(37)
Acquisition of new subsidiaries	(5)	-	-	-	(5)	(10)	130	120
Additional interest in subsidiaries	26	-	-	-	(12)	14	(49)	(35)
Distribution of fund to State Government	-	-	-	-	(2)	(2)	-	(2)
	8	35	-	-	(54)	(11)	(95)	(106)
Closing balance as at 31 December 2014	**1,064**	**(91)**	**51**	**(56)**	**1,972**	**2,940**	**4,542**	**7,482**

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

Corporation	**Capital reserves**	**Revenue reserve**	**Total equity**
Opening balance as at 1 January 2013	**55**	**1,141**	**1,196**
Total comprehensive income	-	129	129
Distribution of fund to State Government	-	(3)	(3)
Closing balance as at 31 December 2013 and opening balance at 1 January 2014	**55**	**1,267**	**1,322**
Total comprehensive income	-	196	196
Distribution of fund to State Government	-	(2)	(2)
Closing balance as at 31 December 2014	**55**	**1,461**	**1,516**

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Group 2014	Group 2013 Restated	Corporation 2014	Corporation 2013
OPERATING ACTIVITIES				
Profit before tax:				
Continuing operations	627	1,324	160	145
Discontinued operation	383	51	-	-
Adjustments:				
Property, plant and equipment:				
Net gain on disposal	(10)	(73)	-	(73)
Written off	5	1	-	-
Depreciation	501	435	10	8
Investment property:				
Changes in fair value	(186)	(463)	(83)	(268)
Net gain on disposal	(104)	-	(23)	(13)
Land use rights:				
Amortisation	1	-	-	-
Remeasurement of remaining interest arising on deemed disposal of subsidiary	-	(331)	-	-
(Gain)/loss on disposal of:				
Subsidiaries	(106)	(80)	(4)	(15)
Other investments	6	(3)	9	(1)
Discontinued operations	(1)	-	-	-
Bargain purchase on acquisition of subsidiary	(26)	-	-	-
Development expenditure:				
Allowance for diminution	-	-	1	-
Investments:				
Changes in fair value	(62)	(1)	(34)	8
Allowance for diminution, net	19	-	20	90
Intangible assets:				
Amortisation	7	1	-	-
Dividend income	(3)	(2)	(131)	(145)
Grants received from government	(5)	(6)	-	-
Unrealised foreign exchange loss	53	-	-	-
Goodwill written off	-	22	-	-
Amortisation of government grant	(3)	(7)	-	-
Allowance for/(reversal of) impairment for receivables, net	28	36	(15)	226
Interest expense	370	401	126	201
Interest income	(65)	(47)	(50)	(17)
Share of results of associates and joint ventures	3	(35)	-	-
Operating profit/(loss) before changes in working capital	**1,432**	**1,223**	**(14)**	**146**

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Group		Corporation	
	2014	**2013 Restated**	**2014**	**2013**
Changes in working capital				
Bank deposits not regarded as cash equivalents	26	23	6	(9)
Inventories	130	38	10	(38)
Property development cost	101	(345)	6	(150)
Receivables	44	62	22	(453)
Payables	383	96	49	321
Associates and joint ventures	36	1	-	-
Cash generated from/(used in) operations	2,152	1,098	79	(183)
Tax refunded	36	56	3	-
Tax paid	(276)	(327)	(13)	-
Dividend received	3	-	112	754
Interest received	65	47	4	4
Net cash generated from operating activities	**1,980**	**874**	**185**	**575**
INVESTING ACTIVITIES				
Proceeds from disposal of investment in:				
Subsidiaries	79	80	50	22
Short term investments	46	52	33	44
Associates	-	19	-	-
Joint ventures	-	(1,238)	-	-
Development expenditure	(1)	-	(1)	-
Property, plant and equipment:				
Proceeds from disposal	49	403	-	74
Purchase	(915)	(1,075)	(24)	(45)
Investment property:				
Proceeds from disposal	351	834	53	25
Purchase	(563)	(282)	(39)	-
Intangible assets:				
Addition	(47)	(17)	-	-
Land use rights:				
Purchase	-	(88)	-	-
Acquisition of subsidiaries	(241)	-	-	-
Purchase of:				
Partial interest in subsidiaries	-	-	(163)	(618)
Partial interest in associates	-	-	-	(12)
Other investments	-	(5)	-	(16)
Net cash inflow on disposal group classified as held for sale	28	-	-	-
Net cash inflow on disposal of subsidiaries	35	886	-	-
Net cash flows used in investing activities	**(1,179)**	**(431)**	**(91)**	**(526)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Group		Corporation	
	2014	2013 Restated	2014	2013
FINANCING ACTIVITIES				
Drawdown of term loans and other long term borrowings	1,320	3,053	-	-
Repayment of term loans and other long term borrowings	(1,681)	(2,439)	(4)	(3)
Repayment of hire purchase obligations	-	(11)	-	-
Government grant received	13	39	8	33
Interest paid	(370)	(401)	(96)	(109)
Dividend paid to non-controlling interests	(160)	(614)	-	-
Distribution of fund to State Government	(2)	(3)	(2)	(3)
Net cash used in financing activities	**(880)**	**(376)**	**(94)**	**(82)**
Net (decrease)/increase in cash and cash equivalents	(79)	67	-	(33)
Cash and cash equivalents at 1 January	936	857	66	99
Effect of exchange rate changes on cash and cash equivalents	97	12	-	-
Cash and cash equivalents at 31 December	**954**	**936**	**66**	**66**
CASH AND CASH EQUIVALENTS				
Cash and bank balances	579	731	39	3
Fixed deposits	512	374	46	88
	1,091	1,105	85	91
Fixed deposits subject to restriction/pledged	(21)	(47)	(19)	(25)
Bank overdrafts	(116)	(122)	-	-
	954	**936**	**66**	**66**

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 2014

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 11, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru, Johor
Malaysia.

The consolidated financial statements of the Corporation as at and for the year ended 31 December 2014 comprise the Corporation and its subsidiaries and the Group's interest in associates and joint ventures.

The Corporation is principally engaged in oil palm plantation, property development and management and investment holding. The principal activities of the Group consist mainly of oil palm plantation, 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 ("FRS") 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 2014 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 2014, the Group and the Corporation adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014:

Description	Effective for annual periods beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (continued)

The nature and impact of the new and amended FRSs and IC Interpretation are described below:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and “simultaneous realisation and settlement”. These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under FRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no material impact on the Group.

Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to FRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by FRS 13 Fair Value Measurements. The application of these amendments has had no material impact on the disclosures in the Group’s and the Corporation’s financial statements.

Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required. These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

IC Interpretation 21 Levies

IC 21 defines a levy and clarifies that the obligating event which gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. For a levy which is triggered upon reaching a minimum threshold, IC 21 clarifies that no liability should be recognised before the specified minimum threshold is reached. Retrospective application is required. The application of IC 21 has had no material impact on the disclosures or on the amounts recognised in the Group’s and the Corporation’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
FRS 9 Financial Instruments	1 January 2018

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

The amendments to FRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Corporation do not anticipate that the application of these amendments will have a significant impact on the Group's and the Corporation's financial statements.

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Corporation do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Corporation's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

Amendments to FRS 101: Disclosure Initiatives

The amendments to FRS 101 include narrow-focus improvements in the following five areas:

(i) Materiality;

(ii) Disaggregation and subtotals;

(iii) Notes structure;

(iv) Disclosure of accounting policies; and

(v) Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Corporation do not anticipate that the application of these amendments will have a material impact on the Group's and the Corporation's financial statements.

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Corporation's financial statements.

FRS 14 Regulatory Deferral Accounts

FRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of FRS. Entities that adopt FRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing FRS preparer, this standard would not apply.

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

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 141 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 and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. 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 2014 could be different if prepared under the MFRS Framework.

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 for like transactions and events in similar circumstances.

The Corporation controls an investee if and only if the Corporation has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

When the Corporation has less than a majority of the voting rights of an investee, the Corporation considers the following in assessing whether or not the Group voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Corporation holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Corporation, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Corporation has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

Business combinations (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.9(a).

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 Corporation.

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

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency (continued)

(b) Foreign currency transactions (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

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 – 22 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 fittings	2 – 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.

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

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

2.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets (continued)

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

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

2.12 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Corporation's separate financial statements, investments in subsidiaries are accounted for 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.

2.13 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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 joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Investments in associates and joint ventures (continued)

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of 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 or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures 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.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Corporation's separate financial statements, investments in associates and joint ventures are accounted for 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 2014

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial assets (continued)

(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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of financial assets (continued)

(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 an expense in the period in which they are incurred.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Land held for property development and property development costs

(a) 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.

(b) Property development costs

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

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

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

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

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

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

2.19 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, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Financial liabilities (continued)

(b) Other financial liabilities (continued)

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

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

2.23 Financial guarantee contracts

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

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

2.24 Borrowing costs

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

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

2.25 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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(b).

(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 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

2.30 Segment reporting

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

2.31 Contingencies

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Hedge accounting

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 28 for more details.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.33 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements in applying accounting policies

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) Control over the following companies:

(i) Investment in KPJ Healthcare Berhad ("KPJ")

The directors consider that the Group has control of KPJ even though it has less than 50% of the voting rights.

The Group is the majority sharehoder of KPJ with 38% equity interest. The second largest shareholder is Employee Provident Fund ("EPF"), which owns 11% of the equity shares of KPJ. All other shareholders individually own less than 5% of the equity shares of KPJ. Historically, the other shareholders did not form a group to excercise their votes collectively.

The directors assesed that the Group has control over KPJ. Therefore, in accordance with the requirements of FRS 10, KPJ is a subsidiary of the Corporation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements in applying accounting policies (continued)

(a) Control over the following companies (continued):

(ii) Investment in Al-‘Aqar Healthcare REIT (“Al-‘Aqar”)

As at 31 December 2014, the Corporation via KPJ, held 49% equity interest in Al-‘Aqar. Based on the management’s assesment of the relevant facts and circumstances in respect of equity interest held in Al-‘Aqar during the current financial year, the management has determined that control exists at the Corporation level as per the requirements of FRS 10.

KPJ is leasing the properties from Damansara REIT Managers Sdn Bhd (“DREIT”), the fund manager and real estate investment management arm of the Corporation. Therefore, the fund manager has decision making power to direct the relevant activities of Al-‘Aqar. However, any decisions made, affect the Group’s overall exposure to variable returns and are made in the best interest of the Group. The remuneration of DREIT, commensurate with the services it renders and does not have any direct interest in Al-‘Aqar, therefore, would qualify it to be just an agent.

As such, as at 31 December 2014, Al-‘Aqar’s financial statements were consolidated directly with the Corporation.

(iii) Investment in Waqaf An-Nur Berhad (“WanBhd”)

WanBhd is a company limited by guarantee incorporated to manage the assets and shares of companies of the Corporation which have been endowed in accordance with the principles of shariah. However, WanBhd has not been active since its incorporation. As at 31 December 2014, WanBhd held 100% equity interest in Sindora Ventures Sdn Bhd (“SVSB”) and indirect interests on 19 other subsidiary companies (via SVSB).

Based on the management’s assesment of the relevant facts and circumstances during the current financial year, the management has determined that WanBhd’s financial statements for the financial year ended 31 December 2014 were consolidated with the Corporation, as currently, the members of the Board of Directors (“BOD”) are solely represented by the Corporation (two representatives from the Corporation are sitting the BODs) which is not in accordance to the requirements of the Memorandum and Articles (“M&A”) of WanBhd that required at least four directors to be appointed, consisting of Chief Executive of the Corporation, Mufti Negeri Johor, Director of Jabatan Agama Islam Johor and Waqaf Officer of Negeri Johor. As a result, the Corporation has full control to direct the relevant activities of WanBhd.

3.2 Key source of estimation uncertainty

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

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key source of estimation uncertainty (continued)

(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 23.

(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 24.

(d) Contingencies-Provision for Arbitration Award

In previous year, Tanjung Langsat Port Sdn Bhd ("TLP") has recognised a provision for Arbitration Award amounting to USD23,224,319 arising from claims made by its customer. The total compensation as awarded to the customer under the arbitration was USD141,598,569 and to include interest of USD111,533. In line with TLP's initiatives to set aside the arbitration award and initiate arbitration proceeding against its Engineering, Procurement Construction and Commissioning ("EPCC") Contractor, the TLP's Board of Directors ("BODs") decided that TLP shall not make further provision to the sum of USD23,224,319 which was made in the financial year ended 31 December 2013. The BODs are also of the opinion that this amount should not be adjusted to any fluctuations and changes in foreign exchange rate. The management has exercised significant judgement to maintain the provision recognised previously. If the set aside application failed, the provision recognised would have to be increased by USD120,187,877 (2013: USD118,485,783).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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4. REVENUE

	Group		Corporation	
	2014	2013 Restated	2014	2013
Goods sold	1,714	1,746	29	87
Quick service restaurants	29	-	-	-
Property and industrial development	476	903	2	277
Healthcare services	1,839	1,408	-	-
Hotel and tourism services	65	70	-	-
Management services	130	163	-	-
Sale of short term investments	-	14	-	13
Dividend income	3	2	131	145
Rental income	167	29	42	9
Parking and related services	-	105	-	-
Transportation services	246	212	-	-
Rendering of other services	26	83	-	-
	4,695	4,735	204	531

5. OTHER INCOME

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

	Group		Corporation	
	2014	2013 Restated	2014	2013
Amortization of government grant (Note 30)	3	7	-	-
Changes in fair value of investment properties (Note 15)	186	463	83	268
Changes in fair value of other investments	62	1	34	(8)
Remeasurement of remaining interest arising on deemed disposal of subsidiary (Note 18(g))	-	331	-	-
Gain on disposal of:				
Investment properties	104	-	23	13
Property, plant and equipment	10	73	-	73
Subsidiaries/associates	106	80	4	15
Other investments	-	3	-	1
Discontinued operations (Note 12)	1	-	-	-
Interest income	65	47	50	17
Grants received from government	5	6	-	-
Reversal of allowance for impairment of trade and other receivables	57	18	15	-
Sundry income	66	34	-	-
Fire insurance claim recovered	17	-	-	-
Bargain purchase on acquisition of subsidiary (Note 18(e))	26	-	-	-
Development rights	-	20	-	-

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6. OTHER EXPENSES

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

	Group 2014	Group 2013 Restated	Corporation 2014	Corporation 2013
Allowance for impairment of receivables	85	54	-	226
Amortization of intangible assets (Note 16)	7	1	-	-
Allowance for diminution of investments in subsidiaries, net (Note 18)	-	-	20	90
Allowance for diminution of other investment	19	-	-	-
Allowance for diminution of development expenditure	-	-	1	-
Loss on disposal of other investment	6	-	9	-
Legal and professional fees	-	1	-	-
Amortisation of revaluation surplus on property development expenditure	8	10	-	-
Unrealised foreign exchange loss	53	-	-	-
Goodwill written off	-	22	-	-

7. FINANCE COSTS

	Group 2014	Group 2013 Restated	Corporation 2014	Corporation 2013
Guaranteed Redeemable Islamic Bond (“GRIB”)	30	45	-	-
Islamic Medium Term Notes (“IMTNs”)	166	113	113	113
Term loan	57	8	-	-
Short term borrowings	30	24	-	-
Others	87	211	13	88
	370	401	126	201

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Group 2014	Group 2013 Restated	Corporation 2014	Corporation 2013
Audit fees	6	5	-	-
Hire of property, plant and equipment	7	6	-	-
Property, plant and equipment:				
Depreciation (Note 14)	501	435	10	8
Written off	5	1	-	-
Land use rights:				
Amortisation (Note 17)	1	-	-	-
Rental of offices and buildings	142	134	-	3
Employee benefits expense (Note 9)	1,214	1,115	28	11
Provision for arbitration award	-	75	-	-

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9. EMPLOYEE BENEFITS EXPENSE

	Group		Corporation	
	2014	2013 Restated	2014	2013
Wages, salaries and bonus	1,135	1,046	24	10
Defined contribution retirement plan	57	60	4	1
Other employee benefits	22	9	-	-
	1,214	1,115	28	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		Corporation	
	2014	2013 Restated	2014	2013
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
Fees	424	392	120	120
Remuneration	1,593	1,548	1,593	1,548
Defined contribution retirement plan	241	233	241	233
	2,258	2,173	1,954	1,901
Other key management personnel:				
Short-term employee benefits	31,086	22,411	8,663	7,406
	33,344	24,584	10,617	9,307

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

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11. INCOME TAX EXPENSE

	Group		Corporation	
	2014	2013 Restated	2014	2013
Current tax for the year:				
Malaysia	150	148	-	22
Foreign	-	5	-	-
Underprovision in prior years	1	12	13	-
	151	165	13	22
Deferred tax (Note 22):				
Origination and reversal of temporary differences				
Malaysia	(46)	9	(45)	(16)
(Over)/underprovision in prior years	(7)	8	(4)	10
	(53)	17	(49)	(6)
Income tax attributable to continuing operations	98	182	(36)	16
Income tax attributable to discontinued operations (Note 12)	136	34	-	-
Total tax expenses	234	216	(36)	16

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11. INCOME TAX EXPENSE (CONTINUED)

Reconciliation of effective tax expense:

	Group		Corporation	
	2014	2013 Restated	2014	2013
Profit before tax from continuing operations	627	1,324	160	145
Profit before tax from discontinued operation (Note 12)	383	51	-	-
	1,010	1,375	160	145
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	252	344	40	36
Different tax rates in other countries	19	7	-	-
Deferred tax recognised at different tax rate	(7)	-	-	-
Non-deductible expenses	122	150	11	43
Income not subject to tax	(159)	(290)	(96)	(73)
Deferred tax assets not recognised	15	1	-	-
Recognition of previously unrecognized deferred tax assets	(3)	(5)	-	-
Share of results of associates	(6)	(10)	-	-
Share of results of joint ventures	7	(1)	-	-
(Over)/underprovision in prior year:				
Income tax	1	12	13	-
Deferred tax	(7)	8	(4)	10
Tax expense	234	216	(36)	16

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016. The change in corporate tax rate in year of assessment 2016 has been incorporated in the computation of deferred tax as at 31 December 2014.

The Federal Government Gazette dated 16 August 2005 exempts the Corporation and certain of its subsidiary 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. In prior financial year, the Corporation has made an application to the Ministry of Finance ("MOF") for further extension and the extension was granted by MOF until 31 December 2017 in respect of the followings:

(i) Income tax exemption on statutory income (business income) under section 127(3A) Income Tax Act, 1967;

(ii) Exemptions on stamp duty under section 80(1A) Stamp Act, 1949 on "Surat cara pindah milik harta tanah atau saham" executed between the Corporation and its subsidiaries; and

(iii) Exemption on Real Property Gain Tax ("RPGT") under section 9(3A) RPGT Act, 1976 on disposal of land properties and shares made by between the Corporation and its subsidiaries.

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

Disposal of subsidiaries in 2014

(a) Disposal of General Access Sdn Bhd ("General Access"), Superior Harbour Sdn Bhd ("Superior Harbour") and Nexsol Sdn Bhd ("Nexsol")

During the financial year, Kulim (Malaysia) Berhad ("KMB") Group entered into an agreement for the disposal of its subsidiary, General Access, which is involved in field clearing, earthwork, road construction and resurfacing services.

On 25 September 2014, KMB Group announced that it had entered into an agreement for the disposal of its subsidiary, Superior Harbour which is involved in aquaculture business.

On 27 August 2014, KMB Group announced that it had entered into an agreement for the disposal of its subsidiary, Nexsol which is principally involved in manufacturing and marketing of biodiesel and related products.

All disposals were completed during the current financial year.

The disposals of General Access, Superior Harbour and Nexsol had the following effect on the financial position and results of the Group as at 31 December 2014:

	2014
Assets and liabilities:	
Property, plant and equipment	30
Trade and other receivables	1
Trade and other payables	(5)
Net assets	26
Non-controlling interests	1
Net assets attributable to the Group	27
Proceeds from disposal	(28)
Gain on disposal to the Group (Note 5)	(1)
Cash inflow arising on disposals:	
Cash consideration	28
Net cash inflow on disposals	28

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

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

Disposal of subsidiaries in 2014 (continued)

(b) Planned disposal of New Britain Palm Oil Limited ("NBPOL")

On 9 October 2014, Sime Darby Plantation Sdn Bhd ("SDP") served a takeover notice on NBPOL and announced its intention to make a cash offer to acquire all NBPOL shares at an offer price of Great Britain Pound ("GBP") 7.15 or Papua New Guinea ("PNG") Kina 28.79 per NBPOL share ("Offer").

On 23 October 2014, KMB announced that it had received the formal offer document ("Offer Document") from SDP and that the Offer would be presented to the shareholders of KMB at an Extraordinary General Meeting ("EGM") to be convened to consider the Offer.

Acceptance of the Offer would entail KMB disposing its entire equity interest in NBPOL comprising of 73,482,619 ordinary shares in NBPOL, to SDP for a disposal consideration of approximately GBP525.4 million (equivalent to approximately RM2.75 billion).

On 3 December 2014, KMB's shareholders voted to accept the Offer from SDP at the EGM convened to consider the Offer.

On 27 January 2015, Sime Darby Berhad ("Sime Darby"), the parent of SDP, announced that SDP had obtained clearance from the European Commission on its proposed takeover of NBPOL.

On 18 February 2015, Sime Darby announced that all conditions precedent in the Offer Document had been fulfilled and that the Offer was now unconditional.

On 26 February 2015, KMB announced that the disposal of NBPOL was completed following the receipt of the cash consideration from SDP. Accordingly, NBPOL ceased to be a subsidiary of the Group.

As at 31 December 2014, given its pending disposal, the assets and liabilities of NBPOL have been classified as a disposal group held for sale. In accordance with the requirements of FRS 5, the results of NBPOL and other discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit after tax from discontinued operations in the statement of comprehensive income (including the comparative period). The impact on the statement of comprehensive income for the comparative period is as follow:

	2013 Originally stated	Adjustment	2013 Restated
Revenue	6,574	(1,839)	4,735
Profit before tax	1,366	(42)	1,324
Income tax expense	(215)	33	(182)
Profit from continuing operations	1,151	(9)	1,142
Gain from discontinued operations, net of tax	8	9	17

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

Disposal of subsidiaries in 2014 (continued)

(b) Planned disposal of New Britain Palm Oil Limited ("NBPOL") (continued)

The major classes of assets and liabilities of NBPOL classified as held for sale and the related reserves as at 31 December 2014 are as follows:

	2014
Assets:	
Property, plant and equipment	3,459
Intangible assets	161
Inventories	573
Trade and other receivables	545
Prepayments	15
Current tax assets	7
Cash and cash equivalents	59
Assets of disposal group classified as held for sale	4,819
Liabilities:	
Trade and other payables	(174)
Deferred tax liabilities	(1,045)
Loan and borrowings	(866)
Liabilities directly associated with disposal group classified as held for sale	(2,085)
Net assets directly associated with disposal group classified as held for sale	**2,734**
Reserves:	
Revaluation reserve	(5)
Translation reserve	(46)
	(51)

Results of disposed subsidiaries presented as discontinued operations:

	2014
Revenue	2,098
Expenses	(1,688)
Profit from operations	410
Finance costs	(28)
Gain on disposal to the Group	1
Profit before tax from discontinued operation (Note 11)	383
Income tax expense (Note 11)	(136)
	247
Foreign currency translation differences for foreign operations	-
Profit from discontinued operation, net of tax	247

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

Disposal of subsidiaries in 2013

(a) Disposal of Orkim Sdn Bhd and Pro Office Solutions Sdn Bhd

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

Also, during previous financial year, the Group entered into an agreement to dispose of its indirect interest in Pro Office Solutions Sdn Bhd which was involved bulk mailing and printing.

Both disposals were completed in 2013.

Results of disposed subsidiaries presented as discontinued operations:

	2013
Revenue	1,886
Expenses	(1,803)
Profit from operations	83
Finance cost	(33)
Share of profit and loss of associates	1
Results from operating activities	51
Income tax expense (Note 11)	(34)
Profit from discontinued operation, net of tax	17

Cashflows of disposed subsidiaries presented as discontinued operations:

	2014	**2013**
Net cash from operating activities	374	472
Net cash from investing activities	(233)	(226)
Net cash from financing activities	(171)	(177)
Net cash outflows	(30)	69

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13. OTHER INVESTMENTS

Group 2014	Total	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Warrant In Malaysia Quoted	Fund Investment
Non-current:					
Available-for-sale financial assets	50	3	47	-	-
Financial assets at fair value through profit or loss	7	-	7	-	-
	57	3	54	-	-
Current:					
Available-for-sale financial assets	82	82	-	-	-
Financial assets at fair value through profit or loss	64	-	18	29	17
	146	82	18	29	17
	203	85	72	29	17
Representing items:					
At cost/amortised cost (Note 37)	132	85	47	-	-
At fair value (Note 37)	71	-	25	29	17
	203	85	72	29	17

Group 2013	Total	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Warrant In Malaysia Quoted	Fund Investment
Non-current:					
Available-for-sale financial assets	53	51	2	-	-
Financial assets at fair value through profit or loss	12	-	11	1	-
Held to maturity	1	1	-	-	-
	66	52	13	1	-
Current:					
Financial assets at fair value through profit or loss	64	-	32	19	13
	64	-	32	19	13
	130	52	45	20	13
Representing items:					
At cost/amortised cost (Note 37)	54	52	2	-	-
At fair value (Note 37)	76	-	43	20	13
	130	52	45	20	13

NOTES TO THE FINANCIAL STATEMENTS

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AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

13. OTHER INVESTMENTS (CONTINUED)

Corporation 2014	Total	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Warrant In Malaysia Quoted	Fund Investment
Non-current: Financial assets at fair value through profit or loss	4	-	4	-	-
Current: Financial assets at fair value through profit or loss	42	-	13	29	-
	46	-	17	29	-
Representing items: At fair value (Note 37)	46	-	17	29	-

Corporation 2013	Total	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Warrant In Malaysia Quoted	Fund Investment
Non-current: Available-for-sale financial assets	4	-	4	-	-
Current: Financial assets at fair value through profit or loss	48	-	29	19	-
	52	-	33	19	-
Representing items: At fair value (Note 37)	52	-	33	19	-

(a) Investments pledged as security

Certain subsidiaries' investments in quoted shares amounting to RM39 million (2013: RM39 million) have been pledged as security for a bank facility of the Group. 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.

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14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Estate development expenditure	Buildings	*Other assets	Capital work in progress	Total
Cost or valuation:							
At 1 January 2013	1,536	903	2,750	1,899	5,779	744	13,611
Additions	20	63	267	86	215	432	1,083
Disposals	-	(30)	(4)	1	(22)	(2)	(57)
Write off	-	-	(33)	(2)	(12)	-	(47)
Transfer:							
from land use rights (Note 17)	-	20	-	-	-	-	20
to intangible assets (Note 16)	-	-	-	-	-	(7)	(7)
to investment properties (Note 15)	-	-	-	-	-	(1)	(1)
Reclassification:							
from intangible assets (Note 16)	-	-	-	2	-	-	2
as held for sale	-	-	-	232	238	(501)	(31)
Disposal of subsidiaries	(228)	(88)	-	(749)	(1,259)	-	(2,324)
Acquisition of subsidiaries	-	13	-	2	5	74	94
Exchange differences	-	-	(270)	(103)	(37)	(9)	(419)
At 31 December 2013 and 1 January 2014 (restated)	1,328	881	2,710	1,368	4,907	730	11,924
Additions	3	9	170	73	355	390	1,000
Disposals	(3)	(14)	(6)	(46)	(38)	-	(107)
Write off	(3)	-	(12)	(2)	(6)	(2)	(25)
Transfer:							
from land use rights (Note 17)	-	-	-	-	-	22	22
to investment properties (Note 15)	-	-	-	(10)	-	-	(10)
to inventories	-	-	-	(2)	-	-	(2)
to intangible assets (Note 16)	-	-	-	-	(17)	-	(17)
Disposal of subsidiaries	(1)	-	-	(5)	(60)	(9)	(75)
Acquisition of subsidiaries	2	38	2	15	95	-	152
Discontinued operations	-	-	(1,793)	(1,222)	(1,943)	(93)	(5,051)
Exchange differences	(1)	-	322	39	29	(33)	356
Revaluation	-	3	-	7	-	-	10
At 31 December 2014	1,325	917	1,393	215	3,322	1,005	8,177

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Leasehold land	Estate deve-lopment ex-penditure	Buildings	*Other assets	Capital work in progress	Total
Accumulated depreciation:							
At 1 January 2013	-	92	510	500	2,484	-	3,586
Charge for the year (Note 8)	-	12	53	70	300	-	435
Disposals	-	-	-	-	(16)	-	(16)
Write off	-	-	(30)	(6)	(12)	-	(48)
Disposal of subsidiaries	-	(5)	-	(208)	(557)	-	(770)
Acquisition of subsidiaries	-	1	-	-	1	-	2
Exchange differences	-	-	3	9	36	-	48
At 31 December 2013 and 1 January 2014	-	100	536	365	2,236	-	3,237
Charge for the year (Note 8)	-	15	89	80	317	-	501
Disposals	-	(3)	(3)	(27)	(33)	-	(66)
Write off	-	(1)	(12)	(1)	(6)	-	(20)
Transfer to intangible assets	-	-	-	-	1	-	1
Disposal of subsidiaries	-	-	-	(3)	(48)	-	(51)
Acquisition of subsidiaries	-	8	-	9	9	-	26
Discontinued operations	-	-	(217)	(255)	(1,050)	-	(1,522)
Exchange differences	-	-	(32)	(11)	61	-	18
Revaluation	-	-	-	(4)	-	-	(4)
At 31 December 2014	-	119	361	153	1,487	-	2,120
Accumulated impairment loss:							
At 1 January 2013	62	2	1	37	48	1	151
Acquisition of subsidiaries	-	-	-	-	3	-	3
Disposal of subsidiaries	(62)	-	-	(36)	-	-	(98)
At 31 December 2013 and 1 January 2014	-	2	1	1	51	1	56
Disposal	-	(1)	-	-	-	(1)	(2)
Disposal of subsidiaries	-	-	-	-	(1)	-	(1)
Discontinued operations	-	-	-	-	(40)	-	(40)
At 31 December 2014	-	1	1	1	10	-	13

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Leasehold land	Estate deve-lopment ex-penditure	Buildings	*Other assets	Capital work in progress	Total
Net carrying amount:							
At 31 December 2013 (restated)	1,328	779	2,173	1,002	2,620	729	8,631
At 31 December 2014	1,325	797	1,031	61	1,825	1,005	6,044

Corporation	Freehold land	Leasehold land	Estate deve-lopment ex-penditure	Buildings	*Other assets	Capital work in progress	Total
At cost or valuation:							
At 1 January 2013	1	121	41	62	44	157	426
Addition	150	2	8	27	3	4	194
Disposals	-	-	-	-	(2)	-	(2)
Write off	-	-	-	(2)	(2)	-	(4)
At 31 December 2013 and 1 January 2014	151	123	49	87	43	161	614
Addition	152	-	10	9	5	-	176
Disposals	-	-	(4)	-	(2)	-	(6)
Transfer:							
to investment properties (Note 15)	-	-	-	(13)	-	-	(13)
to inventories	-	-	-	(2)	-	-	(2)
At 31 December 2014	303	123	55	81	46	161	769
Accumulated depreciation:							
At 1 January 2013	-	8	20	29	34	-	91
Charge for the year (Note 8)	-	1	1	3	3	-	8
Disposals	-	-	-	-	(2)	-	(2)
Write off	-	-	-	(2)	(2)	-	(4)
At 31 December 2013 and 1 January 2014	-	9	21	30	33	-	93
Charge for the year (Note 8)	-	1	2	4	3	-	10
Disposals	-	-	(2)	(2)	(2)	-	(6)
At 31 December 2014	-	10	21	32	34	-	97

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Corporation	Freehold land	Leasehold land	Estate deve-lopment ex-penditure	Buildings	*Other assets	Capital work in progress	Total
Accumulated impairment losses:							
At 1 January 2013	-	1	-	-	-	-	1
At 31 December 2013 / 1 January 2014 and 31 December 2014	-	1	-	-	-	-	1
Carrying amount:							
At 31 December 2013	151	113	28	57	10	161	520
At 31 December 2014	303	112	34	49	12	161	671

* Other assets consists of furniture, fittings, plant and machinery, vessels, motor vehicles, restaurants, office equipment and renovations.

The net book value of property, plant and equipment acquired under finance leases of the Group amounted to RM20 million (2013: RM13 million).

During the year, the Group and the Corporation acquired property, plant and equipment with an aggregate cost of RM1,000 million (2013: RM1,083 million) and RM176 million (2013: RM194 million) respectively. The acquisition is settled through the following means:

	Group 2014	Group 2013	Corporation 2014	Corporation 2013
Cash payment	915	1,075	24	45
Under finance lease	85	8	-	-
Intercompany set off arrangements	-	-	152	149
	1,000	1,083	176	194

As at 31 December 2014, property, plant and equipment of the Group with net book value of RM864 million (2013: RM3,730 million) 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 2014	Group 2013	Corporation 2014	Corporation 2013
Cost:				
Freehold land	1,310	1,315	303	151
Leasehold land	760	734	123	123
Estate development expenditure	1,393	2,710	55	49
Buildings	72	1,368	81	87

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14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group 2014	Group 2013	Corporation 2014	Corporation 2013
Valuation:				
Freehold land	15	13	-	-
Leasehold land	157	147	-	-
Building	143	-	-	-
	3,850	6,287	562	410

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 2014	Group 2013	Corporation 2014	Corporation 2013
Net book value:				
Freehold land	700	700	-	-

15. INVESTMENT PROPERTIES

Group	At fair value 2014	At fair value 2013
At 1 January	3,554	3,718
Additions	563	282
Disposals	(254)	(860)
Changes in fair value (Note 5)	186	463
Transfer:		
Transfer from land use rights (Note 17)	5	-
Transfer from property, plant and equipment (Note 14)	10	1
Reclassification as held for sale	(36)	-
Transfer from/(to) property development cost (Note 24 (b))	11	(50)
Deferred lease income	6	-
At 31 December	4,045	3,554

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15. INVESTMENT PROPERTIES (CONTINUED)

	At fair value	
Group	**2014**	**2013**
Included in the above are:		
Freehold land	680	1,175
Short term leasehold land	7	13
Long term leasehold land	1,313	31
Buildings	2,045	2,335
At 31 December	4,045	3,554

	At fair value	
Corporation	**2014**	**2013**
At 1 January	1,108	259
Additions	39	631
Disposals	(30)	-
Changes in fair value (Note 5)	83	268
Reclassification as held for sale	(36)	-
Transfer to property development cost (Note 24(b))	-	(50)
Transfer from property, plant and equipment (Note 14)	13	-
At 31 December	1,177	1,108
Included in the above are:		
Freehold land	18	15
Long term leasehold land	1,060	386
Buildings	99	707
At 31 December	1,177	1,108

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

The Group uses several methods to determine the fair value, including:
- Valuation by external professional valuers based on open market/comparison basis;
- Expected selling price to third parties or offer price from third parties; and
- Estimation by the Directors.

As at 31 December 2014, investment properties of the Group with carrying amount of RM150 million (2013: RM150 million) are pledged as security for borrowings. Investment properties of the Corporation with carrying amount of RM65 million (2013: RM55 million) are registered in the names of subsidiaries and are in the process of being transferred to the name of the Corporation.

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16. INTANGIBLE ASSETS

Group	Goodwill	Concession rights and franchise fee	Franchise rights	Brand name	Others	Total
Cost:						
At 1 January 2013	202	114	726	86	192	1,320
Addition	-	-	-	-	17	17
Transfer from property, plant and equipment (Note 14)	-	-	-	-	7	7
Reclassification to property, plant and equipment (Note 14)	(2)	-	-	-	-	(2)
Acquisition of subsidiaries	49	-	-	-	-	49
Disposal of subsidiaries	(39)	(98)	(726)	(86)	-	(949)
Exchange translation differences	-	-	-	-	(22)	(22)
At 31 December 2013 and 1 January 2014 (restated)	210	16	-	-	194	420
Addition	49	(2)	-	-	-	47
Transfer from property, plant and equipment (Note 14)	-	-	-	-	17	17
Reclassification as held for sale	-	-	-	-	(161)	(161)
Acquisition of subsidiaries	43	-	-	-	-	43
Disposal of subsidiaries	(1)	-	-	-	-	(1)
Exchange differences	-	-	-	-	5	5
At 31 December 2014	301	14	-	-	55	370
Accumulated amortisation:						
At 1 January 2013	3	52	-	-	2	57
Amortisation (Note 6)	-	-	-	-	1	1
Disposal of subsidiaries	-	(46)	-	-	-	(46)
At 31 December 2013 and 1 January 2014	3	6	-	-	3	12
Amortisation (Note 6)	3	1	-	-	3	7
At 31 December 2014	6	7	-	-	6	19
Net carrying amount:						
At 31 December 2013	207	10	-	-	191	408
At 31 December 2014	295	7	-	-	49	351

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16. INTANGIBLE ASSETS (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	Goodwill		Supplier relationship		Intangible assets with finite useful lives		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Parking operator	-	-	-	-	8	9	8	9
Shipping and forwarding agent	6	6	-	-	-	-	6	6
Provision of sea transportation and related services	6	6	-	-	-	-	6	6
Insurance broker	2	2	-	-	-	-	2	2
Agricultural fertilizer and biotechnology research and development	4	-	-	-	-	-	4	-
Palm oil milling	-	-	-	155	-	-	-	155
Healthcare services	195	193	-	-	-	-	195	193
Others	82	-	-	-	48	37	130	37
	295	207	-	155	56	46	351	408

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16. INTANGIBLE ASSETS (CONTINUED)

Concession rights

The concession rights arose from a 15 year Concession Agreement with the ultimate holding corporation for a subsidiary to manage, operate and maintain a multi-storey car park together with other parking facilities at Persada Johor International Convention Centre. The Group anticipates that the cost will be recovered through future income derived from the car park operations. The income is guaranteed by the Corporation pursuant to the Concession Agreement. The Concession Agreement has a remaining amortisation period of 6.8 years (2013: 7.8 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 benefits from purchase of fresh fruit bunches produced by neighbouring smallholders. As at 31 December 2014, the supplier relationship has been presented as assets of disposal group held for sale.

Key assumptions used in determining the recoverable amounts

The recoverable amount of the supplier relationship attributable to discontinued operations has been determined based on fair value less costs to sell. The disposal consideration from the planned disposal of NBPOL (as disclosed in Note 12) was used as the basis to estimate the fair value less costs to sell. Since the fair values less costs to sell exceed the carrying amount of the CGU, no impairment loss has been recognised in respect of the supplier relationship.

In respect of the other intangible assets not attributable to discontinued operations, the recoverable amount of the CGUs have been determined based on value-in-use calculations using cash flow projection base on financial budgets approved by management.

The key assumptions on which management has based its cash flow projections are as follows:

(a) Cash flows are projected based on the management's most recent 5 years business plan;

(b) Profit margins are projected based on the industry trends, historical profit margin achieved or pre-determined profit margin for property projects; and

(c) Discount rate used for cash flows discounting purpose is the Group's weighted average cost of capital. The average discount rate applied for cash flow projections is 10%.

The values assigned to the key assumptions represent management's assessment of future trends in the industry.

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17. LAND USE RIGHTS

Group	Leasehold land unexpired period less than 50 years	Leasehold land unexpired period more than 50 years	Total
Cost:			
At 1 January 2013	38	51	89
Addition	82	6	88
Transfer to property, plant and equipment (Note 14)	-	(20)	(20)
Transfer from property development cost (Note 24(a))	5	-	5
At 31 December 2013 and 1 January 2014	125	37	162
Transfer to property, plant and equipment (Note 14)	-	(22)	(22)
Transfer to investment properties (Note 15)	(5)	-	(5)
At 31 December 2014	120	15	135
Accumulated amortisation:			
At 1 January 2013	5	3	8
Amortisation for the year (Note 8)	1	(1)	-
At 31 December 2013 and 1 January 2014	6	2	8
Amortisation for the year (Note 8)	-	1	1
At 31 December 2014	6	3	9
Carrying amount:			
At 31 December 2013	119	35	154
At 31 December 2014	114	12	126

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

18. INVESTMENT IN SUBSIDIARIES

	Corporation 2014	Corporation 2013
Shares, at cost:		
Quoted shares in Malaysia	1,004	1,067
Unquoted shares in Malaysia	1,742	1,715
Unsecured preference shares *	2,291	2,093
	5,037	4,875
Less: Accumulated impairment		
At 1 January	(1,432)	(1,342)
Charge for the year (Note 6)	(48)	(139)
Reversal (Note 6)	28	49
Disposal of a subsidiary	184	-
At 31 December	(1,268)	(1,432)
	3,769	3,443
Market value for quoted shares	3,619	3,886

* The unsecured preference shares are issued by different subsidiaries with features as follows:

- Convertible and non-convertible;
- Cumulative and non-cumulative; and
- Redeemable and non-redeemable.

(a) 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:

	2014	2013
Johor Land Berhad	78	386
Kulim (Malaysia) Berhad	46	460
	124	846

(b) The subsidiaries' auditors reports with modified opinion are indicated in the list of subsidiaries and associates on page 228 to 254.

(c) Following an assessment of the underlying value of a subsidiary, the Corporation noted that the recoverable amount of the subsidiaries which amounted to RM273 million is higher than the carrying amount of the investment in subsidiaries. In this connection, the Corporation had reversed the impairment losses on investment in the subsidiaries of RM28 million during the financial year.

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad and Al-'Aqar Healthcare REIT which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before elimination of inter-company balances and transactions. The non-controlling interests in respect of the following subsidiaries are individually not material to the Group:

- Amiza Publishing Sdn Bhd
- IPPJ Sdn Bhd
- Johor Skills Development Sdn Bhd
- Pagoh Highland Resorts Sdn Bhd
- Sri Gading Land Sdn Bhd
- Tenaga Utama (Johor) Berhad
- Teraju Fokus Sdn Bhd
- SPMB Holdings Sdn Bhd

(i) The Group's subsidiaries that have non-controlling interest ("NCI") are as follows:

Group	Kulim (Malaysia) Berhad 2014	Kulim (Malaysia) Berhad 2013	KPJ Healthcare Berhad 2014	KPJ Healthcare Berhad 2013	Al-'Aqar Healthcare REIT 2014	Al-'Aqar Healthcare REIT 2013	Damansara Realty Berhad 2014	Damansara Realty Berhad 2013	Other immaterial subsidiaries 2014	Other immaterial subsidiaries 2013	Total 2014	Total 2013
NCI percentage of ownership voting interest	41.41%	44.62%	62.14%	62.17%	51.00%	51.00%	-	39.65%				
Carrying amount NCI	3,153	2,924	871	765	424	416	-	53	94	61	4,542	4,219
Profit allocated to NCI	212	227	92	71	36	37	-	3	6	13	346	351

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(ii) Summarised statements of financial position

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Realty Berhad		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Non-current assets	3,807	6,814	2,532	2,017	1,510	1,484	-	242	7,849	10,557
Current assets	5,451	1,616	801	813	82	85	-	106	6,334	2,620
Total assets	9,258	8,430	3,333	2,830	1,592	1,569	-	348	14,183	13,177
Current liabilities	3,009	1,365	1,588	924	97	12	-	209	4,694	2,510
Non-current liabilities	637	1,938	398	735	664	742	-	10	1,699	3,425
Total liabilities	3,646	3,303	1,986	1,659	761	754	-	219	6,393	5,935
Net assets	5,612	5,127	1,347	1,171	831	815	-	129	7,790	7,242
Equity attributable to owners of the Company	4,022	3,781	1,258	1,086	831	815	-	126	6,111	5,808
Non-controlling interests	1,590	1,346	89	85	-	-	-	3	1,679	1,434

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(iii) Summarised statements of comprehensive income

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Realty Berhad		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	1,094	1,013	2,639	2,332	109	107	-	184	3,842	3,636
Profit for the year	308	466	145	110	71	73	-	9	524	658
Profit attributable to owners of the Company	164	431	141	103	71	73	-	9	376	616
Profit attributable to the non-controlling interests	144	35	4	7	-	-	-	-	148	42
Other comprehensive income attributable to owners of the Company	29	(124)	9	4	-	-	-	(1)	38	(121)
Other comprehensive income attributable to the non-controlling interests	59	(141)	-	-	-	-	-	-	59	(141)
Other comprehensive income for the year	88	(265)	9	4	-	-	-	(1)	97	(262)
Total comprehensive income	396	201	154	114	71	73	-	8	621	396
Total comprehensive income attributable to owners of the Company	193	307	150	107	71	73	-	8	414	495
Total comprehensive income attributable to the non-controlling interests	203	(106)	4	7	-	-	-	-	207	(99)
	396	201	154	114	71	73	-	8	621	396
Dividend paid to non-controlling interests	126	517	18	33	28	30	-	-	172	580

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(iv) Summarised cash flows

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Realty Berhad		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net cash generated from operating activities	683	705	326	144	98	88	-	7	1,107	944
Net cash (used in)/generated from investing activities	(565)	406	(531)	(342)	(8)	1	-	(2)	(1,104)	63
Net cash (used in)/generated from financing activities	(103)	(1,345)	190	297	(90)	(94)	-	5	(3)	(1,137)
Net increase/(decrease) in cash and cash equivalents	15	(234)	(15)	99	-	(5)	-	10	-	(130)

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Acquisition of subsidiaries in 2014

(i) Acquisition of Timeless Commitment Sdn Bhd

During the current financial year, Johor Foods Sdn Bhd, a subsidiary of the Corporation acquired 51% shares in Timeless Commitment Sdn Bhd for RM1,685,934, satisfied in cash. The company manages and operates a master license agreement for the exclusive territory under their jurisdiction within the confines of the Yogen Fruz Business and System. From 1 January 2014 to December 2014, the subsidiary contributed revenue of RM2,390,184 and loss of RM755,284. The acquisition of Timeless Commitment Sdn Bhd had the following effect on the Group's assets and liabilities on the acquisition date:

	Fair value recognised on acquisition
Property, plant and equipment	1
Goodwill	1
Cash and cash equivalents	1
Trade and other payables	(1)
Net identified assets	2
Less: Non-controlling interests on acquisition	-
Group's share of net assets	2
Goodwill on acquisition	-
Consideration paid, satisfied in cash	2
Cash and cash equivalents acquired	(1)
Net cash outflow	1

(ii) Acquisition of Ayamas Shoppe Sdn Bhd, Rasamas Holdings Sdn Bhd and Roaster's Chicken Sdn Bhd

During the current financial year, Kara Holdings Sdn Bhd, a subsidiary of the Corporation completed the Sales and Purchase Agreement with QSR Brands (M) Holdings Sdn Bhd to acquire Ayamas Shoppe Sdn Bhd, Rasamas Holdings Sdn Bhd and Roaster's Chicken Sdn Bhd for a cash consideration of RM11,960,967. The acquisition of Kara Holdings Sdn Bhd had the following effect on the Group's assets and liabilities on the acquisition date:

	Fair value recognised on acquisition
Property, plant and equipment	28
Inventories	6
Trade and other receivables	7
Cash and cash equivalents	1
Trade and other payables	(4)
Net identified assets	38
Less: Non-controlling interests on acquisition	-
Group's share of net assets	38
Bargain purchase on acquisition (Note 5)	(26)
Consideration paid, satisfied in cash	12
Cash and cash equivalents acquired	(1)
Net cash outflow	11

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Acquisition of subsidiaries in 2014 (continued)

(iii) Acquisition of Asia Logistic Council Sdn Bhd

During the current financial year, Asia Logistic Council Sdn Bhd became a subsidiary of the Group with effective interest holding of 53.6% through Asia Economic Development Fund Limited ("AEDFL"), subsidiary of Kulim (Malaysia) Berhad ("KMB") and Johor Logistics Sdn Bhd, subsidiary of Johor Paper & Publishing Sdn Bhd.

	Fair value recognised on acquisition
Property, plant and equipment	1
Intangible assets	1
Short term investment	82
Trade and other payables	(12)
Net identified assets	72
Less: Non-controlling interests on acquisition	(8)
Group's share of net assets	64
Goodwill on acquisition	43
Consideration paid	107

(iv) Acquisition of PT Wisesa Inspirasi Nusantara ("PT WIN") and Asia Economic Development Fund Limited ("AEDFL")

During the current financial year, Kulim (Malaysia) Berhad ("KMB") Group acquired 8,318,000 ordinary shares in PT WIN representing 74% of the issued and paid up share capital of PT WIN for a total purchase consideration of RM58 million. Following the acquisition of the interest, PT WIN became a subsidiary of the KMB Group.

During the current financial year, KMB sent a notice of conversion to AEDFL to excercise its right to convert the Irredeemable Convertible Cumulative Unsecured Loan Securities ("ICCULS") into ordinary shares of AEDFL. Following the conversion of the ICCULS into ordinary shares, KMB held 54.21% of the total issued and paid-up share capital of AEDFL,thus rendering AEDFL as subsidiary of the KMB Group.

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Acquisition of subsidiaries in 2014 (continued)

(iv) Acquisition of PT Wisesa Inspirasi Nusantara ("PT WIN") and Asia Economic Development Fund Limited ("AEDFL") (continued)

The acquisition of PT WIN and AEDFL had the following effects on the KMB Group's assets and liabilities on the acquisition date:

	Fair value recognised on acquisition		
	PT WIN	AEDFL	Total
Property, plant and equipment	79	-	79
Inventory	-	69	69
Cash and cash equivalent	1	-	1
Trade and other receivables	-	-	-
Trade and other payables	-	(1)	(1)
Net identified assets	80	68	148
Less: Non-controlling interests on acquisition	(21)	(21)	(42)
Group's share of net assets	59	47	106
Goodwill on acquisition	-	-	-
Consideration paid, satisfied in cash	59	47	106
Cash and cash equivalents acquired	(1)	-	(1)
Net cash outflow	58	47	105

(v) Acquisition of BDC Specialist Hospital Sdn Bhd ("BDCSB")

During the financial year, the Group via Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") acquired 100% equity interest in BDCSB comprising 2 ordinary shares of RM1.00 each for an aggregate cash consideration of RM17 million.

The acquisition of BDCSB had the following effects on the Group's assets and liabilities on the acquisition date:

	Fair value recognised on acquisition
Property, plant and equipment	17
Net identified assets	17
Less: Non-controlling interests on acquisition	-
Group's share of net assets	17
Goodwill on acquisition	-
Consideration paid	17

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Disposal of equity interest in subsidiary in 2014

(i) Disposal of Damansara Realty Berhad

During the year, the Corporation disposed of its entire interest in Damansara Realty Berhad for a total consideration of RM79 million. This resulted in a gain on disposal of subsidiary amounting RM90 million. The effects of the disposal are summarised below:

	Fair value on disposal
Property, plant and equipment	24
Land held for property development	57
Investment properties	5
Property development cost	24
Inventories	2
Goodwill at cost	1
Other receivables	47
Cash and bank balances	43
Deferred tax liabilities	(1)
Trade and other payables	(191)
Loan and borrowings	(22)
Net assets	(11)
Non-controlling interests	-
Net assets attributable to the Group	(11)
Proceeds from disposals	(79)
Gain on disposals (Note 5)	(90)
Cash outflows arising on disposals:	
Cash consideration	79
Cash and cash equivalents of subsidiaries disposed	(43)
Net cash outflows on disposal	36

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(f) Disposal of equity interest in subsidiary in 2014 (continued)

(ii) During the year, the Corporation disposed of its entire interest in Amiza Publishing Sdn Bhd, Century Nexus (M) Sdn Bhd, Johor Land (H) Sdn Bhd, Johor Toys Sdn Bhd and disposed of its entire interest through its subsidiaries as listed below to third parties:

(1) Johor Foods Sdn Bhd disposed of its subsidiaries, Meatpackers Sdn Bhd and Asia Pacific Food Traders Sdn Bhd;

(2) Johor Capital Holdings Sdn Bhd disposed of its subsidiaries, Amazing Cuisine Sdn Bhd and Persada Antarabangsa (Johor) Sdn Bhd;

(3) JCorp Hotels and Resorts Sdn Bhd disposed of its subsidiaries, DPIM Consult Sdn Bhd and Tiram Air Sdn Bhd;

(4) Johor Franchise Development Sdn Bhd disposed of its subsidiaries, JKing Sdn Bhd, Johor Hotels International Sdn Bhd and The World of Secret Garden Sdn Bhd;

(5) Johor Logistics Sdn Bhd disposed of its subsidiaries Great Allied Engineering Sdn Bhd;

(6) JSEDC Properties Sdn Bhd disposed of its subsidiaries, Tropika Landskap Sdn Bhd; and

(7) Sindora Ventures Sdn Bhd disposed of its subsidiaries, Tajasukan Sdn Bhd.

The effects of the disposal are summarised below:

	Fair value on disposal
Investment properties	2
Investment in associates	12
Other receivables	1
Cash and bank balances	1
Trade and other payables	(31)
Reserves	(1)
Net assets	(16)
Non-controlling interests	-
Net assets attributable to the Group	(16)
Proceeds from disposals	-
Gain on disposals (Note 5)	(16)
Cash outflows arising on disposals:	
Cash consideration	-
Cash and cash equivalents of subsidiaries disposed	(1)
Net cash outflows on disposal	(1)

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18. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(g) Disposal of equity interest in subsidiary in 2013

Disposal of QSR Brands (Malaysia) Bhd

On 21 January 2013, Kulim (Malaysia) Berhad, a subsidiary of the Corporation disposed of its entire interest in QSR Brands (Malaysia) Bhd for a total consideration of RM1,137 million. This resulted in a gain on disposal of subsidiary amounting RM331 million. The effects of the disposal are summarised below:

	Fair value on disposal
Property, plant and equipment	1,458
Goodwill	893
Inventories	270
Other receivables	184
Tax recoverable	14
Cash and bank balances	251
Deferred tax liabilities	(89)
Employee benefits	(3)
Trade and other payables	(469)
Loan and borrowings	(496)
Taxation	(13)
Reserves	31
Net assets	2,031
Non-controlling interests	(1,225)
Net assets attributable to the group	806
Proceeds from disposals	(1,137)
Gain on disposals (Note 5)	(331)
Cash inflows arising on disposals:	
Cash consideration	1,137
Cash and cash equivalents of subsidiaries disposed	(251)
Net cash inflows on disposal	886

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19. INVESTMENT IN ASSOCIATES

	Group		Corporation	
	2014	2013 Restated	2014	2013
Unquoted shares in Malaysia, at cost	137	171	36	36
Unquoted shares outside Malaysia	55	47	-	-
Share of post-acquisition retained profits and reserves less losses	76	67	-	-
	268	285	36	36

(a) Details of the Group's associates are as follows:

	Country of incorporation	Principal activities	Percentage of ownership interest held by the Group* 2014	2013	Accounting model applied
Held by the Corporation:					
Panca Pesona Sdn Bhd	Malaysia	Industrial land and property developer	40.00%	40.00%	Equity method
Larkin Sentral Property Sdn Bhd	Malaysia	Operator of a transport terminal, renting of shop lots and wet market	39.00%	39.00%	Equity method
Held through subsidiaries:					
Union Industries (Malaysia) Sdn Bhd **	Malaysia	Manufacturing of window frames and wheel barrows	-	23.86%	Equity method
Bertam Properties Sdn Bhd	Malaysia	Estate management	20.00%	20.00%	Equity method
Synthomer Sdn Bhd	Malaysia	Processing of rubber and chemical product	30.07%	30.07%	Equity method
Kedah Medical Centre Sdn Bhd	Malaysia	Operating as a specialist hospital	45.65%	45.65%	Equity method
Hospital Penawar Sdn Bhd	Malaysia	Operating as a specialist hospital	30.00%	30.00%	Equity method
Vejthani Public Company Limited	Thailand	International specialist hospital	23.37%	23.37%	Equity method
Asia Logistics Council Sdn Bhd	Malaysia	GHELS & GCEL systems for Asia Pacific region	-	42.00%	Equity method

* Equals to the proportion of voting rights held

** Financial results for Union Industries (Malaysia) Sdn Bhd is based on management accounts for the period ended 30 November 2013. The company was placed under members' voluntary liquidation on 14 December 2013.

These associates have the same reporting period as the Group.

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19. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Larkin Sentral Property Sdn Bhd		Synthomer Sdn Bhd		Vejthani Public Company Limited		Other individually immaterial associates		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Non-current assets	174	157	63	66	-	137	146	232	383	592
Current assets	3	4	243	265	41	34	210	204	497	507
Total assets	177	161	306	331	41	171	356	436	880	1,099
Non-current liabilities	11	13	2	3	86	44	46	27	145	87
Current liabilities	16	14	118	122	43	37	64	90	241	263
Total liabilities	27	27	120	125	129	81	110	117	386	350
Net assets	150	134	186	206	(88)	90	246	319	494	749

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19. INVESTMENT IN ASSOCIATES (CONTINUED)

(ii) Summarised statements of comprehensive income

	Larkin Sentral Property Sdn Bhd		Synthomer Sdn Bhd		Vejthani Public Company Limited		Other individually immaterial associates		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	12	12	474	476	169	173	266	241	921	902
Profit before tax from continuing operations	18	32	27	32	5	13	50	36	100	113
Profit for the year from continuing operations	17	30	20	22	2	13	37	32	76	97
Total comprehensive income	17	30	20	22	2	13	37	32	76	97
Dividend received from the associates during the year	-	-	2	-	4	1	10	10	16	11

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Larkin Sentral Property Sdn Bhd		Synthomer Sdn Bhd		Vejthani Public Company Limited		Other individually immaterial associates		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Net assets at 1 January	134	104	200	184	91	80	265	296	690	664
Profit for the year	17	30	20	22	2	11	37	34	76	97
Net assets at 31 December	151	134	220	206	93	91	302	330	766	761
Interest in associates	39.00%	39.00%	30.07%	30.07%	23.37%	23.37%	-	-	-	-
Group's share of net assets	59	52	66	62	22	22	76	88	223	224
Goodwill	-	-	5	15	37	32	9	27	51	74
Elimination of unrealised profit	-	-	-	-	-	(1)	(6)	(12)	(6)	(13)
Carrying value of Group's interest in associates	59	52	71	77	59	53	79	103	268	285

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19. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) Aggregate information of associates that are not individually material

	Group 2014	Group 2013
The Group's share of profit before tax from continuing operations	15	11
The Group's share of profit after tax from continuing operations	13	10
The Group's share of total comprehensive income	13	10

20. INVESTMENT IN JOINT VENTURES

	Group 2014	Group 2013
At cost		
Shares unquoted in Malaysia	1,267	1,267
Share of post-acquisition reserves	(21)	5
	1,246	1,272

The Group has 51% of the voting rights of its joint arrangements. Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

The joint arrangements are structured via separate entities and provide the Group with the rights to the net assets of the entities under the arrangements. Therefore these entities are classified as joint ventures of the Group.

(a) Details of the Group's joint ventures are as follows:

Name	Country of incorporation	Percentage of ownership interest* 2014	Percentage of ownership interest* 2013	Nature of relationship	Accounting model applied
Massive Equity Sdn Bhd	Malaysia	51.00%	51.00%	Note (i)	Equity method
Tepak Marketing Sdn Bhd	Malaysia	54.47%	54.11%	Note (ii)	Equity method

* equals to the proportion of voting rights held

These joint ventures have the same reporting period as the Group. No quoted market prices are available for the shares of Massive Equity Sdn Bhd and Tepak Marketing Sdn Bhd as these companies are private companies.

(i) The principal activity is investment holding; and

(ii) The principal activities consist of contract packing of tea and tea trading.

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20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) Summarised financial information of Massive Equity Sdn Bhd and Tepak Marketing Sdn Bhd is set out below. The summarised information represents the amounts in the joint ventures and not the Group's share of those amounts.

(i) Summarised statements of financial position

	Massive Equity Sdn Bhd		Tepak Marketing Sdn Bhd		Total	
	2014	2013	2014	2013	2014	2013
Non-current assets	3,846	4,080	3	3	3,849	4,083
Cash and cash equivalents	243	216	1	2	244	218
Other current assets	754	553	11	9	765	562
Total current assets	997	769	12	11	1,009	780
Total assets	4,843	4,849	15	14	4,858	4,863
Current liabilities (excluding trade and other payables and provisions)	204	105	-	-	204	105
Trade and other payables and provisions	516	486	4	4	520	490
Total current liabilities	720	591	4	4	724	595
Non-current liabilities (excluding trade and other payables and provisions)	1,700	1,783	-	-	1,700	1,783
Trade and other payables and provisions	3	3	-	-	3	3
Total non-current liabilities	1,703	1,786	-	-	1,703	1,786
Total liabilities	2,423	2,377	4	4	2,427	2,381
Net assets	2,420	2,472	11	10	2,431	2,482

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20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) Summarised financial information of Massive Equity Sdn Bhd and Tepak Marketing Sdn Bhd is set out below. The summarised information represents the amounts in the joint ventures and not the Group's share of those amounts (continued).

(ii) Summarised statements of comprehensive income

	Massive Equity Sdn Bhd		Tepak Marketing Sdn Bhd		Total	
	2014	2013	2014	2013	2014	2013
Revenue	3,853	3,852	30	26	3,883	3,878
Depreciation and amortisation	217	193	-	-	217	193
Interest income	3	3	-	-	3	3
Interest expense	126	120	-	-	126	120
Profit before tax	39	82	2	2	41	84
Income tax expense	94	75	1	-	95	75
Profit after tax	(52)	7	1	1	(51)	8
Other comprehensive income	-	2	-	-	-	2
Total comprehensive income	(52)	9	1	1	(51)	10

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures

	Massive Equity Sdn Bhd		Tepak Marketing Sdn Bhd		Total	
	2014	2013	2014	2013	2014	2013
Net assets at 1 January	2,472	-	10	9	2,482	9
Profit for the year	(52)	7	1	1	(51)	8
Acquisition	-	2,463	-	-	-	2,463
Other comprehensive income	-	2	-	-	-	2
Net assets at 31 December	2,420	2,472	11	10	2,431	2,482
Interest in joint ventures	51.00%	51.00%	54.47%	54.11%	-	-
Goodwill	10	10	(4)	(3)	6	7
Carrying value of Group's interest in joint ventures	1,244	1,270	2	2	1,246	1,272

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21. ASSETS HELD FOR SALE/DISPOSAL GROUP LIABILITIES

	Group		Corporation	
	2014	2013	2014	2013
Assets classified as held for sale:				
Property, plant and equipment	3,459	2	-	-
Land and development expenditure	4	4	-	-
Investment properties	36	-	63	26
Intangible assets	161	-	-	-
Inventories	573	-	-	-
Receivables, prepayment and deposits	545	-	-	-
Prepayments	15	-	-	-
Cash and bank balances	59	-	-	-
Non-current asset classified as held for sale	7	-	-	-
	4,859	6	63	26
Liabilities directly associated with disposal Group classified as held for sale:				
Bank borrowings	866	-	-	-
Payables and accruals	174	-	-	-
Deferred taxation	1,045	-	-	-
	2,085	-	-	-

22. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

	Group		Corporation	
	2014	2013	2014	2013
Investment properties	-	2	-	-
Provisions	47	58	28	40
Unutilised tax losses	113	37	81	20
Total deferred tax assets	160	97	109	60
Investment properties	(19)	-	-	-
Property, plant and equipment	(197)	(777)	(1)	(1)
Revaluation reserves	(27)	(27)	-	-
Others	(20)	(173)	-	-
Total deferred tax liabilities	(263)	(977)	(1)	(1)

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22. DEFERRED TAX (CONTINUED)

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

	Group		Corporation	
	2014	2013	2014	2013
At 1 January	(880)	(1,245)	59	53
Credited/(charged) to profit or loss				
Property, plant and equipment	14	(39)	-	-
Investment properties	(21)	(6)	-	-
Tax losses	86	(9)	61	(12)
Provisions	(11)	21	(12)	18
Others	(15)	16	-	-
	53	(17)	49	6
Credited/(charged) to other comprehensive income				
Hedge reserves	-	3	-	-
Others	3	-	-	-
	3	3	-	-
Attributable to discontinued operation				
Property, plant and equipment	951	20	-	-
Tax losses	(10)	-	-	-
Others	103	-	-	-
	1,044	20	-	-
Foreign exchange adjustment				
Property, plant and equipment	(385)	347	-	-
Tax losses	-	1	-	-
Others	62	11	-	-
	(323)	359	-	-
At 31 December	(103)	(880)	108	59

	Group		Corporation	
	2014	2013	2014	2013
Presented after appropriate offsetting as follows:				
Deferred tax assets	160	97	108	59
Deferred tax liabilities	(263)	(977)	-	-
	(103)	(880)	108	59

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22. DEFERRED TAX (CONTINUED)

Unrecognised deferred tax assets

The amount of unused tax losses (which has no expiry) for which no deferred tax assets are recognised is as follows:

	Group	
	2014	**2013**
Unabsorbed capital allowances	185	161
Unutilised tax losses	286	256
Others	64	69
	535	486

23. TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2014	**2013**	**2014**	**2013**
Current				
Trade receivables	726	850	44	53
Less: Allowance for impairment	(102)	(114)	(17)	(48)
	624	736	27	5
Other receivables	327	319	82	14
Less: Allowance for impairment	(37)	(47)	(5)	(13)
	290	272	77	1
Deposits	63	44	15	3
Amount due from related parties	-	-	615	688
Less: Allowance for impairment	-	-	(387)	(401)
	63	44	243	290
Advances to associates	-	-	8	6
Amount due from associates	15	21	-	-
Less: Allowance for impairment	(1)	(8)	(1)	-
	14	13	7	6
	991	1,065	354	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.

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23. 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	
	2014	2013	2014	2013
Neither past due nor impaired	402	460	-	-
1 to 30 days past due not impaired	84	104	27	5
31 to 60 days past due not impaired	52	51	-	-
61 to 90 days past due not impaired	37	22	-	-
91 to 120 days past due not impaired	10	18	-	-
More than 121 days past due not impaired	39	81	-	-
	624	736	27	5
Impaired	102	114	17	48
	726	850	44	53

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 and the Corporation have trade receivables amounting to RM624 million (2013: RM736 million) and RM27 million (2013: RM5 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	
	2014	2013	2014	2013
Trade receivables - nominal amounts	102	114	17	48
Less: Allowance for impairment	(102)	(114)	(17)	(48)
	-	-	-	-
Movement in allowance account:				
At 1 January	114	71	48	13
Charge for the year	14	46	-	35
Reversal of impairment losses	(26)	-	(31)	-
Written off	-	(3)	-	-
At 31 December	102	114	17	48

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23. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are impaired (continued)

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 advances to 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 RM387 million (2013: RM401 million) for impairment of related parties.

There has been reversal of provision made in the Corporation's allowance account for the financial year ended 31 December 2014 of RM14 million (2013: Additional provision of RM191 million).

(c) Other receivables that are impaired

At the reporting date, the Group and the Corporation have provided an allowance of RM37 million (2013: RM47 million) and RM5 million (2013: RM13 million) respectively for impairment of other receivables.

There has been reversal of provision made in the Group and Corporation allowance account for the financial year ended 31 December 2014 of RM10 million (2013: RM121 million) and RM8 million (2013: RM35 million), respectively.

24. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Future development

	Group		Corporation	
	2014	**2013**	**2014**	**2013**
At cost:				
Freehold land	80	46	-	-
Leasehold land	69	17	3	3
Development expenditure	15	39	23	23
At 1 January	164	102	26	26
Cost incurred during the year:				
Freehold land	34	51	-	-
Leasehold land	-	278	-	-
Development expenditure	4	10	4	-
	38	339	4	-

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

(a) Future development (continued)

	Group		Corporation	
	2014	2013	2014	2013
Less charged to Statement of Comprehensive Income:				
Leasehold land	(69)	(29)	-	-
	(69)	(29)	-	-
Transfer from/(to) current development:				
Freehold land (Note 24 (b))	(2)	(17)	-	-
Leasehold land (Note 24 (b))	-	(197)	-	-
Development expenditure (Note 24 (b))	-	(29)	-	-
Disposal of subsidiaries				
Freehold land	(39)	-	-	-
Development Expenditure	(35)	-	-	-
Disposal/write off				
Freehold land	(3)	-	-	-
Development expenditure	(4)	-	(4)	-
Transfer to land use rights (Note 17)	-	(5)	-	-
	(83)	(248)	(4)	-
At 31 December	50	164	26	26
At cost:				
Freehold land	70	80	-	-
Leasehold land	-	69	3	3
Development expenditure	(20)	15	23	23
At 31 December	50	164	26	26

(b) Current development

	Group		Corporation	
	2014	2013	2014	2013
At cost:				
Freehold land	144	77	50	-
Leasehold land	334	59	87	9
Development expenditure	1,662	1,387	808	690
At 1 January	2,140	1,523	945	699
Cost incurred during the year:				
Leasehold land	1	78	1	78
Short term leasehold land	1	-	-	-
Development expenditure	379	253	22	118
	381	331	23	196

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

(b) Current development (continued)

	Group		Corporation	
	2014	2013	2014	2013
Cost recognised as an expense in Statement of Comprehensive Income:				
- previous year	(1,263)	(1,039)	(509)	(541)
- current year	(269)	(224)	(23)	32
	(1,532)	(1,263)	(532)	(509)
Transfer from/(to):				
Future development				
- Freehold land (Note 24 (a))	2	17	-	-
- Leasehold land (Note 24 (a))	-	197	-	-
- Development expenditure (Note 24 (a))	-	29	-	-
- Property, plant and equipment	(182)	-	-	-
Inventories	(1)	(7)	-	-
Investment properties (Note 15)	(11)	50	-	50
	(192)	286	-	50
Disposal of subsidiaries				
Development expenditure	(6)	-	-	-
Disposal/write off				
Leasehold land	(6)	-	(6)	-
At 31 December	785	877	430	436

Development land for the Group with carrying amount of RM106 million (2013: RM439 million) are pledged as security for borrowings.

Development land of the Corporation at carrying amount of RM294 million (2013: RM336 million) are charged to a licensed bank for the Redeemable Secured Certificates facility amounting to RM195.3 million (2013: RM195.3 million).

As at 31 December 2014, land with carrying amount of RM381 million (2013: RM386 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 RM8 million (2013: RM8 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.

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25. INVENTORIES

	Group		Corporation	
	2014	2013	2014	2013
Stores and materials	54	44	-	-
Stock of produce	4	638	-	8
Finished goods	36	41	-	-
	94	723	-	8
Shops and houses	17	13	8	4
Land and buildings	63	68	64	68
	174	804	72	80

Inventories of the Corporation at carrying amount of RM1 million (2013: RM1 million) are pledged as security for borrowings.

Inventories of the Corporation with carrying amount of RM12 million (2013: RM12 million) are registered in the name of subsidiaries.

26. OTHER CURRENT ASSETS

	Group		Corporation	
	2014	2013	2014	2013
Prepayments	47	76	7	17
Less: Allowance for doubtful debts	-	(1)	-	-
Amount due from customers on contracts (Note 27)	-	1	-	-
	47	76	7	17

27. AMOUNT DUE FROM CUSTOMERS ON CONTRACTS

	Group	
	2014	2013
Construction contract costs incurred to date	-	1
Attributable profits	-	-
	-	1
Less: Progress billings	-	-
Amount due from customers on contracts (Note 26)	-	1

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28. DERIVATIVE FINANCIAL INSTRUMENT

	Group Notional amount		Group Carrying amount	
	2014	2013	2014	2013
Cash flow hedges:				
Current assets				
Forward contracts	-	(180)	-	13
Interest rate swap	375	375	2	3
			2	16

29. CASH AND BANK BALANCES

	Group		Corporation	
	2014	2013	2014	2013
Cash at banks and on hand	579	731	39	3
Fixed deposits with:				
Licensed banks	277	192	46	88
Licensed financial institutions	226	177	-	-
Other financial institution	9	5	-	-
Cash and bank balances	1,091	1,105	85	91

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

	Group		Corporation	
	2014	2013	2014	2013
Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	5	6	-	-
Restricted usage under SUKUK	16	16	-	-
Restricted usage under Government Grant	-	25	19	25
	21	47	19	25

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

	Group		Corporation	
	2014	2013	2014	2013
Ringgit Malaysia	1,048	967	85	91
US Dollar	-	103	-	-
Indonesian Rupiah	19	21	-	-
Australian Dollar	15	8	-	-
Singapore Dollar	9	6	-	-
	1,091	1,105	85	91

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29. CASH AND BANK BALANCES (CONTINUED)

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

	Group		Corporation	
	2014	2013	2014	2013
Deposits with licensed banks	3.50%	3.40%	3.40%	3.30%
Deposits with licensed financial institutions	4.13%	4.13%	-	-
Deposits with other financial institutions	3.07%	3.08%	-	-

Deposits of the Group and of the Corporation have an average maturity of 162 days (2013: 169 days) and 30 days (2013: 30 days) respectively.

Included in cash and bank balances of the Group is an amount of RM105 million (2013: RM51 million) of which the utilisation is subject to the Housing Developers (Housing Development Account) Regulations 2002.

30. OTHER LONG TERM LIABILITIES

	Group		Corporation	
	2014	2013	2014	2013
Government Grant	261	256	243	235
Land lease rental received in advance	78	74	47	32
Other long term payables	46	53	-	-
Deposits	26	17	-	-
Others	4	-	-	-
	415	400	290	267
Government Grant				
At cost:				
At 1 January	407	368	235	202
Grant received during the year	13	39	8	33
At 31 December	420	407	243	235
Accumulated amortisation:				
At 1 January	151	138	-	-
Amortisation (Note 5)	3	7	-	-
Transfer to income statement	5	6	-	-
At 31 December	159	151	-	-
Balance as at 31 December	261	256	243	235

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30. OTHER LONG TERM LIABILITIES (CONTINUED)

Long term payables

The long term payables are in respect of the balances of purchase consideration for the acquisition of freehold land and property from the 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		Corporation	
	2014	2013	2014	2013
Under 1 year	5	5	-	-
1 to 2 years	1	5	-	-
2 to 3 years	1	5	-	-
Over 3 years	39	38	-	-
Carrying amount	46	53	-	-

Deposits

Deposits represent amounts received from consultants, which are repayable on death, retirement (at age 65) or disability of the consultants. Deposits are forfeited on termination of a consultant's practice either by the Group due to events of breach or on early termination by the consultant. However, the deposits may be refunded to the consultants if approval from the Boards of Directors is obtained.

Deposits previously measured at cost, are now measured at fair value initially and subsequently at amortised costs using effective interest method. The differences between the fair value and cash value are recognised as deferred consultancy income and recognise income over the remaining service period to retirement (at age 65) of consultants.

Land lease rentals received in advance

	Group		Corporation	
	2014	2013	2014	2013
At cost:				
At 1 January	70	130	32	27
Additions	18	12	15	6
Reversal	-	(60)	-	(1)
At 31 December	88	82	47	32
Accumulated amortisation:				
At 1 January	9	7	-	-
Realisation of income for the year	1	1	-	-
Balance as at 31 December	10	8	-	-
Carrying amount as at 31 December	78	74	47	32

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

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31. LOANS AND BORROWINGS

	Group		Corporation	
	2014	2013	2014	2013
Non-current				
Secured:				
Finance lease	67	67	-	-
Term loans	1,304	1,604	-	-
Islamic Debt Securities	402	1,064	-	-
Islamic Medium Term Notes (“IMTNs”)	2,956	2,956	2,956	2,956
Islamic Commercial Papers	-	499	-	-
Islamic Bonds	653	-	-	-
Federal Government Loans	118	111	-	-
Unsecured:				
Term loans	164	219	-	-
Federal Government Loans	18	21	18	21
Redeemable Preference Shares	269	389	-	-
	5,951	6,930	2,974	2,977
Current				
Secured:				
Bank overdrafts	65	84	-	-
Revolving credits	619	317	-	-
Islamic committed revolving credit facility/ Scheduled payment arrangement (“CRCF/SPA”)	3	-	-	-
Bankers’ acceptance	1	49	-	-
Finance lease	29	28	-	-
Term loans	231	177	-	-
Bridging loans	657	25	-	-
Unsecured:				
Bank overdrafts	51	38	-	-
Revolving credits	473	797	-	-
Term loans	55	55	-	-
Federal Government Loans	62	61	62	61
Advances from shareholder of a subsidiary	-	2	-	-
Finance lease	-	1	-	-
	2,246	1,634	62	61
Total loans and borrowings	8,197	8,564	3,036	3,038

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31. LOANS AND BORROWINGS (CONTINUED)

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

At 31 December 2014	Year of maturity	Carrying amount	Under 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
Secured:						
Bank overdrafts	On demand	65	65	-	-	-
Revolving credits	-	619	619	-	-	-
Bankers' acceptance	On demand	1	1	-	-	-
Finance lease	2015-2019	96	29	36	31	-
Term loans	2015-2029	1,535	231	272	444	588
Islamic Committed Revolving Credit	-	3	3	-	-	-
Islamic Debt Securities	2016-2023	402	-	130	-	272
Islamic Medium Term Notes ("IMTNs")	2017-2022	2,956	-	-	394	2,562
Islamic Bonds	-	653	-	-	653	-
Bridging loan	On demand	657	657	-	-	-
Federal Government Loans	2015-2034	118	-	-	3	115
Unsecured:						
Bank overdrafts	On demand	51	51	-	-	-
Revolving credits	-	473	473	-	-	-
Term loan	2015-2019	219	55	55	109	-
Federal Government Loans	2015-2022	80	62	7	10	1
Redeemable Preference Shares	2018	269	-	-	-	269
Total		8,197	2,246	500	1,644	3,807

At 31 December 2013	Year of maturity	Carrying amount	Under 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
Secured:						
Bank overdrafts	On demand	84	84	-	-	-
Revolving credits	-	317	317	-	-	-
Bankers' acceptance	On demand	49	49	-	-	-
Finance lease	2014-2018	95	28	30	35	2
Term loans	2014-2021	1,781	177	460	853	291
Islamic Debt Securities	2015-2018	1,064	-	80	652	332
Islamic Medium Term Notes ("IMTNs")	2017-2022	2,956	-	-	394	2,562
Islamic Commercial papers	2015-2017	499	-	-	-	499
Bridging loan	On demand	25	25	-	-	-
Federal Government Loans	2017-2034	111	-	-	5	106
Unsecured:						
Bank overdrafts	On demand	38	38	-	-	-
Revolving credits	-	797	797	-	-	-
Term loan	2014-2021	274	55	110	103	6
Federal Government Loans	2014-2022	82	61	8	11	2
Advances from shareholder of a subsidiary	On demand	2	2	-	-	-
Finance lease liabilities	On demand	1	1	-	-	-
Redeemable Preference Shares	2018	389	-	-	-	389
Total		8,564	1,634	688	2,053	4,189

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31. LOANS AND BORROWINGS (CONTINUED)

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

At 31 December 2014	**Year of maturity**	**Carrying amount**	**Under 1 year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**
Secured:						
Islamic Medium Term Notes ("IMTNs")	2017-2022	2,956	-	-	394	2,562
Unsecured:						
Federal Government Loans	2015-2022	80	62	7	10	1
Total		3,036	62	7	404	2,563
At 31 December 2013						
Secured:						
Islamic Medium Term Notes ("IMTNs")	2017-2022	2,956	-	-	394	2,562
Unsecured:						
Federal Government Loans	2015-2022	82	61	8	11	2
Total		3,038	61	8	405	2,564

	Group	
	2014	**2013**
Finance lease liabilities		
Minimum lease payments:		
Not later than 1 year	27	47
Later than 1 year and not later than 2 years	42	27
Later than 2 years and not later than 5 years	31	27
More than 5 years	-	2
	100	103
Future finance charges on finance leases	(4)	(7)
Carrying amount of finance lease liabilities	96	96
Non-current	64	67
Current	32	29
	96	96

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31. LOANS AND BORROWINGS (CONTINUED)

	Group		Corporation	
	2014	2013	2014	2013
Weighted average effective interest rates of borrowings at the reporting date:				
Bank overdrafts	7.89	7.76	-	-
Revolving credits	3.65	3.46	-	-
Term loans	6.18	5.04	-	-
Federal Government Loans	4.33	4.35	4.83	4.83
Bankers' acceptance and other bank loans	3.07	2.43	-	-
Bridging loan	5.53	9.25	-	-
Finance lease	3.86	3.75	-	-
Islamic Debt Securities	5.42	5.32	-	-
Islamic Medium Term Notes ("IMTNs")	3.67	3.67	3.67	3.67
Commercial papers	-	3.70	-	-
Redeemable Preference Shares	4.00	16.00	-	-

Group borrowings: Period of maturity or repricing

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
At 31 December 2014					
Fixed	872	278	1,468	3,704	6,322
Floating	1,374	196	250	55	1,875
	2,246	474	1,718	3,759	8,197
At 31 December 2013					
Fixed	243	402	1,251	3,396	5,292
Floating	1,391	273	976	632	3,272
	1,634	675	2,227	4,028	8,564

Corporation borrowings: Period of maturity or repricing

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
At 31 December 2014					
Fixed	62	7	404	2,563	3,036
At 31 December 2013					
Fixed	61	7	406	2,564	3,038

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31. LOANS AND BORROWINGS (CONTINUED)

Estimated fair values

Except as disclosed below the carrying amounts of all borrowings at the reporting date approximate their fair values:

	Group		Corporation	
	Carrying amount	Fair value	Carrying amount	Fair value
At 31 December 2014				
Term loans - fixed rate	791	315	-	-
Term loans - floating	963	-	-	-
Islamic Debt Securities	402	-	-	-
Islamic Committed Revolving Credit	3	-	-	-
Islamic Bonds	653	571	-	-
Islamic Medium Term Notes (“IMTNs”)	2,956	2,960	2,956	2,960
Federal Government Loans	80	83	80	83
At 31 December 2013				
Term loans - fixed rate	1,457	578	-	-
Term loans - floating	598	-	-	-
Islamic Debt Securities	1,064	545	-	-
Islamic Medium Term Notes (“IMTNs”)	2,956	2,960	2,956	2,960
Islamic Commercial papers	499	-	-	-
Federal Government Loans	82	83	82	83

Significant covenants

Corporation

Islamic Medium Term Notes (“IMTNs”)

On 14 June 2012, the Corporation 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”). The IMTNs was issued in 3 series as follows:

Series	Principal amount	Tenure (Years)	Profit rate (% per annum)	Maturity date
Series 1	400	5	3.48	14 Jun 2017
Series 2	800	7	3.68	14 Jun 2019
Series 3	1,800	10	3.84	14 Jun 2022
	3,000			

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Corporation (continued)

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.

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 an 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, transferred or otherwise disposed of 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.

Federal Government Loans

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 ("MOF") with the following options:

(i) to pay off the loans by exchange of properties; or

(ii) to restructure the loans into a soft loan repayable after 10 years with interest.

The Federal Government of Malaysia ("GOM") via its letter from the Ministry of Finance dated 5 September 2013, stated the following:

(i) Period for loan repayment to be rescheduled for 15 years, commencing on 2014, whereby such loan repayment to be made twice a year;

(ii) Interest rate of 4% per annum to be imposed on the outstanding loans;

(iii) Late payment interest of 2% per annum will be imposed in case the loan repayment does not comply with the agreed schedule;

(iv) Exemption on the accrued interest will be approved if the loan repayment is as per agreed schedule; and

(v) State Government must secure the loan with the land for the loan of "Ladang Kelapa Sawit Tunjuk Laut" and "Perindustrian Tanjung Langsat".

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Corporation (continued)

Federal Government Loans (continued)

The Corporation via its letter to MOF dated 25 September 2013, generally agreed on all terms suggested by MOF except for the abovementioned term (v). However, the Corporation suggested such term to be replaced with a new term, whereby the Corporation will execute legal assignment on sales proceed of industrial land, in which the value is not less than the total loan or up to the outstanding loan once the proposed loan reschedule been approved such industrial lands measuring approximately 55.278 acres can be sold within a 5 to 7 year period due to aggressive demands for land in Tanjung Langsat Industrial area. Thus, the outstanding loans can be settled in a shorter period.

GOM via its letter dated 28 October 2013, had acknowledged the Corporation's suggestion. MOF had asked the Corporation via the State Government to make an assessment on the said land with assistance from Jabatan Penilaian dan Perkhidmatan Hartanah ("JPPH"). The restructuring scheme will be secured by the said land.

GOM has also stated that such restructuring scheme will be subject to the following terms and conditions:

(i) Period of repayment is to 15 years with semi annual repayment on 1 June and 1 December every year;

(ii) Interest rate of 4% per annum for each existing loan;

(iii) Late payment interest of 2% per annum will be imposed if the payment not accordance to the schedule; and

(iv) Exemption on interest accrued for each agreement will be only approved if the payment is accordance to the agreed schedule. Any failure to comply with this schedule, accrued interest shall be paid in lump sum in 16th year.

MOF via its letter dated 28 October 2013, has agreed on terms and conditions for the restructuring of the outstanding loans.

The assessment was made by JPPH in December 2013. JPPH via its letter dated 13 February 2014 to the Corporation has furnished the market value of the said land and concluded that its current market value is reasonable.

As at the date of this report, the agreement for the restructuring scheme has yet to be finalised.

Subsidiaries

(a) In connection with the significant term loan facilities granted to Kulim (Malaysia) Bhd ("KMB"), KMB 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;

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31 LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(a) (ii) 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 KMB are secured by charges over certain fixed deposits and property, plant and equipment of KMB.

(b) In the previous financial year, Tanjung Langsat Port Sdn. Bhd. ("TLP") exercised the Asset Rationalisation Programme ("the Programme") as follows:

(i) The Corporation acquiring all moveable and non-moveable assets of TLP comprising assets located at Tanjung Langsat Port and land held for sale ("the Assets") for a total consideration of RM677,893,541;

(ii) To sell and leaseback the Assets to a wholly-owned subsidiary of the Corporation, Efinite Structure Sdn. Bhd. which resulted in a finance lease for a total consideration of RM419,000,000; and

(iii) To use part of the proceed received by the Corporation for the sales and leaseback transaction to reedem TLP's Islamic Debt Securities - Sukuk Musyarakah in full.

The disposal of the Assets to the Corporation was completed in the previous financial year upon the completion of the Programme. As part of the Programme, TLP has been granted a Working Capital Facility ("WCF") of up to RM10 million by an Islamic commercial bank. The Facility is for a period of 1 to 3 months and subject to yearly review. The facility is subject to profit rate of Islamic Cost of fund ("i-COF") plus 2.25% per annum. On 18 August 2014, TLP made the first drawdown of the facility ammounting to RM3,920,000 for a period of 3 month and subject to further rollover. Current interest rate ranges from 6.05% to 6.10% per annum.

(c) On 13 February 2013, TLP had entered into a Loan Agreement with the Government of Malaysia amounting to RM110,800,000 for the construction of Berth 8 and Berth 9. The facility is repayable within 20 years commencing after the 6th month at the third year from the date of the first withdrawal. The facility was fully withdrawn during the year and the first semi-annual repayment is expected to commence on 8 September 2016. The facility is subjected to interest of 4% per annum.

Using the prevailing market interest rate for a similar loan of 6.95%, the fair value of the soft loan has been estimated at RM79,242,450 as at 13 February 2013. The difference of RM31,557,550 between the gross proceeds and the fair value of the soft loan is benefit derived from the below-market interest rate and is recognised as deferred income.

The facility is secured over;

(i) A legal assignment by the Corporation of all rights interest and title in respect of two plots of vacant commercial land identified as Lot H and Lot I all within Tanjung Langsat Industrial Area, Mukim of Sungai Tiram, District of Johor Bahru, Johor;

(ii) Third party first legal charge over Lot H and Lot I upon the issuance of the individual documents of title;

(iii) A first fixed charge by way of a debenture in respect of the Berth 8 and 9;

(iv) An assignment of all rights interest and title and charge in respect of the Special Loan Account and Designated Collection Account;

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(c) (v) A letter of comfort by the Corporation;

(vi) Letter of undertaking by TLP to remit all revenue from the operations of Berth 8 and Berth 9 into the Designated Collection Account;

(vii) Letter of subordination by the Corporation in respect of all advances made by the Corporation to TLP amounting to RM5,000,000 only; and

(viii) Letter of negative pledge by TLP not to incur any indebtness with any financial institution other than those disclosed prior to the date of the Loan Agreement by TLP to the Government of Malaysia and other indebtness made by TLP in ordinary course of its business.

(d) On 4 August 2011, the Group via its direct subsidiary, JCorp Capital Solutions Sdn Bhd ("JCSSB") (formerly known as Jedcon Engineering Survey Sdn. Bhd.) entered into a Facility Agreement with a licensed bank for a bridging term loan facility of up to a maximum aggregate sum of RM50 million. However, the facility expired on 23 November 2013. In conjunction with that JCSSB entered into a new Facility Agreement, with a licensed bank for a margin trading facility of up to a maximum aggregate sum of RM26 million on 21 November 2013. The facility is subject to interest of 7.75% per annum or not less than the bank's Base Lending Rate ("BLR") plus 1.5% per annum and shall include such revised rate thereof as may be notified by the bank from time to time. The facility shall be subjected to a half yearly review.

The purpose of the facility was to part finance the acquisition of quoted shares and warrants in Kulim (Malaysia) Berhad ("KMB").

The facility was secured by a third party memorandum of legal charge to be created by JCSSB in favour of 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.

On 20 November 2013 JCSSB entered into a new Facility Agreement with a licensed bank to be advanced to the Corporation for it to finance the subscription of rights issue entitlement, direct and indirect, under the proposed renounceable rights issue of up to 43,962,072 KPJ Healthcare Berhad ("KPJ") shares held on the entitlement date together with up to 87,924,144 free detacheable new warrants ("Warrants") on the basis of 2 warrants for every 1 rights share subscribed for ("the Proposed Right Issues").

The facility is subject to interest at 6.5% per annum. Interest shall be calculated on the actual number of days elapsed over a 365 day per year and shall be payable in arrears at the end of interest period. The facility shall be subjected to 4 semi annual instalments.

The facility was secured by a third party's first legal charge over sufficient number of Ordinary Shares of KPJ quoted on Bursa Malaysia Securities Berhad to provide a minimum security cover ratio of 1.0 times over the facility amount prior to drawdown and third party first legal charges over all the rights share financed under the facility.

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(d) On 3 July 2014, JCSSB entered into a new Facility Agreement with a licensed bank for a short term loan facility of up to RM78 million. The purpose is to onward lend the facility to the Corporation to finance the conversion of 24,753,600 KMB warrants into new KMB share on a 1 for 1 basis at a conversion price of RM3.13 per share.

The facility is subject to an interest of 2.50% per annum above the Bank's Cost of Funds with monthly rests.

The facility was secured by a first legal charge by way of Memorandum of Deposit of shares over 25,000,000 KMB shares with a minimum security cover ratio of 1.0 times over 24,753,600 KMB shares upon conversion from warrants financed under the facility.

The facility was also secured by a charge over the Debt Service Reserve Account.

On 21 July 2014, the Margin Trading Facility Agreement dated 21 November 2013 with a licensed bank was revised and thus, the maximum aggregate sum had been increased from RM26 million to RM98.5 million. The purpose is to finance the conversion of 23,000,000 KMB warrants into new KMB share on a 1 for 1 basis at a conversion price of RM3.13 per share. The facility was secured by a fresh Margin Trading Facility Agreement of up to RM98.5 million, memorandum of legal charges over securities to be executed by the Corporation and such other documents as may be advised by the Bank's Solicitors.

(e) Redeemable Preference Shares

In prior year, the subsidiary, Business Chronicles Sdn Bhd ("BCSB") issued 1,265,305 Redeemable Preference Shares - Islamic ("RPS-i") at an issue price of RM1,000 each, consisting of a par value of RM0.01 and a share premium of RM999.99. The RPS-i was issued at the following key terms:

(i) A tenure of 8 years from the date of issue;

(ii) A projected dividend of 10% a year, subject to the availability of profits and cash; and

(iii) Redemption by cash or by distribution of shares in the joint venture:

- Redeemable at anytime during the tenure at the discretion of either the issuer or RPS-i holder for cash and the redemption amount is subject to a Internal Rate of Return ("IRR") at a minimum of 12% per annum and a maximum of 20% per annum.

- In the event of Initial Public Offering ("IPO") of the joint venture, the RPS-i is to be redeemed by distribution of the IPO shares in the joint venture to the RPS-i holders.

The RPS-i is held by several parties and certain of the parties have subsequently entered into a Termination Agreement with BCSB and waived all their rights and obligations on the RPS-i held by them. Accordingly, the portion of the RPS-i of RM12,563 that were terminated is classified as equity instrument while the remaining RPS-i of RM248,000,000 is classified as liability, under loan and borrowings.

During the financial year, one of the RPS-i holders disposed of 150,000 RPS-i shares to the Corporation. The Corporation subsequently altered its rights and obligation with respect to the RPS-i, resulting in the RPS-i being classified as equity.

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(f) Pursuant to the Asset Acquisition Agreement (or “Asset Rationalisation Programme”) involving Efinite Structure Sdn Bhd (“ESSB”), the Corporation, Tanjung Langsat Port Sdn. Bhd. (“TLP”), Damansara Assets Sdn. Bhd. (“DASB”) and Johor City Development Sdn Bhd (“JCD”), ESSB has entered into Sukuk Ijarah Facility Agreement with Affin Investment Bank Berhad (“Affin Investment”), Bank Islam Malaysia Berhad (“BIMB”) and Bank Kerjasama Rakyat Malaysia (“Bank Rakyat”), Affin Islamic Bank Berhad (“Affin Islamic”) and Pacific Trustees Berhad (“Trustees”) on 24 June 2013 to obtain:

(a) Islamic securities (“Sukuk”) under the principle of Ijarah up to RM184 million in nominal value with maturity periods between 3 to 10 years. The borrowing are subject to profit rates ranging between 6.85% to 7.33% (2013: 6.85% to 6.95%) per annum;

(b) Syndicated Islamic Term Financing (“i-TF”) of up to RM235 million by BIMB and Bank Rakyat with maturity periods between 3 to 10 years. The borrowing are subject to profit rates ranging between 5.82% to 6.35% (2013: 5.64% to 5.95%) per annum; and

(c) Working capital facility (“WCF”) of up to RM10 million for TLP. The facility is for a period 1 or 3 months and subject to yearly review. The borrowing is subject to profit rate of Islamic Cost of Fund (“i-COF”) plus 2.25% per annum.

The Sukuk Ijarah, i-TF and WCF are secured, on pari passu basis premised on the proportion of the outstanding nominal amount of the Sukuk Ijarah, the outstanding principal portion of the i-TF and the outstanding principal portion of the WCF, by the following in favour of the Security Trustee:

(i) A third party fixed and floating charge by way of debenture over all present and future assets of TLP excluding the two berths currently under construction and identified as Berth 8 (located adjacent to Berth 5 at liquid jetty) and Berth 9 (located adjacent to Berth 1 at the liquid jetty);

(ii) A third party assignment of all revenues of TLP and up to 60% of the revenues derived from the operations of two berths currently under construction and identified as Berth 8 and Berth 9;

(iii) A third party deed of assignment by the Corporation on 649.021 acres of industrial land including of rights over sales proceeds in Tanjung Langsat Industrial Area (“TLIA”) including the necessary covenants to perfect all security in relation to the assignment including procuring the issuance of the respective document of title upon enforcement of the same;

(iv) An assignment and charge over the Designated Account (as defined herein) by ESSB and TLP of its respective present and future rights, titles, benefits, and interests in and under the Designated Accounts and all monies standing to the credit of the Designated Accounts (“Assignment and Charge over Designated Accounts”);

(v) An assignment by ESSB over the Ijarah Agreement entered between the Corporation and ESSB;

(vi) An assignment of proceeds by the Corporation under the Lease Agreement of 5.0 acres of industrial land to KTL Offshore Pte. Ltd.;

(vii) An assignment of proceeds by the Corporation under any future lease agreements of land identified as PLO 3, total land area of 3.572 acres, Mukim Sungai Tiram, District Johor Bahru in TLIA;

(viii) A debenture creating a fixed and floating charge over existing and future assets of ESSB;

(ix) Letter of Awareness from the Corporation;

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(c) (x) A third party assignment of all applicable takaful/insurance policies, respect of the land in TLIA and the Tanjung Langsat Port, in form and substance satisfactory to Solicitor/Sukukholders and i-TF Financiers;

(xi) A third party assignment of the Corporation's present and future rights, title, interest and benefits in and under Sale and Purchase Agreement ("SPA") entered into between the Corporation and TLP in respect of 148.424 acres of land;

(xii) A third party assignment of the Corporation's present and future rights, title, interest and benefits in and under the SPA entered into between the Corporation and DASB in respect of 109.323 acres of land;

(xiii) A third party assignment of the Corporation's present and future rights, title, interest and benefits in and under the SPA entered into between the Corporation and JCD in respect of 188.697 acres of land; and

(xiv) Such other security as may be advised by the Solicitor and to be mutually agreed upon by ESSB.

Financial covenants

For so long as the Sukuk Ijarah remains outsanding, ESSB shall maintain a Finance Service Cover Ratio ("FSCR") of not less than 1.25 times.

FSCR is defined as Consolidated Net Operating Cashflow for the year (as defined below) plus opening cash balances of ESSB (including balances maintained in the Designated Accounts) divided by total Finance Service for the 12 month period.

Consolidated Net Operating Cashflow is defined as net operating cashflow of ESSB plus net operating cashflow of TLP plus proceeds from sale of TLIA which forms part of security under the Sukuk Ijarah, i-TF and WCF.

Finance Service is defined as the aggregate of:

(a) All finance charges (including but not limited to periodic distribution amount, profit, commissions and/or fees) required to be paid in connection with all financing facilities of ESSB and TLP during the relevant period; and

(b) All net principal repayments/redemptions made in connection with all financing facilities of ESSB and TLP during the relevant period.

The FSCR shall be tested on yearly basis, whereby ESSB shall be required to provide a written confirmation duly signed by ESSB's auditor certifying the compliance of the Financial Covenants within 120 days from its respective fiscal year end.

Facility Description

The purpose of the facility is to finance the Asset Rationalisation Programme whereby the Corporation acquired all non-movable assets of TLP as well as all of the industrial land or landed properties forming part of the TLIA covering approximately 649.021 acres ("Ijarah Assets") belonging to TLP, DASB and JCD, all of which are wholly owned subsidiaries of the Corporation.

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31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants (continued)

Subsidiaries (continued)

(f) Under the programme, DASB, TLP and JCD had entered into the relevant Sale and Purchase Agreements ("SPAs") with the Corporation for the sale of the beneficial rights and titles to the Ijarah Assets to the Corporation.

ESSB, on behalf of the Sukukholders and itself, had entered into an Asset Purchase Agreement with the Corporation whereby the Corporation sells the beneficial rights of the Ijarah Assets for a price of up to RM411 million.

In return, ESSB had issued Sukuk Ijarah to the respective Sukukholders. The Sukuk Ijarah shall represent the respective Sukukholders' undivided proportionate interest in the Trust Assets.

The proceeds from the Sukuk Ijarah and i-TF will be utilized for the purchase of the Ijarah Assets (covering only 202.577 out of 649.021 acres of land) under the Asset Purchase Agreement. The Ijarah Rental shall be determined every six months at an agreed margin over agreed benchmarks.

Upon completion of the Assets Purchase Agreement, ESSB had entered into Ijarah Agreements and Servicing Agency Agreement with the Corporation to lease the Ijarah Assets to the Corporation and appointed the Corporation as the servicing agent by the Company to be responsible, for the performance, maintenance, structural repair, related payment and ownership expenses in respect of the Ijarah Assets.

In the event of the parcels of land forming the Ijarah Assets are to be sold to third parties, ESSB agrees to enter into an Asset Sale Agreement to sell the portion of Ijarah Assets to the Corporation. Proceeds received from the Corporation in respect of the Asset Sale Agreement shall go towards fulfilling the Corporation's Ijarah Rental payment obligation.

ESSB had appointed an independent trustee, Pacific Trustee Berhad, as the Sukuk Trustee to act on behalf of Sukukholders.

Upon the maturity of the Sukuk Ijarah and no event of default has occurred, the Ijarah Assets shall be returned to the Corporation either by way of hibah or sale at nominal value.

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32. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2014	2013 Restated	2014	2013
Current				
Trade payables	715	554	4	12
Other payables	153	416	2	12
Retention money	503	331	500	331
Amount owing to related companies	-	-	917	556
Trade accruals	413	558	189	309
Accrued billings (property development)	79	63	-	-
Amount due to other shareholders of subsidiaries	7	6	-	-
Amount due to associates	13	1	8	-
Provision	77	2	-	-
	1,960	1,931	1,620	1,220
Non-current				
Amount owing to a subsidiary	-	-	453	424
Total	1,960	1,931	2,073	1,644

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on a 60 days (2013: 60 days) term.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of six months (2013: average term of six months).

(c) Amount owing to related companies, associates and other shareholders of subsidiaries

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

(d) Amount owing to a subsidiary

This amount is unsecured, bearing interest between 6.85% to 7.33% (2013: 6.85% to 6.95%) per annum and to be repaid between 3 to 10 years pursuant to Ijarah Agreement entered by the Corporation with one of its subsidiaries.

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33. RESERVES

(a) Capital reserves

The capital reserves of the Group and of the Corporation mainly comprise revaluation reserve arising from revaluation of property, plant and equipment and land use rights.

(b) Currency fluctuation reserve

The currency fluctuation reserve comprises 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.

(c) Fair value adjustments reserve

The fair value adjustments reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

(d) Equity transaction reserves

The equity transaction reserves comprise the differences between the share of non-controlling interests in subsidiaries acquired/disposed of the consideration paid/received.

(e) Revenue reserve

The revenue reserve comprise of the portion of business profit retained by the Group and Corporation for investment in future growth.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose 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	
	2014	2013
Paid/payable to subsidiaries:		
Purchases of fresh fruit bunches	-	15
Management fees	14	11
Acquisition of investment properties	-	631
Guaranteed return to a subsidiary	-	2
Acquisition of property, plant and equipment	-	187
Rental expense	5	-
Debt due from a related party	2	-

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34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

The significant related party transactions of the Group and the Corporation are as follows (continued):

	Corporation	
	2014	**2013**
Receipt/receivable from subsidiaries:		
Sale of property, plant and equipment	17	72
Interest income	46	3
Dividend	126	142
Rental Income	10	1
Concession fee	24	12
Revenue from Development Rights Agreements	-	291
Management fee expenses	1	-

35. COMMITMENTS

(a) Capital commitments

	Group		Corporation	
	2014	**2013 Restated**	**2014**	**2013**
Authorised capital expenditure not provided for in the financial statements:				
Contracted for	217	219	29	23
Not contracted for	497	652	-	-
	714	871	29	23
Analysed as follows:				
Property, plant and equipment	502	610	-	-
Development expenditure	29	211	29	23
Investment properties	183	50	-	-
	714	871	29	23

(b) Non-cancellable operating lease commitments - as lessee

The Group's property 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. There are no restrictions placed upon the Group by entering into these leases.

The Group's subsidiary KPJ Healthcare Berhad ("KPJ") has entered into a contractual agreement with Amanah Raya Trustees Berhad (as Trustee for Al-'Aqar Healthcare REIT) and Damansara REIT Managers Sdn Bhd to lease the hospital land and buildings including certain equipment for a period of 15 years, with an option to renew for another 15 years subject to terms and conditions as stipulated in the agreement.

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35. COMMITMENTS (CONTINUED)

(b) Non-cancellable operating lease commitments - as lessee (continued)

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2014	**2013**
The future minimum lease payments:		
Not later than 1 year	150	74
Later than 1 year and not later than 5 years	332	315
More than 5 years	194	365
	676	754

36. CONTINGENCIES

(a) Tanjung Langsat Port Sdn Bhd ("TLP")

(i) In March 2011, one of the Tanjung Langsat Port Sdn Bhd's ("TLP") customer had written to TLP 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 ("DRC") at initial stage under clause 26.1 of the Storage Agreement which was entered between TLP and the customer.

The customer is seeking for damages for product losses and uninsured losses of approximate range from USD36 million to USD226 million arising out of the closure of the facility as a result of the fire incident in 2008.

TLP may have a counter claim amounting to RM115 million for the loss of fees payable by the customer 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 was constituted. The hearing of the arbitration began on 2 May 2013 and was concluded on 8 May 2013. During the course of the hearing, oral evidence of witnesses of both parties were recorded.

On 23 December 2013, the Arbitral Tribunal delivered its award on all matters except on matters relating to the issue of costs. The majority of the Arbitral Tribunal granted the following reliefs, in favour of the customer:

(i) USD20,747,275 being the value of the customer's product that was destroyed in the fire incident;

(ii) USD2,108,497 being the additional costs, fees and expenses that the customer had incurred as a result of the fire incident;

(iii) USD368,547 being the refund of the excess Advance Storage Fee Payment paid by the customer to TLP;

(iv) USD118,374,250 being damages for the customer's loss of use of the facility for a minimum lifespan of the Storage Agreement, being a period of 7 years up until 31 May 2015; and

(v) TLP to pay the customer simple interest on all the sums awarded at the 3 month London Interbank Offered Rate ("LIBOR") for USD as at the date of the Award plus 1% calculated from the date of the Award until full payment of the sums awarded.

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36. CONTINGENCIES (CONTINUED)

(a) Tanjung Langsat Port Sdn Bhd ("TLP") (continued)

(i) On 1 April 2014,TLP has filed an application to set aside the arbitration award of USD141,230,022 and the Hearing for this application will be fixed on 5 and 6 May 2015. TLP has also initiated an arbitration proceeding against its Engineering, Procurement Construction and Commissioning ("EPCC") contractor on 7 April 2014 to indemnify on back to back basis. In line with the above initiatives, the directors of TLP decided that the Group and TLP shall not make further provision and are also of the opinion that this amount should not be subjected to any fluctuations due to changes in foreign exchange rate.

As at 31 December 2014, the provision of USD23,224,319 in respect of item (i), (ii) and (iii) above has been provided in the books of TLP. As for the item (iv) above, the Directors of TLP, based on the opinion of legal expert, are of the opinion that the Award can be impeached and set aside.

(ii) As a result of the fire incident in August 2008, TLP has submitted claims to its insurer to indemnify against losses and damages amounting to RM36,555,440 and in respect of the value of product destroyed as claimed by TLP's customer. This matter was referred to arbitration and was fixed for hearing in May 2014.

On 23 June 2014, TLP entered into a Settlement Agreement with the insurer for a full and final settlement of RM17 million and the payment was received in full on 15 July 2014.

(iii) On 10 October 2014, TLP was served with the Notice of Arbitration from Langsat Terminal (One) Sdn Bhd for alleged failure of TLP to provide adequate jetty and berthing facilities. The proceeding is still at initial stage and the matter was referred to the Director of Kuala Lumpur Regional Centre for Arbitration for the appointment of a sole arbitrator.

(iv) One of the contractors involved in the construction of certain property, plant and equipment of TLP had claimed for interest on late payment as at 31 December 2013 amounting to RM1,622,992. During the year, TLP had made payment of RM1,528,181 to settle the claim.

(v) On 25 September 2014, TLP was served with the Writ of Summon filed on 24 July 2014 by one of its contractors involved in the construction of certain property, plant and equipment of TLP, claiming for the additional works and idling costs as set out under the contract entered with TLP on 30 April 2010. The Claimant claimed reliefs for damages amounted to RM2,104,660 (inclusive interest, cost and other reliefs as determined by court). The claims is still in early phase of case management.

(vi) TLP is one of the shareholders in Windsor Trade Sdn Bhd ("WTSB") holding Redeemable Convertible Cumulative Preference Shares amounting to RM5 Million. TLP has disposed of its shares in Windsor Trade Sdn Bhd to JCorp in 2010. However, the shares have yet to be transferred to the Corporation's name.

TLP has received Notice of Winding Up Proceeding of WTSB on 12 October 2014 and had appointed a solicitor to represent both TLP and Johor Land Berhad ("JLand") (creditor) in this proceeding. Hearing on "locus standi" for JLand to represent TLP has been fixed on 18 March 2015 at Sabah High Court and the decision was not in favour of JLand as the main reason stated by the Judge is that JLand has no "locus standi" to oppose the application made by the above third parties against Windsor Trade Sdn. Bhd.

In the event that JLand wishes to pursue the matter, the appeal of execution needs to be initiated by the Liquidator. Subsequently, there will be a meeting between Johor Corporation and Insolvency Department with regards to the above isssue of "locus standi" on 3 April 2015.

36. CONTINGENCIES (CONTINUED)

(b) KPJ Healthcare Berhad ("KPJ")

(i) On 26 July 2013, the Johor Bahru High Court had allowed the claim by Dr Mohd Adnan bin Sulaiman and Azizan Sulaiman (collectively the "Plaintiffs") against Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") ("Defendant") wherein the Plaintiffs had alleged that the Defendant had breached the Joint Venture Agreement Incorporating Shareholders' Agreement dated 30 May 1995 whereby the said High Court had awarded the sum of RM70.4 million and costs for the sum of RM150,000 against the Defendant ("Judgement").

KPJSB has instructed its solicitors, Messrs. Bodipalar Ponnudurai De Silva to file an appeal at the Court of Appeal against the said Judgement.

On 12 December 2013, Honourable Court of Appeal Judges, YA Datuk Zaharah binti Ibrahim, YA Dato' Mohamad Arif bin Md Yusof and YA Dato Mah Weng Kwai unanimously allowed the appeal by KPJSB against the decision of the Johor Bahru High Court in Suit No: 23NCVC-74-05/2012 dated 26 July 2013 with costs of RM200,000 ("Court of Appeal Judgement").

The decision of the Judgement was also set aside.

The Court of Appeal further gave Consequential Order that the monies in the sum of RM70.5 million together with the accrued interest in the Maybank Fixed Deposit account held in the joint names of the solicitors for the Respondents and the solicitors for KPJSB, "Adam Abdullah & Mani and Bodipalar Ponnudurai De Silva" respectively be released to KPJSB.

On 13 January 2014, the Plaintiffs have filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision dated 12 December 2013 ("the said Application").

The unsealed copy of the said Application was served on the KPJSB solicitors on 10 January 2014.

The Federal Court has fixed the Leave Application for hearing on 28 May 2015.

No amount has been provided for since management believes the application for leave to appeal does not result in present obligation to the Plaintiffs.

(ii) During the year, Jeta Gardens (Qld) Pty Ltd was subjected to a taxation audit by the Australian Taxation Office ("ATO"). The Deputy Commission of Taxation is reviewing the GST treatment of the rental expenses paid to Al-Aqar Australia Pty Ltd, in which 100% of GST input tax credit has been claimed to date. The ATO has engaged a qualified property valuer to apportion the property between the aged care facility, which is GST free (100% input tax credits are able to be claimed), and the retirement village, which is input taxed (0% input tax credit are able to be claimed).

The ATO is also disputing as to whether the apportionment should be the responsibility of the Jeta Gardens (Qld) Pty Ltd or the landlord. At this stage, no clarification on this matter has been forthcoming. Consequently, the directors are not in a position to confirm if KPJSB will be liable to any further taxation on the amount which could be involved.

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37. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments of the Group and the Corporation as at 31 December are categorised into the following classes:

Group	2014	2013
Loans and receivables:		
Trade and other receivables (Note 23)	991	1,065
Cash and bank balances (Note 29)	1,091	1,105
	2,082	2,170
Financial assets at fair value through profit or loss:		
Other investments (Note 13)	71	76
Interest rate swap (Note 28)	2	3
Forward contracts (Note 28)	-	13
	73	92
Available-for-sale financial assets:		
Other investments (at cost less impairment) (Note 13)	132	54
	205	146
Financial liabilities measured at amortised cost:		
Trade and other payables (Note 32)	1,960	1,931
Loans and borrowings (Note 31)	8,197	8,564
	10,157	10,495

Corporation	2014	2013
Loans and receivables:		
Trade and other receivables (Note 23)	354	302
Cash and bank balances (Note 29)	85	91
	439	393
Financial assets at fair value through profit or loss:		
Other investments (Note 13)	46	52
	46	52
Financial liabilities measured at amortised cost:		
Trade and other payables (Note 32)	2,073	1,644
Loans and borrowings (Note 31)	3,036	3,038
	5,109	4,682

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Corporation are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group applies cash flow hedge accounting on those hedging relationships that qualify for hedge accounting.

The following sections provide details regarding the Group's and the Corporation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Corporation's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Corporation minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to invest cash assets safely and profitably. The Group has no significant concentration of credit risk and it is not the Group's policy to hedge its credit risk. The Group has in place, for significant operating subsidiaries, policies to ensure that sales of products and services are made to customers with an appropriate credit history and sets limits on the amount of credit exposure to any one customer. For significant subsidiaries, there were no instances of credit limits being materially exceeded during the reporting periods and management does not expect any material losses from non-performance by counterparties.

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.

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 23. 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 23.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

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.

At 31 December 2014 **Group**	**On demand or within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Financial liabilities:				
Trade and other payables	1,960	-	-	1,960
Loans and borrowings	2,295	2,408	3,724	8,427
Total undiscounted financial liabilities	4,255	2,408	3,724	10,387
Corporation				
Financial liabilities:				
Trade and other payables	1,620	453	-	2,073
Loans and borrowings	62	419	2,601	3,082
Total undiscounted financial liabilities	1,682	872	2,601	5,155

At 31 December 2013 **Group**	**On demand or within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
Financial liabilities:				
Trade and other payables	1,931	-	-	1,931
Loans and borrowings	1,836	2,829	4,231	8,896
Total undiscounted financial liabilities	3,767	2,829	4,231	10,827
Corporation				
Financial liabilities:				
Trade and other payables	1,220	424	-	1,644
Loans and borrowings	80	422	2,602	3,104
Total undiscounted financial liabilities	1,300	846	2,602	4,748

Financial guarantees have not been included in the above maturity analysis as no default has occurred.

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Corporation's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Corporation's exposure to interest rate risk arises primarily from their loans and borrowings. 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	
	2014	2013	2014	2013
Interest rate:				
100 bp increase in interest rates	711	746	295	295
100 bp decrease in interest rates	(711)	(746)	(295)	(295)

(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 principally in United States Dollar ("USD").

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 USD	
	2014	2013
Trade receivables	-	251
Trade payables	(1)	142
Loans and borrowings	-	898
Derivative financial instruments	-	14
Net exposure in the statement of financial position	(1)	1,305

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD 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	
	2014	2013	2014	2013
USD				
strengthened 5% (2013: 5%)	-	(3)	4	13
weakened 5% (2013: 5%)	-	3	(4)	(13)

(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:

Group	2014	2013
10% increase in palm oil prices	-	(9)
10% decrease in palm oil prices	-	9

(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	23
Loans and borrowings	31
Trade and other payables	32

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Fair value (continued)

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 other-payables (non-current) and 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.

Forward currency contracts and interest swap contracts are valued using a valuation technique with market observable input. The most frequently applied valuation technique include forward pricing and survey models, using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot, forward rates and interest rate curves.

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 held the following financial instruments carried at fair value in the statements of financial position:

Group At 31 December 2014	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Quoted shares	72	-	-	72
Quoted warrant	29	-	-	29
Fund investment	17	-	-	17
Derivative financial instruments	-	2	-	2
Investment properties	-	-	4,045	4,045
	118	2	4,045	4,165

Group At 31 December 2013	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Quoted shares	45	-	-	45
Quoted warrant	20	-	-	20
Fund investment	13	-	-	13
Derivative financial instruments	-	16	-	16
Investment properties	-	-	3,554	3,554
	78	16	3,554	3,648

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(g) Fair value (continued)

Corporation **At 31 December 2014**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value:				
Quoted shares	17	-	-	17
Quoted warrant	29	-	-	29
Investment properties	-	-	1,177	1,177
	46	-	1,177	1,223

Corporation **At 31 December 2013**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value:				
Quoted shares	33	-	-	33
Quoted warrant	19	-	-	19
Investment properties	-	-	1,108	1,108
	52	-	1,108	1,160

During the reporting period ended 31 December 2014 and 2013, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

39. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and to maintain an optimal capital structure so as to comply with debt covenants and regulatory requirements.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected cash flows, projected capital expenditures and projected strategic investment opportunities.

Management monitors capital based on a net gearing ratio. The gearing ratio is calculated as net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group	
	2014	**2013**
Bank borrowings (Note 31)	8,197	8,564
Less: Cash and bank balances (Note 29)	(1,091)	(1,105)
Net debt	7,106	7,459
Total Equity	7,482	6,723
Debt-to-equity ratios	0.95	1.11

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 Malaysia to an indirect subsidiary which involves in insurance brokering and consultancy.

40. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is 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.

Business segments

The Group comprises the following main business segments:

- Oil Palm – Oil palm plantation, crude palm oil processing, plantation management services and consultancy
- Healthcare – Hospitals and health care services
- Property – Property development and housing development
- Intrapreneur ventures – Sea transportation, parking management, sales of wood-based products and bulk mailing and printing
- Quick service restaurant – Pizza Hut, Ayamas and Kentucky Fried Chicken outlets

Other operations of the Group mainly comprise operations which are not of sufficient size to be reported separately.

Geographical segments

The Group's business segments are managed on a worldwide basis, they operate in two main geographical areas:

- Malaysia – Mainly plantation operations, health care operations, quick service restaurant and investment activities
- Papua New Guinea – Mainly plantation operations

In presenting information on the basis of geographical segments, segments revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

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40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments

Group At 31 December 2014	Palm oil	Healthcare	Property	Intrapreneur ventures	Quick service restaurant	Others	Group
External revenue	779	2,620	798	204	-	294	4,695
Inter-segment revenue	-	-	-	-	-	-	-
Total revenue	779	2,620	798	204	-	294	4,695
Results							
Segment results (external)	131	199	540	35	1	158	1,064
Unallocated income							49
Unallocated costs							(113)
Profit from operations							1,000
Finance costs							(370)
Share of results of associates	-	49	4	-	-	(29)	24
Share of results of joint venture	-	-	-	-	(27)	-	(27)
Profit before tax							627
Tax expenses							(98)
Profit after tax from continuing operations							529
Profit from discontinued operations							247
Profit for the year							776

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40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

Group At 31 December 2014 (continued)	Palm oil	Healthcare	Property	Intrapreneur ventures	Quick service restaurant	Others	Group
Other information							
Segment assets	6,020	3,190	3,526	894	1,038	2,175	16,843
Associates	-	107	(4)	-	-	165	268
Joint ventures	-	-	-	-	1,246	-	1,246
Unallocated assets							2,085
Consolidated total assets							20,442
Segment liabilities	3,635	1,920	1,568	484	-	5,349	12,956
Unallocated liabilities							4
Consolidated total liabilities							12,960
Capital expenditure	441	584	373	150	-	73	1,621
Depreciation and amortisation	318	114	6	35	-	36	509

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

Group At 31 December 2013, restated	Palm oil	Healthcare	Property	Intrapreneur ventures	Quick service restaurant	Others	Group
External revenue	845	2,296	998	204	-	392	4,735
Inter-segment revenue	-	-	-	-	-	-	-
Total revenue	845	2,296	998	204	-	392	4,735
Results							
Segment results (external)	91	116	468	47	-	373	1,095
Unallocated income							874
Unallocated costs							(279)
Profit from operations							1,690
Finance costs							(401)
Share of results of associates	-	7	4	-	-	20	31
Share of results of joint venture	-	-	-	-	4	-	4
Profit before tax							1,324
Tax expenses							(182)
Profit after tax from continuing operations							1,142
Profit from discontinued operations							17
Profit for the year							1,159

NOTES TO THE FINANCIAL STATEMENTS
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40. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - Business segments (continued)

Group At 31 December 2013, restated (continued)	Palm oil	Healthcare	Property	Intrapreneur ventures	Quick service restaurant	Others	Group
Other information							
Segment assets	7,884	2,509	4,929	899	-	705	16,926
Associates	-	70	116	-	-	99	285
Joint ventures	-	-	-	-	1,272	-	1,272
Unallocated assets							166
Consolidated total assets							18,649
Segment liabilities	2,863	1,645	2,176	423	-	4,073	11,180
Unallocated liabilities							746
Consolidated total liabilities							11,926
Capital expenditure	505	315	338	103	-	209	1,470
Depreciation and amortisation	279	77	7	28	-	45	436

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40. SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format - Business segments

Group	Sales (External) 2014	Sales (External) 2013	Total Assets 2014	Total Assets 2013	Capital Expenditure 2014	Capital Expenditure 2013
Malaysia	4,601	4,597	18,512	12,432	1,621	1,161
Indonesia	49	48	130	138	-	-
Papua New Guinea	-	-	-	4,171	-	309
Other countries	45	90	279	262	-	-
	4,695	4,735	18,921	17,003	1,621	1,470
Associates			268	285		
Joint venture			1,246	1,272		
Unallocated assets			7	89		
Total assets			20,442	18,649		

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

1. Johor Corporation ("the Corporation")

(a) On 6 March 2014, Seaview Holdings Sdn Bhd ("Seaview") entered into a Share Sales Agreement ("SSA") with the Corporation and its subsidiaries in respect of the disposal of 51% equity interest held by the Corporation and its subsidiaries in Damansara Realty Berhad ("DBhd") to Seaview for the purchase consideration of RM78.89 million, to be paid in the following manner:

(i) RM7.889 million (10% of the purchase consideration) shall be paid in cash ("the 1st payment") upon signing of the SSA;

(ii) RM7.889 million (10% of the purchase consideration) shall be paid in cash ("the 2nd payment") on the Completion Date; and

(iii) The balance of RM63.112 million (80% of the purchase consideration) shall be paid in cash ("the 3rd payment") before the expiration of 12 months from the date of this SSA.

This SSA was fully completed in end of April 2014.

(b) On 25 April 2014, the Corporation entered into a SPA with its subsidiary, Damansara Assets Sdn Bhd ("DASB") for the purchase of a leasehold land (remaining lease period of 91 years ending 11 April 2105) measuring approximately 9.579 acres located at Jalan Storey, belonging to DASB for a purchase consideration of RM151.0 million ("Purchase Price"), to be paid in the following manners:

(i) Upon execution of SPA,RM15.1 million, being the deposit of the Purchase Price shall be paid by the Corporation through off setting with existing amount due by DASB ("Deposit"); and

(ii) The balance Purchase Price of RM135.9 million, being 90% of the Purchase Price shall remain as the amount due to in DASB's book.

This SPA was completed during the current financial year.

(c) On 2 June 2014, the Corporation entered into a SPA with its subsidiary, DASB for the purchase of a leasehold land (remaining lease period of 90 years ending 15 September 2104) measuring approximately 2.5589 hectares located at Mukim of Bandar, Johor Bahru belonging to DASB for purchase consideration of RM151.5 million ("Purchase Price"), to be paid in the following manners:

(i) Upon execution of SPA, RM15.15 million, being part of the Purchase Price shall be paid by the Corporation as follows:

- RM100,000, through payment in cash;

- RM15.05 million, through off setting with existing amount due by DASB ("Deposit"); and

(ii) The balance Purchase Price of RM136.35 million, shall remain as amount due to DASB in the Corporation's books.

This SPA was completed during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

1. Johor Corporation ("the Corporation") (continued)

(d) On 30 April 2014, the Corporation entered into a Share Sale Agreement ("SSA") with one of its shareholder in respect of 150,000 Islamic Non-cumulative Redeemable Preference Shares ("INCPS") of RM0.01 each in Business Chronicles Sdn Bhd ("BCSB"), the Corporation's wholly-owned subsidiary. BCSB is a Special Purpose Vehicle ("SPV") established for the purposes of providing funding to Massive Equity Sdn Bhd ("MESB"), which is, in turn, through its wholly-owned subsidiary, QSR Brands (M) Holdings Berhad, the SPV for the privatisation of KFC Holdings (M) Berhad ("KFC") and QSR Brands Berhad ("QSR") in year 2013.

The consideration of the INCPS sold shall be by way of transferring parcels of land measuring approximately 9.586 acres located at Jalan Storey, Johor Bahru and parcels of land measuring approximately 5.956 acres at Mukim of Bandar, Johor Bahru owned by the Corporation equivalent to the value not less than Subscription monies for 150,000 INCPS held by the said shareholder.

This SPA was completed during the current financial year.

2. Johor Paper & Publishing Sdn Bhd ("JPP")

(a) On 8 July 2013, JPP's indirect subsidiary, Langsat Marine Base Sdn Bhd ("LMB") had entered into a joint venture cum shareholders agreement with its subsidiary company, Langsat OSC Sdn Bhd ("LOSC") and Oilfield Supply Centre Limited ("OSCL"). As agreed in the agreement, LMB and OSCL had invested in LOSC for an amount of RM510,000 and RM490,000 respectively as capital injection into LOSC.

The purpose of signing the joint venture agreement is to agree development, construction, operation and maintenance of a common user supply base comprising offices, warehouse, open yard, workshop and outside storage areas for oil and gas companies at Tanjung Langsat Port.

On 29 April 2014, LMB entered into the first supplemental agreement due to certain changes on joint ventures cum shareholders agreement entered previously.

(b) On 8 July 2013, LMB had also entered into a lease agreement with the Corporation for the lease of a concession land measuring approximately 50 acres in Mukim Sg. Tiram, Daerah Johor Bahru. The lease rental amounted RM120 million is to be paid in aggregate for the duration of the lease period based on the amount receivables by LMB from the tenancy and Sub-lease of the land.

On 29 April 2014, JPP entered into the first supplemental agreement due to certain changes on lease agreement entered previously.

(c) The tenancy agreement was signed with LMB's subsidiary, OSC International Sdn Bhd ("OSCI") on 8 July 2013 to give OSCI the rights to develop the land.

On 29 April 2014, LMB entered into the first supplemental agreement due to certain changes on tenancy agreement entered previously.

(d) On 8 July 2013, LMB had also entered into sub-lease agreement with LOSC to enable them to operate and maintain the supply base. The sub-lease period is 19 years commencing from the expiry of the concession period. The lease consideration of RM88 million is receivable within 5 days before the commencement of sub-lease period commencing from the expiry of tenancy agreement.

On 29 April 2014, LMB entered into the first supplemental agreement due to certain changes on sub-lease agreement entered previously. The sub-lease period changed to 16 years commencing from the expiry of the concession period.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

2. Johor Paper & Publishing Sdn Bhd ("JPP") (continued)

(e) LMB had signed the Concession Agreement with LOSC and OSCI on 8 July 2013. OSCI had been appointed as Concession Company for a concession period of 11 years commencing from 8 July 2013.

On 29 April 2014, JPP entered into the first supplemental agreement due to certain changes on concession agreement entered previously. The concession period changed to 14 years commencing from 8 July 2014.

3. Kulim (Malaysia) Berhad ("KMB")

(a) On 3 October 2013, KMB announced that it had entered into a Memorandum of Understanding with PT Graha Sumber Berkah ("PT GSB") to explore the possibility of collaborating in palm oil cultivation and upstream and downstream oil and gas businesses in Kalimantan, Indonesia. On the same date, KMB also announced that it had entered into a Conditional Share Sale Agreement ("CSSA") with PT GSB in relation to the proposed acquisition of 75% equity interest in PT Wisesa Inspirasi Nusantara ("PT WIN") and its subsidiaries for a total consideration of up to USD43.44 million (approximately RM138.86 million). PT WIN is the vehicle for the KMB Group's proposed venture into palm oil cultivation in Kalimantan, Indonesia.

Pursuant to the other shareholding requirements imposed by the Indonesian regulators, KMB and PT GSB agreed to the following transactions:

(i) The transfer of 3,326,338 PT WIN Shares from PT GSB and 1,000 PT WIN Shares from another party to KMB pursuant to a Deed of Sale and Purchase of Shares dated 10 January 2014, for a cash consideration of approximately USD17.14 million (equivalent to approximately RM58.75 million) ("Shares Transactions");

(ii) The issuance of 4,991,007 new PT WIN Shares to be subscribed by KMB at the nominal par value of IDR1,000 per PT WIN Share, for a cash consideration of IDR4.99 billion (equivalent to approximately RM1.40 million) ("Issuance of Shares") (the Shares Transactions and Issuance of Shares are collectively referred to as the "Acquisition"); and

(iii) Injection by KMB of approximately USD25.30 million (equivalent to approximately RM88.43 million) into PT WIN and/or its subsidiaries as working capital to acquire titles to plantation land in Kalimantan, Indonesia ("Further Investment").

The total investment under the Acquisition and Further Investment amount to approximately USD42.86 million (equivalent to approximately RM149.81 million).

Following the fulfillment of the conditions precedent of the CSSA and the execution of a Shareholders' Agreement between KMB and PT GSB, the transfer/subscription of PT WIN Shares was effected on 14 February 2014, thus rendering PT WIN a subsidiary of the KMB Group.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

3. Kulim (Malaysia) Berhad ("KMB") (continued)

(b) On 23 April 2014, KMB sent a notice of conversion to Asia Economic Development Fund Limited ("AEDFL") to exercise its right to convert its existing holdings of Irredeemable Covertible Cumulative Unsecured Loan Securities ("ICCULS") amounting to RM47,039,000 into ordinary shares of AEDFL. Following the conversion of the ICCULS into ordinary shares, KMB held 54.21% of the total issued and paid-up share capital of AEDFL, thus rendering AEDFL a subsidiary of the KMB Group.

(c) On 10 December 2014, KMB announced that Kulim Energy Nusantara Sdn Bhd ("KENSB"), a wholly owned subsidiary of KMB had entered into a Conditional Subscription and Shares Purchase Agreement ("CSSPA") with Citra Sarana Energi ("CSE") and its existing shareholders namely, PT Wisesa Inspirasi Sumatera and PT Inti Energi Sejahtera, to acquire a 60% equity interest in CSE to participate in the exploration and development of an O&G field in South West Bukit Barisan Block, Central Sumatera, Indonesia for a total cash consideration of approximately USD133.55 million (equivalent to approximately RM466.81 million).

As at the reporting date, the KMB Group is in the midst of completing the various conditions precedent as defined in the CSSPA.

(d) On 11 December 2014, KMB announced that E.A. Technique (M) Berhad, a subsidiary of the KMB Group was successfully listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

(e) On 6 March 2015, KMB announced that Asia Economic Development Fund Limited ("AEDFL"), a subsidiary of KMB had on 5 March 2015, entered into the following agreements:

(i) A share sale agreement with Johor Logistics Sdn Bhd ("JLSB"), a subsidiary of the Corporation in relation to the proposed acquisition of 2,109,212 ordinary shares in ALC ("ALC Shares") representing approximately 30% equity interest in ALC, for a total consideration of approximately RM23.17 million to be satisfied by the issuance of 158,958 ordinary shares in AEDFL ("Proposed Acquisition");

(ii) A conditional subscription agreement with KMB in relation to the subscription of 271 new Redeemable Non-Cumulative Convertible Preference Shares ("RCPS") in AEDFL at a nominal value of USD13.55 million (equivalent to approximately RM49.55 million); and

(iii) A shareholder's loan agreement with ALC to grant and make available to ALC a loan of up to USD25.0 million (equivalent to approximately RM91.41 million).

Upon completion of the Proposed Acquisition, ALC will become a 68% owned subsidiary of AEDFL, thus rendering ALC an indirect subsidiary of the KMB Group.

Barring any unforeseen circumstances, the above agreements are expected to be completed in the first half of 2015.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

3. Kulim (Malaysia) Berhad ("KMB") (continued)

(f) On 9 October 2014, Sime Darby Plantation Sdn Bhd ("SDP") served a takeover notice on NBPOL and announced its intention to make a cash offer to acquire all NBPOL shares at an offer price of GBP7.15 or PNG Kina 28.79 per NBPOL share ("Offer").

On 23 October 2014, KMB announced that it had received the formal offer document ("Offer Document") from SDP and that the Offer would be presented to the shareholders of Kulim at an Extraordinary General Meeting ("EGM") to be convened to consider the Offer.

Acceptance of the Offer would entail Kulim disposing of its entire equity interest in NBPOL comprising of 73,482,619 ordinary shares in NBPOL, to SDP for a disposal consideration of approximately GBP525.4 million (equivalent to approximately RM2.86 billion).

On 3 December 2014, the KMB's shareholders voted to accept the Offer from SDP at the Extraordinary General Meeting convened to consider the Offer.

On 27 January 2015, Sime Darby Berhad ("Sime Darby"), the parent of SDP, announced that SDP had obtained clearance from the European Commission on its proposed takeover of NBPOL.

On 18 February 2015, Sime Darby announced that all conditions precedent in the Offer Document had been fulfilled and that the Offer was now unconditional.

On 26 February 2015, KMB announced that the disposal of NBPOL was complete following the receipt of the cash consideration from SDP. Accordingly, NBPOL ceased to be a subsidiary of the KMB Group as at the said date.

4. Larkin Sentral Management Sdn Bhd ("LSM")

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 price revival scheme ("PRS") for the unit holders of both ASJ and DJ. Under the scheme, the unit holders may request PJB to repurchase up to five hundred units or 10% of their present shareholding in ASJ and DJ, whichever is higher, at a repurchase price of RM1 and RM0.50 for each unit of ASJ and DJ respectively. In this scheme, LSM's role is to purchase from PJB units of ASJ and DJ which PJB is required to repurchase from unit holders of ASJ and DJ.

On 4 February 2008, LSM entered the fifth tripartite agreement where LSM was no longer offered to purchase units from PJB however LSM continued to provide the funds required to enable PJB to repurchase the units from unit holders at the PRS price on ex-gratia basis.

In June 2008, the ASJ was terminated upon resolution for termination been passed in ASJ's unit holders meeting in accordance to the Guidelines on Unit Trust Funds.

Prior to 2012, LSM had entered into the tenth tripartite agreement with PJB and AmanahRaya Trustees Berhad ("ART") for the provision of funds on ex-gratia basis for units of DJ repurchased by PJB.

LSM subsequently entered into the twelfth tripartite agreement on 26 June 2012 with PJB and ART to implement the Skim Penambahbaikan Dana Johor ("SDJ1"), an enhancement to the earlier PRS whereby unitholders of DJ were offered to sell their units to PJB at price of RM1.00 per unit and to be paid additional payment of RM0.50 per unit for all units repurchased under the previous PRS. The offer period is between 2 July 2012 to 1 July 2013. Under this agreement, LSM 's role is as the purchasing agent for the Corporation, purchase the units of DJ from PJB at SDJ1 price of RM1.00 per unit and that LSM holds the repurchased units on trust for the Corporation who is absolute beneficial owner.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

4. Larkin Sentral Management Sdn Bhd ("LSM") (continued)

On 10 May 2013, the thirteenth agreement was entered whereby LSM agreed to extend the period related to the purchase of DJ units to 31 December 2013 and subsequently entered into fourteenth tripartite agreement to extend the period to 31 March 2014.

On 21 January 2014, the fifteenth tripartite agreement was entered between LSM, PJB and ART whereby the parties agreed to further extend the period to 30 June 2014 and to implement the final term of SDJ1 on a date to be mutually agreed and LSM is liable to provide sufficient funds for the ex-gratia payment. In addition, with effect from 1 January 2014, LSM was no longer required to purchase DJ units from PJB. However, LSM shall provide to PJB sufficient funds for the difference between the RM1.00 and the net asset value of DJ and also the additional payment of RM0.50 per unit under the previous PRS.

As at 31 December 2014, LSM is liable for the ex-gratia payment of RM54.14 million (2013:RM98.99 million) to implement the final term of SDJ1 amount of which has been provided by the Corporation.

5. Damansara Assets Sdn Bhd ("DASB")

On 15 September 2014, DASB submitted an application to the Securities Commission to dispose of its properties of RM625.2 million to a proposed real estate investment trust, sponsored by the Corporation.

On 18 February 2015, the Securities Commission approved DASB's application. However, as at the date of this report, DASB has yet to submit to Bursa Malaysia for the listing exercise of the proposed real estate investment trust.

The disposal has yet to be completed at the date of this report.

6. KPJ Healthcare Berhad ("KPJ")

(a) On 3 October 2014, Puteri Nursing College Sdn Bhd ("PNCSB"), a wholly-owned subsidiary of KPJ entered into a sale and purchase agreement ("SPA") with AmanahRaya Trustees Berhad ("Trustee" or "Purchaser"), on behalf of Al-'Aqar Healthcare REIT ("Al-'Aqar"), to dispose the properties for a total disposal consideration of RM77,800,000 ("Disposal Consideration") upon the terms and conditions of the SPA ("Proposed Disposal").

Upon completion of the Proposed Disposal, PNCSB will enter into a lease agreement ("Lease Agreement") with Al-'Aqar, represented by its Trustee, and Damansara REIT Managers Sdn Bhd, being the manager of Al-'Aqar ("Manager"), for the lease of the Properties to PNCSB upon terms and conditions of the Lease Agreement to be agreed between the aforesaid parties ("Proposed Leaseback").

The Proposed Disposal is expected to be completed in the first quarter of 2015.

(b) On 16 October 2014, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") had signed a Memorandum of Understanding ("MOU") with Pelaburan Hartanah Berhad ("PHB") and Nadayu Properties Berhad ("NPB") for the proposed development and leasing of a purpose-built hospital building to be known as the "KPJ Damansara Specialist Hospital II" by PHB to KPJSB. The Parties shall execute three (3) agreements, namely Agreement ("SPA"), the Agreement to Lease ("ATL") and Lease Agreement ("LA") (collectively known as "Definitive Agreement").

The Definitive Agreements shall be executed within six (6) months from the date of MOU execution.

(c) On 6 November 2013, KPJSB entered into a conditional Share Sale Agreement with Usaha Cendera Sdn Bhd (formerly known as Usaha Cendera Cerah Sdn Bhd) for the acquisition of 2 ordinary shares of RM1.00 each in BDC Specialist Hospital Sdn. Bhd. ("BDCSHSB") which is equivalent to 100% of the equity of BDCSHSB for a total cash consideration of RM16,516,144.

NOTES TO THE FINANCIAL STATEMENTS
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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

6. KPJ Healthcare Berhad ("KPJ") (continued)

(c) BDCSHSB is the registered owner of all that parcel of leasehold land described as Lot 18807 Block 11, Muara Tebas Land District located at Stampin, Kuching, Sarawak measuring approximately 1.918 hectares. Henry Butcher in their valuation report dated 11 December 2012 has valued the Land based on the market value of RM16,590,000.

Upon the completion of the Proposed Acquisition, BDCSHSB will be a wholly-owned subsidiary of KPJSB.

The proposed acquisition was completed on 10 February 2014.

(d) On 21 October 2014, the Board of Directors of KPJ announced that KPJSB proposes to undertake the following;

(i) Proposed establishment of an employees share option scheme ("ESOS") of up to 10% of the enlarged issued and paid-up share capital of KPJ, to be granted to eligible directors and employees of KPJ and its subsidiaries ("KPJ Group"), which are not dormant;

(ii) Proposed restricted issue via Section 132D of the Companies Act, 1965 of up to 28,000,000 new ordinary shares of RM0.50 each in KPJ, representing approximately 2.5% of the issued and paid-up share capital, to selected resident consultants of KPJ Group; and

(iii) Proposed amendment to the Article of Association.

The proposals were submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 23 October 2014 and approved on 31 October 2014 by ensuring full compliance of all the requirements as provided under the Main Market Listing Requirements of Bursa Securities at all times.

(e) On 3 November 2014, Point Zone (M) Sdn Bhd ("Point Zone") (a wholly-owned subsidiary of KPJ) received the authorisation from the Securities Commission Malaysia to establish the Sukuk Programmes. The Sukuk Programmes is the proposed Islamic Commercial Papers ("ICP") pursuant to an ICP Programme and proposed Islamic Medium Term Notes ("IMTN") pursuant to an IMTN Programme, with a combined limit of up to RM1.5 billion in Nominal Value for the Sukuk Programmes and a sub-limit of RM500 million in Nominal Value for the ICP Programme, based on the Shariah principle of Murabahah. The proceeds raised from the Sukuk Programmes shall be utilised to refinance the outstanding amount under the existing Islamic Commercial Papers/Islamic Medium Term Notes Programme of up to RM450 million and to advance to KPJ to finance the expansion and working capital requirements of the KPJ group's healthcare and healthcare related businesses (including to finance/refinance any borrowings incurred in relation thereto).

The ICP Programme shall have a tenure of 7 years from the first issuance date whilst the IMTN Programme shall have a tenure of 10 years from the first issuance date. The Sukuk Programmes will be secured against a charge and assignment over the designated account and an irrevocable and unconditional corporate guarantee from KPJ. Both the ICP Programme and the IMTN Programme will not be rated. The proposed establishment of Sukuk Programmes is expected to be completed in the first quarter 2015.

On 10 December 2014, Point Zone redeemed the entire outstanding amount under the ICP/IMTN Programme. In this respect, Point Zone has cancelled the ICP/IMTN Programme on 16 December 2014 as Point Zone has no intention to reissue the ICP or IMTN under the ICP/IMTN Programme.

On 27 February 2015, the Board has fixed the issue price for the ESOS (Note 41(6)(d)) and the placement of up to 28,000,000 new Placement Shares at an issue price of RM3.64 per Placement Share pursuant to Restricted Issue.

The issue price represent a discount of approximately ten percent (10%) or RM0.404 to the five (5)-day volume weighted average market price of KPJ Shares up to and including 26 February 2015 of RM4.04, being the market day immediately preceding the price-fixing date.

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41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

6. KPJ Healthcare Berhad ("KPJ") (continued)

Pursuant to Paragraph 6.43(1) of the Listing Requirements, the effective date for the ESOS has been fixed on 27 February 2015, being the date of submission of the following documents in relation to the ESOS to Bursa Securities:

(i) Final By-laws; and

(ii) Resolutions passed by the shareholders of KPJ at the Extraordinary General Meeting of KPJ held on 25 November 2014.

On 13 March 2015, KPJ has completed the placement of 17,509,000 new ordinary shares of RM0.50 each in KPJ at an issue price of RM3.64 per placement shares representing approximately 62.53% of the total number Placement Shares available under the Restricted Issue. Accordingly the Restricted Issue is deemed completed.

(f) On 18 March 2015, Seremban Specialist Hospital Sdn Bhd ("SSHSB"), a wholly-owned subsidiary of KPJ entered into a sale and purchase agreement with the AmanahRaya Trustees Berhad, being the trustee of Al-'Aqar Healthcare REIT ("Al-'Aqar" or "Trustee" or "Purchaser"), to dispose a parcel of freehold land in Seremban, Negeri Sembilan ("SSH Land") to Al-'Aqar for a total cash consideration of RM4.25 million ("SSH SPA") upon the terms and conditions of the SSH SPA ("Proposed Disposal").

As a condition to the Proposed Disposal, SSHSB will enter into a supplemental lease agreement with the Trustee and Damansara REIT Managers Sdn Bhd, being the manager of Al-'Aqar ("DRMSB" or "Manager"), for the lease of the SSH Land to SSHSB ("SSH Supplemental Lease Agreement") upon the terms and conditions to be agreed between the aforsaid parties ("Proposed Leaseback"). The SSH supplemental Lease Agreement shall suplement a lease agreement dated 12 December 2012 entered into between SSHSB, the Trustee and DRMSB for the lease of the Existing Properties for the second lease term period (as defined herein) to SSHSB ("SSH Existing Lease Agreement").

The Proposed Disposal is expected to be completed in the third quarter of 2015.

7. Al-'Aqar Healthcare REIT ("Al-'Aqar")

(a) On 8 August 2012, Al-'Aqar had announced its proposal to acquire two pieces of land, both situated in the Town of Johor Bahru, from Puteri Specialist Hospital (Johor) Sdn Bhd ("PSHSB"), a subsidiary of KPJ Healthcare Berhad ("KPJ"). The lands are situated next to Al-'Aqar's land, on which PSHSB's hospital is erected on. The proposal has been approved by shareholders of KPJ at the EGM on 29 November 2012.

The acquisition was completed on 18 November 2014.

(b) On 28 February 2014, Al-'Aqar represented by its trustee, AmanahRaya Trustees Berhad ("Trustee" or "Vendor"), entered into a sale and purchase agreement with Smart Wheels Intelligence Sdn Bhd ("Purchaser") to sell a freehold land erected with an integrated commercial development comprising a twenty-seven (27) storey hotel ("Hotel Selesa") and a thirty-one (31) storey office block ("Metropolis Tower") (collectively, referred to as "Selesa Tower") ("SPA") for a disposal consideration of RM112 million ("Disposal Consideration") and had announced the proposal accordingly.

On 3 September 2014, Al-'Aqar had announced on the termination of the SPA, pursuant to failure of the Purchaser to settle the Balance Disposal Consideration.

8. Langsat Marine Terminal Sdn Bhd ("Langsat")

On 30 September 2014, Langsat entered into a sub-lease agreement with a third party to lease a piece of land known as PLO 210, situated in Mukim Sg. Tiram, Daerah Johor Bahru measuring approximately 3 acres for a lease term of 30 years for a total consideration of RM5,238,080.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END (CONTINUED)

9. TPM Technopark Sdn Bhd ("TPM")

On 1 June 2014, TPM had entered into a Rescission Agreement with the Corporation which resulted in termination of Development Right Agreement ("DRA") dated 1 June 2013 and Supplementary Agreement ("SA") in relation to DRA dated 31 December 2013.

Both parties had agreed to mutually rescind the DRA and SA and to release and discharge each other from their respective obligation under the agreements. The transaction accounted in prior financial year was reversed back in the current financial year effective from the date of Recession Agreement.

10. JSEDC Properties Sdn Bhd ("JSEDC")

On 22 August 2014, the Corporation's wholly-owned subsidiary, JSEDC ("Vendor") entered into a Share Sale Agreement ("SSA") with its fellow subsidiary, Johor Land Berhad ("JLand" or "Purchaser") in respect of the disposal of 100% equity interest ("Sale Shares") in JSEDC's subsidiary, Bandar Baru Majidee Development Sdn Bhd ("BBMD") to JLand for a consideration of RM70.0 million.

The Sale Shares are as follows:

(i) 28.5 million of RM1.00 each representing 45.33% of the issued and paid up share capital of BBMD; and

(ii) 34.5 million preference shares of RM1.00 each representing 54.67% of the issued and paid up share capital of BBMD.

On 31 December 2013, both parties agreed and acknowledged that there is an amount due by BBMD to JSEDC and the Corporation of RM13.0 million and RM62.5 million, respectively. These will be paid by JLand in instalments in accordance to the schedule attached in SSA until 30 January 2017.

This SSA was completed during the year.

42. COMPARATIVE FIGURES

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year except for:

(i) Reclassification of discontinued operation and disposal group classified as held for sale as disclosed in Note 12.

(ii) Certain comparative amounts that have been reclassified to conform with current year's presentation as disclosed in the table below.

Group	As previously stated RM	Reclassification RM	As restated RM
At 31 December 2013			
Property, plant and equipment	8,629	2	8,631
Investment in associates	293	(8)	285
Intangible assets	410	(2)	408
Trade and other payables	(1,939)	8	(1,931)
Cost of sales	(3,117)	55	(3,062)
Administrative expenses	(904)	(55)	(959)

43. AUTHORISATION OF FINANCIAL STATEMENT FOR ISSUE

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 17 March 2015.

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS				
A PALM OIL				
ACTIVE COMPANIES				
Dami Australia Pty Ltd	Oil palm, coconut plantation and cattle breeding	Australia	27.99	27.10
EPA Management Sdn Bhd	Investment holding and provision of plantation management services and consultancy	Malaysia	55.16	55.34
Kula Palm Oil Limited	Oil palm cultivation and processing	Papua New Guinea	22.39	21.68
Kulim (Malaysia) Berhad #	Oil palm plantation, investment holding and property investment	Malaysia	57.16	55.34
Kulim Energy Sdn Bhd	Investment holding and oil palm plantation	Malaysia	45.73	55.34
Kulim Plantations (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.34
Kumpulan Bertam Plantations Berhad	Oil palm plantation	Malaysia	54.01	52.29
Mahamurni Plantations Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.34
New Britain Nominees Limited	Operate as legal entity for New Britain Palm Oil Ltd share ownership plan	Papua New Guinea	27.99	27.10
New Britain Oils Limited	Refinery	United Kingdom	27.99	27.10
New Britain Palm Oil Limited $	Oil palm plantation	Papua New Guinea	27.99	27.10
New Britain Plantation Services Pte Ltd	Sale of germinated oil palm seeds	Singapore	27.99	27.10
Plantation Contracting Services Limited	Contractual earthworks and roadworks projects	Papua New Guinea	27.99	27.10
Poliamba Ltd	Oil palm cultivation	Papua New Guinea	22.39	21.68
Pristine Bay Sdn Bhd	Investment holding	Malaysia	29.15	77.22
PT Trimitra Kulim Agro Persada	Management service	Indonesia	57.16	55.34

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Ramu Agri-Industries Limited	Oil palm, cultivation of sugar cane and other agriculture produce products	Papua New Guinea	27.99	27.10
Guadalcanal Plains Palm Oil Limited	Operate as legal entity for New Britain Palm Oil Ltd	Solomon Islands	22.39	21.68
Kulim Livestock Sdn Bhd	Breeding and sales of cattle	Malaysia	57.16	55.34
JTP Trading Sdn Bhd	Trading of tropical fruits	Malaysia	57.16	55.34
KCW Hardware Sdn Bhd	Hardware supplier	Malaysia	42.87	41.51
KCW Kulim Marine Services Sdn Bhd	Marine maintenance	Malaysia	42.87	41.51
Kulim Topplant Sdn Bhd	Production of oil palm clones	Malaysia	34.30	33.20
Selai Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.34
SIM Manufacturing Sdn Bhd	Manufacturers and dealers in rubber products of all kinds and articles made from rubber	Malaysia	51.44	49.81
The Secret of Secret Garden Sdn Bhd	Trading and marketing of personal care products	Malaysia	57.16	55.34
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	Oil palm plantation	Malaysia	57.16	55.34
United Malayan Agricultural Corporation Berhad	Oil palm plantation	Malaysia	57.16	55.34
Cita Tani Sdn Bhd	Supply of napier grass	Malaysia	57.16	55.34
Kulim Safety Training and Services Sdn Bhd	OSHA training and services	Malaysia	57.16	55.34
Nexsol (Malaysia) Sdn Bhd	Manufacturer of biodiesel (Disposed on 3 December 2014)	Malaysia	-	55.34
Panquest Ventures Limited	Management services and investment holding	British Virgin Island	57.16	55.34
Pembangunan Mahamurni Sdn Bhd	Investment holding	Malaysia	57.16	55.34

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
A PLANTATION DIVISION (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Danamin (M) Sdn Bhd	Providing a non-destructive testing services and performing electrical engineering works for oil and gas, marine, chemical and construction industries	Malaysia	34.30	33.20
Kulim Energy Nusantara Sdn Bhd	Investment holding	Malaysia	57.16	-
Asia Economic Development Fund Limited	Investment and holding company	Hong Kong	30.99	-
PT Wisesa Inspirasi Nusantara	Oil and gas	Indonesia	42.30	-
DORMANT COMPANIES				
Dumpu Limited	Landholding	Papua New Guinea	27.99	27.10
DQ In Sdn Bhd	Supplying of electrical and engineering workers for the marine engineering industry and to undertake electrical engineering works	Malaysia	54.30	33.20
XCot Tech Sdn Bhd	Fabrication and engineering works	Malaysia	34.30	33.20
EPA Futures Sdn Bhd	Commodities brokers	Malaysia	57.16	55.34
JTP Montel Sdn Bhd	Cultivation of bananas	Malaysia	57.16	55.34
KCW Electrical Sdn Bhd	Electrical installation services	Malaysia	42.87	41.51
KCW Roadworks Sdn Bhd	Dormant	Malaysia	42.87	41.51
Skellerup Foam Products (Malaysia) Sdn Bhd	Manufacturers of rubber products "carpet underlay"	Malaysia	57.16	55.34
Skellerup Industries (Malaysia) Sdn Bhd	Holding company and manufacturers of rubber products	Malaysia	57.16	55.34
Skellerup Latex Products (M) Sdn Bhd	Manufacturers of rubber products	Malaysia	57.16	55.34
QSR Brands Bhd	Investment holding	Malaysia	57.16	55.34
QSR Ventures Sdn Bhd	Investment holding	Malaysia	57.16	55.34
Exquisite Livestock Sdn Bhd	Commercial cattle farming	Malaysia	57.16	55.34

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
B PROPERTY				
ACTIVE COMPANIES				
Advance Development Sdn Bhd	Property developer	Malaysia	100.00	100.00
DHealthcare Centre Sdn Bhd	Healthcare service provider	Malaysia	53.90	79.80
Johor Land Berhad	Property developer	Malaysia	100.00	100.00
Synthomer Sdn Bhd	Processing of rubber and chemical product	Malaysia	30.07	30.07
Pembinaan Prefab Sdn Bhd	Rental of factory building	Malaysia	100.00	100.00
Bertam Properties Sdn Bhd	Estate management	Malaysia	20.00	20.00
BP Plantations Sdn Bhd	Plantation	Malaysia	20.00	20.00
Penang Golf Resort Bhd	Management of golf course	Malaysia	20.00	20.00
DORMANT COMPANIES				
Bertam Golf Management and Services Sdn Bhd	Nursery Operation	Malaysia	20.00	20.00
Mutiara Golf Properties Sdn Bhd	Management of golf course	Malaysia	20.00	20.00
Premium Angle Development Sdn Bhd	Dormant	Malaysia	100.00	-
C RESTAURANT/FOOD				
ACTIVE COMPANIES				
Ayamas Shoppe Sdn Bhd	Poultry retail, convenience foodstore chain and investment holding	Malaysia	100.00	Joint-controlled entity
Ayamas Food Corporation Sdn Bhd	Poultry processing and further processing plants and investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
Ayamas Integrated Poultry Industry Sdn Bhd	Breeder and broiler farms/hatchery, feedmill and investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
Ayamas Shoppe (Sabah) Sdn Bhd	Convenience food store	Malaysia	65.00	Joint-controlled entity
Ayamazz Sdn Bhd	Push-cart selling food and refreshment	Malaysia	Joint-controlled entity	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Business Chronicles Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Massive Equity Sdn Bhd	Investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
QSR Brands (M) Holdings Sdn Bhd	Investment holding and provision of management services	Malaysia	Joint-controlled entity	Joint-controlled entity
Efinite Value Sdn Bhd	Customer service call centre	Malaysia	Joint-controlled entity	Joint-controlled entity
Integrated Poultry Industry Sdn Bhd	Poultry processing plant	Malaysia	Joint-controlled entity	Joint-controlled entity
Kampuchea Food Corporation Limited	Restaurants	Cambodia	Joint-controlled entity	Joint-controlled entity
Kentucky Fried Chicken (Malaysia) Sendirian Berhad	Restaurants	Malaysia	Joint-controlled entity	Joint-controlled entity
Kentucky Fried Chicken Management Pte Ltd	Restaurants	Singapore	Joint-controlled entity	Joint-controlled entity
KFC (B) Sdn Bhd	Restaurants	Brunei	Joint-controlled entity	Joint-controlled entity
KFC (Peninsular Malaysia) Sdn Bhd	Restaurants, commissory and investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC (Sabah) Sdn Bhd	Restaurants	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC (Sarawak) Sdn Bhd	Restaurants	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC Events Sdn Bhd	Sales of food products and vouchers	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC Holdings (Malaysia) Bhd	Investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
KFCIC Assets Sdn Bhd	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1	**CORE BUSINESS (CONTINUED)**				
C	**RESTAURANT/FOOD (CONTINUED)**				
	ACTIVE COMPANIES (CONTINUED)				
	KFC India Holdings Sdn Bhd	Investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	QSR Manufacturing Sdn Bhd	Bakery, trading in consumables and investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	QSR Trading Sdn Bhd	Sales and marketing of food products	Malaysia	Joint-controlled entity	Joint-controlled entity
	KFCH Education (M) Sdn Bhd	College/learning institution	Malaysia	Joint-controlled entity	Joint-controlled entity
	Ladang Ternakan Putihekar (N.S.) Sdn Bhd	Breeder farms	Malaysia	Joint-controlled entity	Joint-controlled entity
	Mauritius Food Corporation Pvt Ltd	Investment holding	Mauritius	Joint-controlled entity	Joint-controlled entity
	MH Integrated Farm Berhad	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	Multibrand QSR Holdings Pte Ltd	Investment holding	Singapore	Joint-controlled entity	Joint-controlled entity
	KFCH Restaurants Private Limited	Restaurants	India	Joint-controlled entity	Joint-controlled entity
	Pintas Tiara Sdn Bhd	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	PHD Delivery Sdn Bhd	Pizza delivery	Malaysia	Joint-controlled entity	Joint-controlled entity
	Pizza Hut Restaurants Sdn Bhd	Restaurants	Malaysia	Joint-controlled entity	Joint-controlled entity
	Pizza Hut Singapore Pte Ltd	Quick service restaurants	Singapore	Joint-controlled entity	Joint-controlled entity
	Rasamas Holding Sdn Bhd	Restaurants	Malaysia	100.00	Joint-controlled entity
	Rasamas Sdn Bhd (Brunei Darussalam)	Restaurants	Brunei	Joint-controlled entity	Joint-controlled entity
	Region Food Industries Sdn Bhd	Sauce manufacturing plant	Malaysia	Joint-controlled entity	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Roaster's Chicken Sdn Bhd	Investment holding	Malaysia	100.00	Joint-controlled entity
SPM Restaurants Sdn Bhd	Meals on wheels and property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
Usahawan Bistari Ayamas Sdn Bhd	Operation of sudut ayamas	Malaysia	Joint-controlled entity	Joint-controlled entity
WQSR Holdings (S) Pte Ltd	Investment holding	Singapore	Joint-controlled entity	Joint-controlled entity
Ayamas Shoppe (Brunei) Sdn Bhd	Convenience food store	Brunei	Joint-controlled entity	Joint-controlled entity
QSR Captive Insurance Limited	Captive insurer	Singapore	Joint-controlled entity	Joint-controlled entity
QSR Stores Sdn Bhd	Restaurants	Malaysia	Joint-controlled entity	-
Virtualflex Sdn Bhd	QU card business	Malaysia	100.00	-
DORMANT COMPANIES				
Agrotech Farm Solutions Sdn Bhd	Broiler farm (Struck off on 15 August 2014)	Malaysia	-	Joint-controlled entity
Asbury's (Malaysia) Sdn Bhd	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
Ayamas Contract Farming Sdn Bhd	Dormant (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
Ayamas Food Corporation (S) Pte Ltd	Dormant (Struck off on 24 February 2014)	Singapore	-	Joint-controlled entity
Ayamas Franchise Sdn Bhd	Dormant (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Ayamas Marketing (M) Sdn Bhd	Dormant (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Ayamas Selatan Sdn Bhd	Dormant (Struck off on 5 March 2014)	Malaysia	-	Joint-controlled entity
Ayamas Shoppe (S) Pte Ltd	Dormant (Struck off on 24 February 2014)	Singapore	-	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Cilik Bistari Sdn Bhd	Selling/distributor of board game (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
Bakers' Street Sdn Bhd	Restaurants (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
Cemerlang Sinergi Sdn Bhd	Dormant (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Chippendales (M) Sdn Bhd	Dormant	Malaysia	Joint-controlled entity	Joint-controlled entity
Efinite Revenue Sdn Bhd	Biodiesel	Malaysia	Joint-controlled entity	Joint-controlled entity
Felda Ayamas Ventures Sdn Bhd	Investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
Gratings Solar Sdn Bhd	Dormant	Malaysia	Joint-controlled entity	Joint-controlled entity
Hiei Food Industries Sdn Bhd	Dormant	Malaysia	Joint-controlled entity	Joint-controlled entity
Integrated Poultry Industry (Kampuchea) Private Limited	Broiler and processing production (In the process of winding up)	Cambodia	Joint-controlled entity	Joint-controlled entity
KFC (East Malaysia) Sdn Bhd	Investment holding (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC Restaurant Holdings Sdn Bhd	Investment holding (Struck off on 4 July 2014)	Malaysia	-	Joint-controlled entity
PH Property Holdings Sdn Bhd	Dormant (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Pizza Hut Holdings (Malaysia) Sdn Bhd	Investment holding (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
Pizza Hut Delco Sdn Bhd	Dormant (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Pizza (Kampuchea) Private Limited	Operator of Pizza Hut Restaurants	Cambodia	Joint-controlled entity	Joint-controlled entity
Rangeview Sdn Bhd	Dormant (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Rasamas Bangi Sdn Bhd	Restaurants (Struck off on 5 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas BC Sdn Bhd	Restaurants (Struck off on 9 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Batu Caves Sdn Bhd	Restaurants (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Bukit Tinggi Sdn Bhd	Restaurants (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Butterworth Sdn Bhd	Restaurants (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Endah Parade Sdn Bhd	Restaurants (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Kota Bahru Sdn Bhd	Restaurants (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Larkin Sdn Bhd	Restaurants (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Melaka Sdn Bhd	Restaurants (Struck off on 5 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Mergong Sdn Bhd	Restaurants (Struck off on 5 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Nilai Sdn Bhd	Restaurants (Struck off on 5 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Terminal Larkin Sdn Bhd	Restaurants (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Wangsa Maju Sdn Bhd	Restaurants (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Restoran Keluarga Sdn Bhd	Restaurants	Malaysia	Joint-controlled entity	Joint-controlled entity
Restoran Sabang Sdn Bhd	Restaurants (Struck off on 25 April 2014)	Malaysia	-	Joint-controlled entity
SBC Coffee Holdings Sdn Bhd	Dormant (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
C RESTAURANT/FOOD (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Seattle's Best Coffee Sdn Bhd	Restaurants (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Signature Chef Dining Services Sdn Bhd	Restaurants (Struck off on 25 April 2014)	Malaysia	-	Joint-controlled entity
Signature Chef Foodservice and Catering Sdn Bhd	Restaurants (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
Sterling Distinction Sdn Bhd	Dormant (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Wangsa Progresi Sdn Bhd	Property holding (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
WP Properties Holdings Sdn Bhd	Investment holding activities (In the process of winding up)	Malaysia	Joint-controlled entity	Joint-controlled entity
Yayasan Amal Bistari	Corporate Social Responsibilities (In the process of winding up)	Malaysia	Limited by Guarantee	Limited by Guarantee
Yes Gelato Sdn Bhd	Dormant	Malaysia	Joint-controlled entity	Joint-controlled entity
Ayamas Farms & Hatchery Sdn Bhd	Broiler farm (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Ayamas Feedmill Sdn Bhd	Broiler farm (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Subang Sdn Bhd	Restaurants (Struck off on 28 March 2014)	Malaysia	-	Joint-controlled entity
Rasamas Taman Universiti Sdn Bhd	Restaurants (Struck off on 25 April 2014)	Malaysia	-	Joint-controlled entity
Semangat Juara Sdn Bhd	Broiler farm (Struck off on 25 April 2014)	Malaysia	-	Joint-controlled entity
Southern Poultry Farming Sdn Bhd	Broiler farm (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Ventures Poultry Farm Sdn Bhd	Poultry broiler farm (Struck off on 19 March 2014)	Malaysia	-	Joint-controlled entity
Synergy Poultry Farming Sdn Bhd	Poultry broiler farm (Struck off on 25 April 2014)	Malaysia	-	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE				
ACTIVE COMPANIES				
Ampang Puteri Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Bandar Baru Klang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Bukit Mertajam Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Damansara Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Diaper Technology Industries Sdn Bhd	Providing IT services and rental of software	Malaysia	35.93	35.47
FP Marketing (S) Pte Ltd ^	Distributor of pharmaceutical products	Singapore	38.33	37.83
Hospital Penawar Sdn Bhd	Specialist hospital	Malaysia	11.50	11.35
Hospital Pusrawi SMC Sdn Bhd	Specialist hospital	Malaysia	11.96	11.80
Ipoh Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.73	37.24
Jeta Gardens (Qld) Pty Ltd	Retirement Home	Australia	21.91	21.62
Johor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Kajang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Kedah Medical Centre Sdn Bhd	Specialist hospital	Malaysia	17.50	17.27
Kota Kinabalu Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	37.18	36.70
Advanced Health Care Solutions Sdn Bhd	IT system	Malaysia	38.33	37.83
KPJ Healthcare Berhad #	Investment holding	Malaysia	38.33	37.83
Kuantan Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	29.72	29.33
Kuching Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	26.83	26.48

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Kumpulan Perubatan (Johor) Sdn Bhd	Investment holding and specialist hospital management	Malaysia	38.33	37.83
Lablink (M) Sdn Bhd	Lab and pathology services	Malaysia	38.33	37.83
Maharani Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Medical Supplies (Sarawak) Sdn Bhd	Pharmaceutical dealer and outlets	Malaysia	28.75	28.37
Pahang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	26.83	26.48
Pasir Gudang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Penang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Perdana Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	23.21	22.91
Pharmacare Sdn Bhd	Trading and chain of pharmacy	Malaysia	38.33	37.83
Pharmaserve Alliances Sdn Bhd	Distributor of pharmaceutical products	Malaysia	38.33	37.83
Point Zone (M) Sdn Bhd	Treasury company	Malaysia	38.33	37.83
PT Khasanah Putera Jakarta Medical	Specialist hospital	Indonesia	28.75	28.37
PT Khidmat Perawatan Jasa Medika	Specialist hospital	Indonesia	30.66	30.26
Pusat Pakar Kluang Utama Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Pusat Pakar Tawakal Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Puteri Nursing College Sdn Bhd	Nursing college	Malaysia	38.33	37.83
Puteri Specialist Hospital (Johor) Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Selangor Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	23.00	22.70
Sentosa Medical Centre Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Seremban Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Sibu Geriatic Health & Nursing Center Sdn Bhd	Geriatric health & nursing centre	Malaysia	38.33	37.83
Sibu Medical Centre Corporation Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
SMC Healthcare Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
KPJ Eyecare Specialist Sdn Bhd (formerly known as Sri Kota Refractive and Eye Centre Sdn Bhd)	Eye centre	Malaysia	38.33	37.83
Sterile Services Sdn Bhd	Sterile services	Malaysia	38.33	37.83
Taiping Medical Centre Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Tawakal Holdings Sdn Bhd	Investment holding	Malaysia	38.33	37.83
Sri Manjung Specialist Centre Sdn Bhd	Specialist hospital	Malaysia	37.73	37.24
Rawang Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Vejthani Public Company Limited	Specialist hospital	Thailand	8.96	8.84
KPJ Dhaka Pte Ltd	Specialist hospital	Bangladesh	38.33	-
DORMANT COMPANIES				
Amity Development Sdn Bhd	Investment holding	Malaysia	38.33	37.84
Bandar Dato Onn Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
D HEALTHCARE (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Bayan Baru Specialist Hospital Sdn Bhd	Specialist Hospital	Malaysia	21.08	20.81
Bima Galeksi Sdn Bhd	Specialist hospital	Malaysia	26.83	26.48
Energy Excellent Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Freewell Sdn Bhd	Ladies sanitary napkin manufacturer	Malaysia	30.66	30.26
KPJ Education Services Sdn Bhd	College	Malaysia	38.33	37.83
KPJ Mediktv Sdn Bhd	Dormant	Malaysia	38.33	37.83
Malaysian Institute of Healthcare Management Sdn Bhd	Institute of healthcare management	Malaysia	28.75	28.37
Massive Hybrid Sdn Bhd	Specialist hospital	Malaysia	38.33	37.83
Open Access Sdn Bhd	Pharmacy operator	Malaysia	38.33	37.83
Perlis Specialist Hospital Sdn Bhd	Specialist hospital	Malaysia	23.00	22.70
Pharmacare Surgical Technologies (M) Sdn Bhd	Manufacturing of surgical thread	Malaysia	38.33	37.83
Renal Link Sentosa Sdn Bhd	Dormant	Malaysia	38.33	37.83
UTM KPJ Specialist Hospital Sdn Bhd	Specialist Hospital	Malaysia	38.33	-
BDC Specialist Hospital Sdn Bhd	Specialist Hospital	Malaysia	38.33	-
E TIMBER/INTRAPRENEUR VENTURE				
ACTIVE COMPANIES				
E.A. Technique (M) Berhad	Provision of sea transportation and related services	Malaysia	31.86	28.22
Epasa Shipping Agency Sdn Bhd	Shipping and forwarding agent services	Malaysia	57.16	55.34
General Access Sdn Bhd	Field clearing, earthwork, road construction and resurfacing (Disposed on 30 April 2014)	Malaysia	-	39.84

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
1 CORE BUSINESS (CONTINUED)				
E TIMBER/INTRAPRENEUR VENTURE (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Granulab (M) Sdn Bhd	Trading granular synthetic bone graft	Malaysia	56.02	49.81
Granulab Marketing Sdn Bhd	To market product of granumas and synthetic bonegraft	Malaysia	56.02	49.81
Jejak Juara Sdn Bhd	Rubber plantation	Malaysia	41.68	40.36
Johor Shipyard and Engineering Sdn Bhd	Ship building, fabrication of steel structures, engineering services and consultancy	Malaysia	31.86	28.22
Microwell Trading Sdn Bhd	Trading in biochemical fertilizer	Malaysia	34.30	33.20
Microwell Bio Solutions Sdn Bhd	Business in agriculture and natural products, water treatment, biotechnology research and development	Malaysia	34.30	33.20
MIT Insurance Brokers Sdn Bhd	Insurance brokers	Malaysia	42.87	49.81
MM Vitaoils Sdn Bhd	Producer and wholesale of palm oil and other edible oil and fats	Malaysia	20.01	19.37
Sindora Berhad	Intrapreneur venture business, oil palm plantation and investment holding	Malaysia	57.16	55.34
Sindora Development Sdn Bhd	Property development	Malaysia	57.16	55.34
Sindora Timber Sdn Bhd	Timber logging, processing and sale of sawn timber, timber doors, laminated timber scantling and trading of wood products	Malaysia	46.89	45.40
Sindora Wood Products Sdn Bhd	Property letting	Malaysia	57.16	55.34
DORMANT COMPANIES				
Sindora Timber Products Sdn Bhd	Dormant	Malaysia	57.16	55.34
Sindora Trading Sdn Bhd	Wholesale trade of timber and wood products	Malaysia	57.16	55.34
Tiram Fresh Sdn Bhd	Mushroom cultivation business	Malaysia	46.89	45.40

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR				
A SME				
ACTIVE COMPANIES				
Akli Resources Sdn Bhd	Provider of in-house and external training programme	Malaysia	54.30	52.57
Edaran Badang Sdn Bhd	Dealer in agricultural parts	Malaysia	42.87	41.51
Fabricare Laundry Sdn Bhd	Laundry services	Malaysia	36.41	35.94
Extreme Edge Sdn Bhd	Computer equipment supplier and services	Malaysia	42.87	41.51
Healthcare IT Solutions Sdn Bhd	IT services	Malaysia	26.83	32.75
IPPJ Sdn Bhd	Entrepreneurial training programmes and seminars	Malaysia	79.00	79.00
Johor Skills Development Centre Sdn Bhd	Industrial training centre	Malaysia	75.00	75.00
Kulim Civilworks Sdn Bhd	Facilities management	Malaysia	42.87	41.51
Kulim Nursery Sdn Bhd	Oil palm nursery and other related services	Malaysia	42.87	41.51
Maruah Emas Sdn Bhd	Islamic pawnshop	Malaysia	100.00	91.19
Optimum Status Sdn Bhd	Mill maintenance and fabrication	Malaysia	32.15	31.13
Perfect Synergy Trading Sdn Bhd	Fertilizer supplier	Malaysia	32.15	31.13
Pinnacle Platform Sdn Bhd	Software maintenance and supplier	Malaysia	54.30	52.57
Pro Biz Solution Sdn Bhd ^	Business centre	Malaysia	85.00	85.00
Rajaudang Aquaculture Sdn Bhd	Management services and breeding of tiger prawns	Malaysia	75.00	75.00
Rasamas Tebrau Sdn Bhd	Restaurants	Malaysia	89.23	45.49
Renown Value Sdn Bhd	Cultivation of pineapples and other agricultural product	Malaysia	42.87	41.51
Skop Yakin (M) Sdn Bhd	General merchandise	Malaysia	34.03	33.58
Sovereign Multimedia Resources Sdn Bhd	Trading of computer hardware and software	Malaysia	42.87	75.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
A SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Special Appearance Sdn Bhd	Production house and event management	Malaysia	51.44	49.81
Superior Habour Sdn Bhd	Aquaculture operations for food consumption (Disposed on 20 November 2014)	Malaysia	-	43.17
Syarikat Pengangkutan Maju Berhad	Investment holding and bus services	Malaysia	90.01	90.01
Tepak Marketing Sdn Bhd	Contract packing	Malaysia	54.47	54.11
Teraju Farma Sdn Bhd	Supplier of pharmaceutical products	Malaysia	28.75	28.37
Teraju Fokus Sdn Bhd	Security services	Malaysia	30.00	30.00
Rajaudang Trading Sdn Bhd	Wholesale activities	Malaysia	69.46	69.46
B NON-SME				
ACTIVE COMPANIES				
AB Theme Park Sdn Bhd	Indoor theme park	Malaysia	100.00	100.00
Akademi JCorp Sdn Bhd	Engage in a business of education program and training facilities	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	53.78	42.00
Bukit Damansara Development Sdn Bhd	Investment holding, ownership of buildings	Malaysia	100.00	100.00
Bandar Baru Majidee Development Sdn Bhd	Property development	Malaysia	100.00	100.00
Ihsan Permata Sdn Bhd	Providing consultancy and management services for cattle breeding	Malaysia	100.00	100.00
Effective Corporate Resources Sdn Bhd	Advisors and consultants in company management, administration and finance	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
JCIA Services Sdn Bhd	Corporate assurance and consulting services	Malaysia	100.00	100.00
JCorp Capital Solutions Sdn Bhd ^ (formerly known as Jedcon Engineering Survey Sdn Bhd)	Land survey services	Malaysia	100.00	100.00
KARA Holdings Sdn Bhd (formerly known as Tanjung Langsat Oilfields Supply Centre Sdn Bhd)	Investment holding	Malaysia	100.00	100.00
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
Damai Ecotech Sdn Bhd (formerly known as Dusun Damai Sdn Bhd)	Marketing and managing orchards	Malaysia	100.00	100.00
Harta Facilities Management Sdn Bhd	Facilities management	Malaysia	49.83	49.83
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 Sdn Bhd	Investment holding	Malaysia	100.00	100.00
JCorp Hotels and Resorts Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Johor Capital Holdings Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Johor Foods Sdn Bhd	Investment holding and oil palm plantation	Malaysia	100.00	100.00
Johor Franchise Development Sdn Bhd	Investment holding	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Pro Corporate Management Services Sdn Bhd	Corporate secretarial services and share registrar	Malaysia	100.00	100.00
Johor Logistics Sdn Bhd ^	Warehousing	Malaysia	100.00	100.00
Johor Silica Industries Sdn Bhd	Silica sand quarrying	Malaysia	100.00	100.00
Johor Ventures Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Kumpulan Perbadanan Johor Sdn Bhd	Management services	Malaysia	100.00	100.00
Langsat Marine Base Sdn Bhd	Provision of marine base engineering services	Malaysia	100.00	100.00
MC-JTP Concept Sdn Bhd	Rental and warehouse owner	Malaysia	100.00	100.00
Pacific Forest Industries Sdn Bhd	Timber activities	Malaysia	10.28	10.28
Panca Pesona Sdn Bhd	Industrial land and property developer	Malaysia	40.00	40.00
Pelaburan Johor Berhad	Management of unit trust	Malaysia	100.00	100.00
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
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

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Synergy Mall Management Sdn Bhd (formerly known as Evolve Global Sdn Bhd)	Property management	Malaysia	100.00	100.00
Tanjung Langsat Port Sdn Bhd	Development of industrial land and provider of port services	Malaysia	100.00	100.00
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
TMR ACMV Services Sdn Bhd	Maintenance of commercial air-conditioning and mechanical and ventilation services	Malaysia	49.83	49.83
TMR Koll Sdn Bhd	Provide engineering consultancy services	Malaysia	49.83	49.83
Total Project Management Sdn Bhd	Property management	Malaysia	100.00	100.00
Larkin Sentral Property Sdn Bhd	Provider of technical services	Malaysia	39.00	39.00
TPM Technopark Sdn Bhd	Industrial land development	Malaysia	100.00	100.00
Yakin Tea Sdn Bhd ^	Rental of plantation	Malaysia	62.24	62.24
Johor City Development Sdn Bhd ^	New township development	Malaysia	100.00	100.00
Pagoh Highland Resorts Sdn Bhd	Plantation	Malaysia	60.00	60.00
Bistari Young Entrepreneur Sdn Bhd	Producing, promoting and marketing Catur Bistari and related services	Malaysia	100.00	100.00
Langsat Marine Terminal Sdn Bhd	Forwarding agent and warehousing	Malaysia	100.00	100.00
Langsat OSC Sdn Bhd	Marine supply base and oil field supply centre	Malaysia	51.00	51.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
ACTIVE COMPANIES (CONTINUED)				
Intrapreneur Value Creation Sdn Bhd	To provide financial services, stocks and other securities based on syariah compliance	Malaysia	100.00	100.00
Efinite Structure Sdn Bhd	Investment holding	Malaysia	100.00	100.00
BDO Assets Management Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Timeless Commitment Sdn Bhd	Manage and operate a master licensee agreement to develop, open and operate licensed outlet	Malaysia	51.00	-
Le Petite Gourmet Sdn Bhd	Manage and operate a franchised food and beverages outlet	Malaysia	51.00	-
Aiman Lifestyle Sdn Bhd	Manage and operate a franchised food and beverages outlet	Malaysia	51.00	-
DORMANT COMPANIES				
Advanced Global Corporate Resources Sdn Bhd ^	Providing management services	Malaysia	100.00	100.00
Selasih Catering Sdn Bhd (formerly known as Johor Land Property Management Sdn Bhd)	Dormant	Malaysia	100.00	100.00
Super Heritage Brand Sdn Bhd	Dormant	Malaysia	100.00	100.00
Amiza Publishing Sdn Bhd ^	Book publishing and distributor (Disposed on 3 December 2014)	Malaysia	-	96.15
Asia Pacific Food Traders Sdn Bhd	Imports and exports of wholesale meat and related products (Disposed on 3 December 2014)	Malaysia	-	51.00
Harta Consult Sendirian Berhad	Property management	Malaysia	100.00	100.00
Rentak Alam Sdn Bhd	Agriculture	Malaysia	100.00	100.00
Amazing Cuisine Sdn Bhd	Cold-cuts and sausages production (Disposed on 3 December 2014)	Malaysia	-	90.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Century Nexus (M) Sdn Bhd	Management of khairat Insurance (Disposed on 3 December 2014)	Malaysia	-	100.00
DPIM Consult Sdn Bhd	Management consultant (Disposed on 3 December 2014)	Malaysia	-	100.00
Tunjuk Laut Resort Sdn Bhd	Rental of ponds for tiger prawns breeding	Malaysia	100.00	100.00
Great Allied Engineering Sdn Bhd	Autoblasting and painting (Disposed on 3 December 2014)	Malaysia	-	100.00
JKING Sdn Bhd ^	Producer of sports attire (Disposed on 3 December 2014)	Malaysia	-	98.75
The World of Secret Garden Sdn Bhd ^	Personal care products (Disposed on 3 December 2014)	Malaysia	-	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	Investment holding (Disposed on 3 December 2014)	Malaysia	-	100.00
Johor Land (H) Sdn Bhd	Investment holding (Disposed on 3 December 2014)	Malaysia	-	100.00
Johor Paper & Publishing Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Johor Toys Sdn Bhd	Dormant (Disposed on 3 December 2014)	Malaysia	-	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
Marenban Limited	Cultivation of tea and coffee	Papua New Guinea	100.00	100.00
Meatpackers Sdn Bhd	Marketing of meat products (Disposed on 3 December 2014)	Malaysia	-	99.00
Orion Tours Pte Ltd	Ceased operation	Singapore	100.00	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
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 (Disposed on 3 December 2014)	Malaysia	-	100.00
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
Union Industries Sdn Bhd	Manufacturing of window frames and wheel barrows (Disposed of during the year)	Malaysia	-	23.09
PJB Capital Sdn Bhd	Portfolio management	Malaysia	100.00	100.00
Sergam Berhad ^	Trading of steel bars and building materials	Malaysia	96.78	96.78
Tanjung Leman Theme Park Sdn Bhd	Dormant	Malaysia	100.00	100.00
Technical Edge Sdn Bhd	Trading of motor vehicle spare parts (Disposed on 3 December 2014)	Malaysia	-	74.00
Tiram Air Sdn Bhd ^	Chartered aircraft services (Disposed on 3 December 2014)	Malaysia	-	70.00
Tiram Tours (S) Pte Ltd ^	Ceased operation	Singapore	100.00	100.00
Trapezoid Web Profile Sdn Bhd ^	Provision of project management and consultancy services and manufacturer of steel products	Malaysia	81.74	81.74
Tropika Landskap Sdn Bhd	Property development (Disposed on 3 December 2014)	Malaysia	-	100.00
Westbury Tubular (M) Sdn Bhd ^	Building and construction work using tubular steel	Malaysia	41.69	41.69
Warren Plantation (Mt.Hagen) Limited	Cultivation of tea and coffee	Papua New Guinea	100.00	100.00
Tanjung Leman Resorts Development Sdn Bhd	Dormant (Disposed on 3 December 2014)	Malaysia	-	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
2 INTRAPRENEUR (CONTINUED)				
B NON-SME (CONTINUED)				
DORMANT COMPANIES (CONTINUED)				
Rely-On-Us (M) Sdn Bhd	Franchisor of business centre operations (Struck off on 18 August 2014)	Malaysia	-	40.00
COMPANIES IN WINDING UP PROCESS				
Asia Pacific Seafoods Pte Ltd !	Marketing of seafood products	Singapore	100.00	100.00
Australian Gold Field N.L.	Gold exploration	Australia	27.73	27.73
Buat Niaga Sdn Bhd	Investment holding	Malaysia	100.00	100.00
Intrapreneur Development Capital Sdn Bhd ^	Investment holding	Malaysia	100.00	100.00
Johor Aluminium Processing Sdn Bhd	Aluminium products	Malaysia	35.00	35.00
Johor Tea Sdn Bhd	Tea plantation	Malaysia	100.00	100.00
LY Technologies (M) Sdn Bhd	Distributor of bus and body-parts	Malaysia	51.00	51.00
PJB Pacific Advisory Services Sdn Bhd	Securities consultant and advisory	Malaysia	75.00	75.00
Pro Office Services Sdn Bhd	Rental of machines and other related services	Malaysia	100.00	100.00
Victoria Gold Mines	Dormant	Australia	27.73	27.73
COMPANY IN THE PROCESS OF STRIKING OFF				
Pharmacare (S) Pte Ltd	Pharmaceutical dealer and outlets	Singapore	100.00	100.00
COMPANY UNDER RECEIVERSHIP				
Kok Lian Marketing Sdn Bhd	Book publisher	Malaysia	51.19	51.19

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
3 LIST OF NON-GOVERNMENT ORGANIZATIONS				
Incorporate under Companies Act, 1965, managed by the 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	@	@
Makmuran Veneer & Plywood Sdn Bhd	Processing and trading of sawn timber	Malaysia	@	@
Tiram Travel Sdn Bhd	Sale of flight tickets and package for umrah, haj and tourism	Malaysia	*	*
Yayasan Johor Corporation	Manage and administer funds for education and charitable purposes	Malaysia	@	@
Sindora Ventures Sdn Bhd	Investment holding	Malaysia	&	&
DORMANT COMPANIES				
PharmaCare Medicine Shoppe Sdn Bhd ^	Pharmacy franchise	Malaysia	&	&
Sports Communications Sdn Bhd ^	Promotion of motor sports (Disposed on 3 December 2014)	Malaysia	-	&
Tajasukan Sdn Bhd ^	Investment holding (Disposed on 3 December 2014)	Malaysia	-	&
Waqaf An-Nur Berhad	Dormant	Malaysia	@	@

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
3 LIST OF NON-GOVERNMENT ORGANIZATIONS (CONTINUED)				
Incorporate under Companies Act, 1965, managed by the Corporation (continued):				
COMPANIES IN WINDING UP PROCESS				
D.I.M.A. Sdn Bhd	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	Production of “premix”	Malaysia	&	&
Johor Land Manufacturing Sdn Bhd	Production of door framework and iron window	Malaysia	&	&
Johor Tropical Products Sdn Bhd ^	Dormant	Malaysia	&	&
Johorcraft Sdn Bhd ^	Ceramic production and handicraft marketing	Malaysia	&	&
Kiras Sdn Bhd	Timber operation (Struck off on 18 August 2014)	Malaysia	-	&
Mahin Sdn Bhd	Processing of sawn timber	Malaysia	&	&
Malaysia Pharmacy (Retail) Sdn Bhd ^	Distributor and marketing of pharmaceutical products (Struck off on 18 August 2014)	Malaysia	-	&
Mengkibol Holdings Sdn Bhd	Investment holding	Malaysia	&	&
Quality Heights Sdn Bhd ^	Distributor and marketing of pharmaceutical products (Struck off on 18 August 2014)	Malaysia	-	&
Saujana Jaya Sdn Bhd	Coconut milk processing	Malaysia	&	&
STPA Trading Sdn Bhd ^	Distribution of steel bars and building materials (Struck off on 18 August 2014)	Malaysia	-	&
T.T. Nusa Sdn Bhd ^	Investment holding (Struck off on 18 August 2014)	Malaysia	-	&

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2014 %	Group Effective Interest 2013 %
3	**LIST OF NON-GOVERNMENT ORGANIZATIONS (CONTINUED)**				
	Incorporate under Companies Act, 1965, managed by the Corporation (continued):				
	COMPANIES IN WINDING UP PROCESS (CONTINUED)				
	Vibrant Hectares Sdn Bhd	Processing of palm oil kernel (Struck off on 18 August 2014)	Malaysia	-	&
	Vision Possible Berhad ^	Investment holding	Malaysia	&	&
	Tiram Tours Sdn Bhd	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

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