JCORP
Johor Corporation

FUTURE REDEFINED

FINANCIAL STATEMENTS 2021

CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
JOHOR CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2021

Certificate on the Audit of the Financial Statements

Opinion

I have authorised a private audit firm pursuant to subsection 7(3) of the Audit Act 1957 [*Act 62*] to undertake an audit of the Financial Statements of the Johor Corporation. The financial statements comprise the Statements of Financial Position as at 31 December 2021 of the Group and of the Johor Corporation and the Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Johor Corporation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 191.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Johor Corporation as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Johor Corporation Enactment No. 4 of 1968 (as amended under Enactment No. 5 of 1995) requirements.

Basis for Opinion

The audit was conducted in accordance with the Audit Act 1957 and the International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my certificate. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence and Other Ethical Responsibilities

I am independent of the Group and of the Johor Corporation and I have fulfilled my other ethical responsibilities in accordance with the International Standards of Supreme Audit Institutions.

Information Other than the Financial Statements and Auditor's Certificate Thereon

The Board of the Johor Corporation is responsible for the other information in the Annual Report. My opinion on the Financial Statements of the Group and of the Johor Corporation does not cover the other information than the financial statements and Auditor's Certificate thereon and I do not express any form of assurance conclusion thereon.

Responsibilities of the Board for the Financial Statements

The Board is responsible for the preparation of Financial Statements of the Group and of the Johor Corporation that give a true and fair view in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Johor Corporation Enactment No. 4 of 1968 (as amended under Enactment No. 5 of 1995) requirements. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of the Financial Statements of the Group and of the Johor Corporation that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements of the Group and of the Johor Corporation, the Board is responsible for assessing the Group's and the Johor Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements of the Group and of the Johor Corporation as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards of Supreme Audit Institutions will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards of Supreme Audit Institutions, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

a. identify and assess the risks of material misstatement of the Financial Statements of the Group and of the Johor Corporation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Johor Corporation's internal control;

c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;

d. conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Johor Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Certificate to the related disclosures in the Financial Statements of the Group and of the Johor Corporation or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of Auditor's Certificate. However, future events or conditions may cause the Group or the Johor Corporation to cease to continue as a going concern;

e. evaluate the overall presentation, structure and content of the Financial Statements of the Group and of the Johor Corporation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

f. obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Financial Statements of the Group. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

The Board has been informed regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I have identify during the audit.

I have also disclosed to the Board that I have complied with the ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and if applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Johor Corporation Enactment No. 4 of 1968 (as amended under Enactment No. 5 of 1995), I report that the subsidiaries, of which I have not acted as auditor, are disclosed in Note 19 to the financial statements.

Other Matters

This certificate is made solely to the Board of the Johor Corporation in accordance with the Johor Corporation Enactment No. 4 of 1968 (as amended under Enactment No. 5 of 1995) requirements, and for no other purpose. I do not assume responsibility to any other person for the content of this certificate.

(DATUK SERI NIK AZMAN NIK ABDUL MAJID)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
27 JUNE 2022

DIRECTORS' REPORT

The Directors hereby present their report together with the audited Financial Statements of the Group and of the Corporation for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

Johor Corporation was incorporated under the Johor Corporation Enactment No. 4, 1968, (as amended by the 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	536	246
Loss from discontinued operations, net of tax	(157)	–
Profit net of tax	379	246
Profit attributable to:		
Owner of the Corporation	383	246
Non-controlling interests	(4)	–
	379	246

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

The names of the Directors of the Corporation in office during the financial year and during the period from the end of the financial year to the date of the report are:

YAB Datuk Onn Hafiz Bin Ghazi	(Chairman appointed on 15 March 2022)
YAB Datuk Haji Hasni Bin Haji Mohammad	(Chaiman resigned on 15 March 2022)
YBhg Tan Sri Dato' Sri Dr. Ismail Bin Haji Bakar	(Appointed on 1 April 2022)
The late YBhg Tan Sri Dr. Ali Bin Hamsa	(Resigned on 1 April 2022)
YBhg Datuk Syed Mohamed Bin Syed Ibrahim	
YB Tan Sri Dato' Dr. Haji Azmi Bin Rohani	
YB Dato' Amir Bin Nasruddin	
YB Dato' Salehuddin Bin Hassan	
YBhg Datuk Seri Asri Bin Hamidon	
YBhg Datuk Seri Saiful Anuar Bin Lebai Hussen	
YBhg Datuk Haji Ruji Bin Haji Ubi	(Appointed on 15 March 2022)
YBhg Datuk Nor Azri Bin Zulfakar	
YBhg Dato' Sr. Hisham Bin Jafrey	

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 10 to the financial statements.

OTHER INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the Financial Statements of the Group and of the Corporation were prepared, the Directors took reasonable steps:

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

  (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including values of current assets as shown in the accounting records of the Group and of the Corporation had been written down to an amount which the current assets 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 and would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Corporation misleading or inappropriate.

OTHER INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

DATUK ONN HAFIZ BIN GHAZI
Chairman

DATUK SYED MOHAMED BIN SYED IBRAHIM
President & Chief Executive
20 June 2022

Johor Bahru

STATEMENT BY CHAIRMAN AND ONE OF THE DIRECTORS OF JOHOR CORPORATION

We, Datuk Onn Hafiz Bin Ghazi and Datuk Syed Mohamed Bin Syed Ibrahim, 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 Malaysian 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 2021 and of their results and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors:

DATUK ONN HAFIZ BIN GHAZI
Chairman

DATUK SYED MOHAMED BIN SYED IBRAHIM
President & Chief Executive
20 June 2022

Johor Bahru

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

I, Rozaini Bin Mohd Sani, MIA Membership No: 43588, the officer primarily responsible for the financial management and accounting records of the Group and the 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 20 June 2022

Before me,

RUHJAYA SUMPAH
Dihadapan saya,
. J261
DI BIN SAFIAN
021 - 31/12/2023
Pesuruhjaya sumpah
MALAYSIA
No. 29-01, Jalan Padi Emas 3/1
Bandar Baru Uda,
81200 Johor Bahru

Commissioner of Oaths

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	2021	2020 Restated
Continuing operations			
Revenue	4	**5,137**	4,304
Cost of sales		**(3,208)**	(2,666)
Gross profit		**1,929**	1,638
Other items of income			
Other income	5	**195**	303
Other items of expense			
Distribution expenses		**(20)**	(25)
Administrative expenses		**(1,045)**	(988)
Other expenses	6	**(140)**	(668)
Finance costs	7	**(394)**	(441)
Share of results of associates, net of tax		**(14)**	7
Share of results of joint ventures, net of tax		**159**	114
Profit/(loss) before tax from continuing operations	8	**670**	(60)
Taxation	11	**(134)**	(96)
Profit/(loss) from continuing operations, net of tax		**536**	(156)
Discontinued operations			
Loss from discontinued operations, net of tax	12	**(157)**	(81)
Profit/(loss) net of tax		**379**	(237)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	2021	2020 Restated
Other comprehensive income/(loss), to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation of foreign operations	**3**	(3)
Other comprehensive income/(loss), not to be reclassified to profit or loss in subsequent periods:		
Fair value adjustment for financial assets at FVOCI	**(1)**	(1)
Revaluation surplus on property, plant and equipment	**45**	150
Deferred tax on revaluation surplus	**(26)**	(23)
Surplus/(deficit) on transfer of property, plant and equipment/right-of-use to investment property	**153**	(3)
Other comprehensive income, for the financial year, net of tax	**174**	120
Total comprehensive income/(loss) for the financial year	**553**	(117)
Profit/(loss) attributable to:		
Owner of the Corporation	**383**	(218)
Non-controlling interests	**(4)**	(19)
	379	(237)
Total comprehensive income/(loss) attributable to:		
Owner of the Corporation	**524**	(186)
Non-controlling interests	**29**	69
	553	(117)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	13	**7,834**	8,581	8,786
Right-of-use assets	14	**2,170**	2,296	2,201
Inventories	15	**601**	506	493
Investment properties	16	**5,302**	5,347	5,016
Intangible assets	18	**252**	222	251
Investment in associates	20	**257**	281	300
Investment in joint ventures	21	**1,774**	1,655	1,760
Deferred tax assets	22	**280**	256	210
Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")	23(a)	**12**	12	28
Financial assets at Fair Value through Profit or Loss ("FVTPL")	23(b)	**1**	–	2
Trade and other receivables	25	**13**	3	40
		18,496	19,159	19,087
Current assets				
Inventories	15	**1,567**	1,529	1,592
Biological assets	17	**70**	45	29
Contract costs	24	**3**	9	7
Trade and other receivables	25	**1,015**	854	1,017
Contract assets	26	**128**	144	134
Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")	23(a)	**–**	16	–
Financial assets at Fair Value through Profit or Loss ("FVTPL")	23(b)	**5**	5	5
Tax recoverable		**122**	104	118
Cash and bank balances	28	**920**	958	1,136
		3,830	3,664	4,038
Assets of disposal group classified as held for sale	29	**1,078**	395	448
		4,908	4,059	4,486
Total assets		**23,404**	23,218	23,573

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
EQUITY AND LIABILITIES				
Current liabilities				
Tax payable		**77**	83	35
Lease liabilities	30	**39**	35	47
Loans and borrowings	31	**4,056**	2,593	2,123
Trade and other payables	32	**1,918**	1,915	2,118
Contract liabilities	26	**124**	126	95
Derivative financial instrument	27	**–**	4	3
		6,214	4,756	4,421
Liabilities directly associated with disposal group classified as held for sale	29	**460**	5	–
		6,674	4,761	4,421
Net current (liabilities)/asset		**(1,766)**	(702)	65
Non-current liabilities				
Trade and other payables	32	**121**	440	443
Other long term liabilities	33	**987**	966	904
Deferred tax liabilities	22	**995**	1,001	1,003
Loans and borrowings	31	**4,760**	6,694	7,293
Lease liabilities	30	**67**	87	81
		6,930	9,188	9,724
Total liabilities		**13,604**	13,949	14,145
Net assets		**9,800**	9,269	9,428
Equity				
Capital reserves	34(a)	**391**	391	391
Asset revaluation reserve	34(b)	**335**	200	159
Currency fluctuation reserve	34(c)	**3**	1	9
FVOCI reserve	34(d)	**(48)**	(100)	(99)
Revenue reserve	34(e)	**6,626**	6,281	6,438
		7,307	6,773	6,898
Non-controlling interests		**2,493**	2,496	2,530
Total equity		**9,800**	9,269	9,428
Total equity and liabilities		**23,404**	23,218	23,573

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

2021	Note	Capital reserves	Asset revaluation reserve	Currency fluctuation reserve	FVOCI reserve	Revenue reserve	Total	Non-controlling interests	Total equity
At 1 January 2021 (as previously reported)		391	200	1	(100)	5,533	6,025	2,496	8,521
Prior year adjustment	43	–	–	–	–	748	748	–	748
At 1 January 2021 (restated)		391	200	1	(100)	6,281	6,773	2,496	9,269
Profit net of tax		–	–	–	–	383	383	(4)	379
Other comprehensive income									
Revaluation surplus on property, plant and equipment		–	9	–	–	–	9	36	45
Surplus on transfer of property, plant and equipment/ right-of-use to investment properties		–	153	–	–	–	153	–	153
Fair value adjustment for financial assets at FVOCI		–	–	–	(1)	–	(1)	–	(1)
Deferred tax on revaluation surplus		–	(26)	–	–	–	(26)	–	(26)
Foreign currency translation of foreign operations		–	–	6	–	–	6	(3)	3
Total other comprehensive (loss)/income for the financial year		–	136	6	(1)	–	141	33	174
Total comprehensive (loss)/income for the financial year		–	136	6	(1)	383	524	29	553
Transaction with owner									
Dividend paid to non-controlling interests		–	–	–	–	–	–	(113)	(113)
Acquisition of subsidiaries		–	–	(4)	53	(6)	43	28	71
Accretion of interest in subsidiaries		–	(1)	–	–	(12)	(13)	53	40
Reserve attributable to disposal group asset held for sale		–	–	–	–	(4)	(4)	–	(4)
Distribution to State Government		–	–	–	–	(16)	(16)	–	(16)
		–	(1)	(4)	53	(38)	10	(32)	(22)
Closing balance at 31 December 2021		391	335	3	(48)	6,626	7,307	2,493	9,800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

2020	Note	Capital reserves	Asset revaluation reserve	Currency fluctuation reserve	FVOCI reserve	Revenue reserve	Total	Non-controlling interests	Total equity
At 1 January 2020 (as previously reported)		391	159	9	(99)	5,847	6,307	2,530	8,837
Prior year adjustment	43	–	–	–	–	591	591	–	591
At 1 January 2020 (restated)		391	159	9	(99)	6,438	6,898	2,530	9,428
Loss net of tax		–	–	–	–	(376)	(376)	(19)	(395)
Prior year adjustment	43	–	–	–	–	158	158	–	158
Other comprehensive income									
Revaluation surplus on property, plant and equipment		–	44	–	–	–	44	83	127
Surplus on transfer of property, plant and equipment to investment properties		–	(3)	–	–	–	(3)	–	(3)
Fair value adjustment for financial assets at FVOCI		–	–	–	(1)	–	(1)	–	(1)
Foreign currency translation of foreign operations		–	–	(8)	–	–	(8)	5	(3)
Total other comprehensive income/(loss) for the financial year		–	41	(8)	(1)	–	32	88	120
Total comprehensive income/(loss) for the financial year		–	41	(8)	(1)	(218)	(186)	69	(117)
Transaction with owner									
Dividend paid to non-controlling interests		–	–	–	–	–	–	(69)	(69)
Accretion of interest in subsidiaries		–	–	–	–	–	–	1	1
Dilution of interest in subsidiaries		–	–	–	–	(1)	(1)	2	1
Reclassification		–	–	–	–	62	62	(37)	25
		–	–	–	–	61	61	(103)	(42)
Closing balance at 31 December 2020		391	200	1	(100)	6,281	6,773	2,496	9,269

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	2021	2020 Restated
OPERATING ACTIVITIES		
Profit/(loss) before tax:		
Continuing operations	**670**	(60)
Discontinued operations	**(157)**	(95)
Adjustments:		
Property, plant and equipment:		
Net gain on disposal	**(1)**	(2)
Written off	**1**	2
Depreciation	**388**	429
Impairment loss	**173**	216
Right-of-use assets:		
Depreciation	**56**	64
Written off	**–**	7
Impairment loss	**17**	4
Investment properties:		
Net (gain)/loss on disposal	**1**	(1)
Changes in fair value	**(43)**	(29)
Biological assets:		
Loss on disposal	**–**	1
Changes in fair value	**(20)**	(10)
Gain on disposal of:		
Asset held for sales	**–**	(3)
Financial assets through profit or loss:		
Changes in fair value	**1**	–
Allowance for impairment:		
Trade and other receivable	**38**	79
Investment in joint venture	**–**	219
Intangible assets:		
Amortisation	**12**	16
Impairment	**4**	34
Dividend income	**(2)**	(3)
Unrealised foreign currency exchange loss/(gain)	**1**	(3)
Amortisation:		
Government grant	**(7)**	(40)
Land lease rental	**(132)**	(12)
Deferred income	**(4)**	–
Reversal of impairment for trade and other receivables	**(23)**	(39)
Recovery of return of receivable	**(5)**	(32)
Waiver from creditor	**(38)**	(8)
Provision for foreseeable losses on Construction Industry Payment and Adjudication Act 2012 ("CIPAA") claim	**–**	41
Provision for litigation for Indonesia plantation	**18**	39
Provision for foreseeable losses for affordable housing	**22**	30
Interest expense	**394**	441
Interest income	**(19)**	(24)
Share of results of associates and joint ventures	**(145)**	(121)
Operating profit before changes in working capital	**1,200**	1,140

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	2021	2020 Restated
Changes in working capital		
Inventories	**(112)**	55
Receivables	**(245)**	(195)
Contract assets	**16**	(12)
Payables	**495**	111
Contract liabilities	**(2)**	31
Associates and joint ventures	**43**	7
Cash generated from operations	**1,395**	1,137
Tax refunded	**6**	17
Tax paid	**(126)**	(29)
Net cash generated from operating activities	**1,275**	1,125
INVESTING ACTIVITIES		
Dividend received from other investment	**2**	–
Dividend received from associates	**7**	19
Interest received	**19**	24
Property, plant and equipment:		
Proceeds from disposal	**1**	25
Purchase	**(369)**	(538)
Right of use asset:		
Purchase	**(9)**	(18)
Investment properties:		
Proceeds from disposal	**189**	4
Purchase	**(67)**	(117)
Biological assets:		
Proceeds from disposal	**11**	5
Purchase	**(16)**	(8)
Intangible assets:		
Purchase	**–**	(5)
Government grant received	**15**	40
Purchase of:		
Financial assets at fair value through profit or loss	**(1)**	–
Increase in deposits with licensed bank with maturity of more than 3 months	**(105)**	(9)
Net cash flows used in investing activities	**(322)**	(578)

	2021	2020 Restated
FINANCING ACTIVITIES		
Drawdown of term loans and other long term borrowings	**695**	1,156
Repayment of term loans and other long term borrowings	**(1,246)**	(1,303)
Repayment of lease liabilities	**(46)**	(26)
Repayment to State Government	**–**	(10)
Interest paid	**(391)**	(454)
Dividend paid to non-controlling interests	**(113)**	(69)
Distribution of fund to State Government	**(16)**	(9)
Designated account	**10**	50
Net cash used in financing activities	**(1,107)**	(665)
Net change in cash and cash equivalents	**(154)**	(118)
Cash and cash equivalents at 1 January	**447**	568
Effect of exchange rate changes on cash and cash equivalents	**(1)**	(3)
Cash and cash equivalents at 31 December	**292**	447
CASH AND CASH EQUIVALENTS		
Cash and bank balances	**596**	586
Fixed deposits	**324**	372
	920	958
Bank overdrafts	**(220)**	(198)
Deposit with licensed bank with maturity of more than 3 months	**(317)**	(212)
Designated account	**(91)**	(101)
	292	447

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	2021	2020 Restated
Revenue	4	**494**	337
Cost of sales		**(79)**	(50)
Gross profit		**415**	287
Other items of income			
Other income	5	**111**	188
Other items of expense			
Distribution expenses		**(1)**	–
Administrative expenses		**(115)**	(98)
Other expenses	6	**(51)**	(168)
Finance costs	7	**(133)**	(124)
Profit before tax from continuing operations	8	**226**	85
Taxation	11	**20**	72
Profit from continuing operations, net of tax		**246**	157
Profit net of tax		**246**	157
Other comprehensive income, not to be reclassified to profit or loss in subsequent period:			
Deferred tax on revaluation surplus		**(15)**	–
Surplus on transfer of right-of-use asset to investment property		**154**	–
Other comprehensive income, for the financial year, net of tax		**139**	–
Total comprehensive income for the financial year		**139**	–

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	13	**132**	199	230
Right-of-use assets	14	**264**	390	375
Inventories	15	**34**	34	34
Investment properties	16	**1,648**	1,853	2,353
Investment in subsidiaries	19	**3,392**	3,362	3,378
Investment in associates	20	**4**	4	4
Deferred tax assets	22	**171**	172	148
		5,645	6,014	6,522
Current assets				
Inventories	15	**1,023**	911	900
Trade and other receivables	25	**340**	138	159
Contract assets	26	**–**	6	39
Financial assets at Fair Value through Profit or Loss ("FVTPL")	23(b)	**13**	14	21
Tax recoverable		**1**	1	1
Cash and bank balances	28	**130**	56	116
		1,507	1,126	1,236
Assets of disposal group classified as held for sale	29	**1,280**	859	183
		2,787	1,985	1,419
Total assets		**8,432**	7,999	7,941

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	Note	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
EQUITY AND LIABILITIES				
Current liabilities				
Lease liabilities	30	**5**	6	6
Loans and borrowings	31	**2,157**	3	3
Trade and other payables	32	**1,669**	1,560	1,164
Contract liabilities	26	**66**	50	12
		3,897	1,619	1,185
Net current (liabilities)/assets		**(1,110)**	366	234
Non-current liabilities				
Trade and other payables	32	**80**	548	1,067
Other long term liabilities	33	**783**	718	680
Deferred tax liabilities	22	**201**	207	254
Loans and borrowings	31	**11**	1,809	1,809
Lease liabilities	30	**4**	11	16
		1,079	3,293	3,826
Total liabilities		**4,976**	4,912	5,011
Net assets		**3,456**	3,087	2,930
Equity				
Capital reserves	34(a)	**55**	55	55
Asset revaluation reserves		**139**	–	–
Revenue reserve	34(e)	**3,262**	3,032	2,875
		3,456	3,087	2,930
Total equity		**3,456**	3,087	2,930
Total equity and liabilities		**8,432**	7,999	7,941

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

Corporation	Note	Capital reserves	Revaluation reserve	Revenue reserve	Total equity
At 1 January 2020 (as previously reported)		55	–	2,234	2,289
Prior year adjustment	43	–	–	641	641
At January 2020 (restated)		55	–	2,875	2,930
Loss net of tax		–	–	(8)	(8)
Prior year adjustment	43	–	–	165	165
Total comprehensive income for the financial year		55	–	3,032	3,087
Closing balance at 31 December 2020		55	–	3,032	3,087
At 1 January 2021		**55**	**–**	**3,032**	**3,087**
Profit net of tax		**–**	**–**	**246**	**246**
Distribution to State Government		**–**	**–**	**(16)**	**(16)**
Other comprehensive income/(loss)					
Deferred tax on revaluation surplus		**–**	**(15)**	**–**	**(15)**
Surplus on transfer of right-of-use assests to investment property		**–**	**154**	**–**	**154**
Total other comprehensive income for the financial year		**–**	**139**	**–**	**139**
Total comprehensive income for the financial year		**55**	**139**	**3,262**	**3,456**
Closing balance at 31 December 2021		**55**	**139**	**3,262**	**3,456**

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

	2021	2020 Restated
OPERATING ACTIVITIES		
Profit before tax:		
Continuing operations	**226**	85
Adjustments:		
Property, plant and equipment:		
Depreciation	**4**	6
Impairment loss	**–**	–
Right-of-use assets:		
Depreciation	**10**	(14)
Investment properties:		
Changes in fair value	**(35)**	(107)
Financial assets through profit or loss:		
Changes in fair value	**1**	6
Allowance for impairment:		
Subsidiaries	**44**	57
Dividend income	**(283)**	(127)
Amortisation:		
Government grant	**(7)**	(7)
Land lease rental	**(132)**	(12)
Sukuk transaction cost	**3**	3
Allowance for impairment of trade and other receivables	**2**	62
Reversal of impairment for trade and other receivables	**(7)**	(26)
Reversal of time value of money	**(2)**	–
Interest expense	**131**	121
Interest income	**(6)**	(7)
Operating (loss)/profit before changes in working capital	**(51)**	40
Changes in working capital		
Inventories	**1**	(10)
Receivables	**(209)**	(41)
Contract assets	**6**	33
Payables	**(143)**	(80)
Contract liabilities	**16**	39
Associates and joint ventures	**(2)**	2
Cash used in operations	**(382)**	(17)
Tax refunded	**–**	2
Tax paid	**–**	(1)
Net cash used in operating activities	**(382)**	(16)

	2021	2020 Restated
INVESTING ACTIVITIES		
Acquisition of additional interest in subsidiaries	**(55)**	–
Redemption of preference share	**34**	–
Dividend received from subsidiaries	**283**	127
Interest received	**6**	7
Property, plant and equipment:		
Proceeds from disposal	**–**	1
Purchase	**(5)**	(4)
Investment properties:		
Purchase	**(24)**	(42)
Government grant received	**15**	6
Net cash flows generated from investing activities	**254**	95
FINANCING ACTIVITIES		
Drawdown of term loans and other long term borrowings	**357**	–
Repayment of term loans and other long term borrowings	**(3)**	(2)
Repayment of the lease liabilities	**(6)**	(7)
Repayment to subsidiaries	**–**	–
Interest paid	**(73)**	(65)
Interest paid to subsidiaries	**(57)**	(56)
Distribution of fund to State Government	**(16)**	(9)
Net cash generated from/(used in) financing activities	**202**	(139)
Net change in cash and cash equivalents	**74**	(60)
Cash and cash equivalents at 1 January	**56**	116
Cash and cash equivalents at 31 December	**130**	56
CASH AND CASH EQUIVALENTS		
Cash and bank balances	**74**	55
Fixed deposits	**56**	1
	130	56

1. CORPORATE INFORMATION

Johor Corporation was incorporated under the Johor Corporation Enactment No. 4, 1968, (as amended by the Enactment No. 5, 1995).

The address of the principal place of business of the Corporation is as follows:
Level 13, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru, Johor
Malaysia.

The consolidated financial statements of the Corporation as at and for the financial year ended 31 December 2021 consist of the Corporation, 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 holdings.

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 the Malaysian Financial Reporting Standards ("MFRS") in Malaysia.

The financial statements have been prepared with 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.

The preparation of financial statements in conformity with the MFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates. Management is also required to exercise judgement in the process of applying the Group's and the Corporation's accounting policies, in areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 3.

For the financial year end 31 December 2021, the net current liabilities of the Group and the Corporation was RM1,766 million and RM1,110 million respectively, mainly arising from the Corporation's Sukuk Wakalah of RM1,800 million due on 14 June 2022. The Corporation intends to refinance by establishing a New Sukuk Programme. As at the reporting date, the Corporation has received the required approvals for the New Sukuk Programme and has appointed Maybank Investment Bank as Principal Advisor and Affin Hwang Investment Bank Berhad as the Joint Lead Arrangers and Joint Lead Managers. The programme lodgement to the Securities Commission and deal announcement to the investors' community was completed on 2 March 2022. As at the date of the financial statements, the Corporation has completed its first issuance of the New Sukuk Programme at the subscription amount of RM1,560 million. The proceeds were fully utilised for the redemption of Sukuk Wakalah on 14 June 2022. The difference between the amount due and amount raised from the New Sukuk Programme was supplemented by internal fund within the Group.

During the financial year, the Group and the Corporation have considered the new accounting pronouncements in the preparation of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Standards, amendments and interpretations issued that are effective

The accounting policies adopted are consistent with those of the previous financial year.

The Directors of the Corporation do not anticipate that the application of these amendments and improvements will have a significant impact on the Group's and the Corporation's current period or any prior period and is not likely to affect future periods financial statements.

2.3 Standards, amendments and interpretations issued but not yet effective

The standards, amendments 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 MFRS 116 'Proceeds before Intended Use'	1 January 2022
Amendments to MFRS 9, 'Financial Instruments' 'Annual Improvement to MFRS Standards 2018-2020'	1 January 2022
Amendments to MFRS 137 'Onerous Contracts – Costs of Fulfilling a Contract'	1 January 2022
Amendments to MFRS 3 'Reference to the Conceptual Framework'	1 January 2022
Amendments to MFRS 1, MFRS 9, MFRS 16, and MFRS 141 'Annual Improvements to MFRS Standards 2018-2020'	1 January 2022
MFRS 17 'Insurance Contracts'	1 January 2023
Amendments to MFRS 17 'Insurance Contracts'	1 January 2023
Amendments to MFRS 101 'Classification of Liabilities as Current or Non-Current'	1 January 2023
Amendments to MFRS 101 'Disclosure of Accounting Policies'	1 January 2023
Amendments to MFRS 108 'Definition of Accounting Estimates'	1 January 2023
Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	1 January 2023
Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	Deferred

(a) Amendments to MFRS 116 'Proceeds before Intended Use'

Amendments prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards, amendments and interpretations issued but not yet effective (continued)

(b) Amendments to MFRS 137 'Onerous Contracts – Costs of Fulfilling a Contract'

Amendments issued are to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

(c) MFRS 17 'Insurance Contracts'

MFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, an entity has an accounting policy choice to account for them in accordance with either MFRS 17 or MFRS 15 'Revenue from Contracts with Customers'. An entity is allowed to account for financial guarantee contracts in accordance with MFRS 17 if the entity has asserted explicitly that it regarded them as insurance contracts. Insurance contracts, (other than reinsurance) where the entity is the policyholder are not within the scope of MFRS 17. Embedded derivatives and distinct investment and service components should be 'unbundled' and accounted for separately in accordance with the related MFRSs. Voluntary unbundling of other components is prohibited.

MFRS 17 requires a current measurement model where estimates are re-measured at each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. An entity has a policy choice to recognise the impact of changes in discount rates and other assumptions that relate to financial risks either in profit or loss or in other comprehensive income.

Alternative measurement models are provided for the different insurance coverages:

a) Simplified Premium Allocation Approach if the insurance coverage period is a year or less

b) Variable Fee Approach should be applied for insurance contracts that specify a link between payments to the policy holder and the returns on the underlying items

The requirements of MFRS 17 align the presentation of revenue with other industries. Revenue is allocated to the periods in proportion to the value of the expected coverage and other services that the insurer provides in the period, and claims are presented when incurred. Investment components are excluded from revenue and claims.

Insurers are required to disclose information about amounts, judgements and risks arising from insurance contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards, amendments and interpretations issued but not yet effective (continued)

(d) Amendments to MFRS 101 'Classification of Liabilities as Current or Non-Current'

The amendments to paragraphs 69 to 76 of MFRS 101 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments must be applied retrospectively.

(e) Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investment in Associates and Joint ventures'

The amendments address the conflict between MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Ventures' in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in MFRS 3 'Business Combinations'. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments is deferred until such time as the International Accounting Standard Board finalises any amendments that result from its research project on the equity method.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The effects of the above new accounting standards and amendments are currently being assessed by the Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

The consolidated financial statements comprise of 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 (e.g., 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.

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 and each component of other comprehensive loss within a subsidiary are attributed to the parent and non-controlling interests, even if that results in the non-controlling interest having 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 revenue reserve within equity and attributed to owner of the Corporation.

Changes in the Corporation's 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 owner of the Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

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 interests, 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 at the individual 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 MFRS 9 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 MFRS 9, it is measured in accordance with the appropriate MFRS.

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 2.10 (a).

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owner of the Corporation, 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 owner of the Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

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

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

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

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the exchange rate 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 currency fluctuation reserve relating to that particular foreign operation is recognised in 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 Corporation and the cost of the item can be measured reliably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

Healthcare properties are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the healthcare properties at the reporting date.

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

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

Subsequent to recognition, other 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 and the Corporation recognise such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life, therefore, are 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
Bearer assets	20 years from year of maturity
Buildings	4 – 50 years
Healthcare properties	50 – 999 years
Plant and machinery	3 – 25 years
Storage tanks, pipe racks and pipelines	25 years
Jetty and dredging	50 years
Office equipment	5 – 15 years
Furniture and fittings	2 – 20 years
Motor vehicles	3 – 5 years
Renovations	10 years

Capital work in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. All expenditures relating to the development of oil palm field (immature field) are classified under bearer assets. These costs will be amortised over the useful life when the field reaches maturity. The maturity date for bearer plants is the point in time such new planting areas reaches 48 months from the date of initial planting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. See accounting policy on impairment of non-financial assets as set out in Note 2.11.

The residual values, useful lifes and depreciation methods 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 financial 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 financial year of retirement or disposal.

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

2.9 Biological assets

Biological assets comprise of livestock, produce growing on bearer plants and other biological assets. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected output method and the estimated market price of the biological assets.

Biological assets are classfied as current assets for bearer plants that are expected to be harvested and for livestock that are expected to be sold or used for production on a date not more than 12 months after the reporting date. The balance is classified as non-current.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods. See accounting policy on impairment of non-financial assets as set out in Note 2.11.

(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 finite useful lives are amortised using the straight line basis over the estimated useful lives of the assets as follows:

Software development expenditure	5 years
Others	1 – 2 years

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. See accounting policy on impairment of non-financial assets as set out in Note 2.11.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets

The Group and the Corporation assess 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 and the Corporation make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal 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 not exceeding 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 Investments in subsidiaries

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. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets as set out in Note 2.11.

The amounts due from subsidiaries of which the Corporation does not expect repayment in the foreseeable future are considered as part of the Corporation's investments in subsidiaries.

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 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.

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 MFRS 9 '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 MFRS 136 'Impairment of Assets' as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) 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. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets as set out in Note 2.11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments

Financial assets – classification and measurement

(i) Classification

The Group and the Corporation classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group and the Corporation have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group and the Corporation reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date on which the Group and the Corporation commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Corporation have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Corporation measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are Solely Payments of Principal and Interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Corporation's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Corporation classify its debt instruments:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Financial assets – classification and measurement (continued)

(iii) Measurement (continued)

Debt instruments (continued)

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gains or losses and impairment losses arising on derecognition are recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

(b) Fair Value through Other Comprehensive Income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flow represents SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gains or losses previously recognised in OCI are reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment losses are presented as separate line item in the statement of profit or loss.

Changes in the fair value of financial assets at FVTPL are recognised within other gains/(losses) in the statement of profit or loss as applicable.

(c) Fair Value through Profit or Loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Corporation may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period which it arises.

Equity instruments

The Group and the Corporation subsequently measure all equity investments at fair value. Where the Group's and the Corporation's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Corporation's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised within other gains/(losses) in the statement of profit or loss as applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Impairment of financial assets and financial guarantee contracts

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

(i) Impairment for debt instruments and financial guarantee contracts

The Group and the Corporation assess on a forward looking basis the Expected Credit Loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Corporation have four types of financial instruments that are subject to the ECL model:

- Trade and other receivables
- Loans to subsidiaries
- Contract assets
- Financial guarantee contracts

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Corporation expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Corporation expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) General 3-stage approach for other receivables, amount due from related parties, loans to subsidiaries and financial guarantee contracts issued

At each reporting date, the Group and the Corporation measure ECL through a loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Note 25 sets out the measurement details of ECL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Impairment of financial assets and financial guarantee contracts (continued)

(i) Impairment for debt instruments and financial guarantee contracts (continued)

(b) Simplified approach for trade receivables and contract assets

The Group and the Corporation apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

Note 25 sets out the measurement details of ECL.

(ii) Significant increase in credit risk

The Group and the Corporation consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Corporation compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Impairment of financial assets and financial guarantee contracts (continued)

(iii) Definition of default and credit-impaired financial assets

The Group and the Corporation define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Corporation define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Corporation consider the following instances:

- The debtor is in breach of financial covenants
- Concessions have been made by the lender relating to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

(iv) Groupings of instruments for ECL measured on collective basis

(a) Collective assessment

To measure ECL, trade receivables and contract assets arising from palm oil, healthcare, property, industry, quick services restaurant and intrapreneur venture have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Corporation have, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(b) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to subsidiaries in the Corporation's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Impairment of financial assets and financial guarantee contracts (continued)

(v) Write off

(a) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Corporation and a failure to make contractual payments for a period of greater than 365 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Other receivables

The Group and the Corporation write off financial assets, in whole or in part, when all practical recovery effects have been exhausted with no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Corporation may write-off financial assets that are still subject to enforcement activity.

(c) Loans to subsidiaries

The Corporation will write off a loan to subsidiary, in whole or in part,when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery based on the unavailability of subsidiary's sources of income or assets to generate sufficient future cash flows to repair the amount. The Corporation may write off financial assets that are still subject to enforcement activity.

Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group and the Corporation become a party to the contractual provisions of the financial instrument. Financial liabilities comprise of trade and other payables, loans and borrowings, amounts owing to subsidiaries and related parties and derivative financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. As for loans to subsidiaries of the Corporation, they are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary to reflect the substance of the transaction.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective finance method except for the derivatives in a loss position which are measured at fair value through profit or loss at the end of each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Financial liabilities (continued)

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

Gains or losses arising from changes in fair value of the derivatives that does not qualify for hedge accounting are recognised in profit or loss within other gains/losses, net. Net gains or losses on derivatives include exchange differences.

Borrowings are classified as current liabilities unless the Group and the Corporation have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use or sale.

Foreign exchange differences are capitalised to the extent of the capitalisation of the related borrowing costs. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

When borrowings measured at amortised cost are modified without this resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in profit or loss in finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

Financial liabilities (continued)

Financial guarantee contracts are contracts that require the Group or the Corporation to make specified payments to reimburse the holder for a loss it incurred because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued and the liability is initially measured at fair value.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15, where appropriate.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the ordinary course of business of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value. Other receivables are recognised initially at fair value.

Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.15 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 which are subject to an insignificant risk of changes in value with original maturities of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Inventories

Inventories are measured at the lower of cost and net realisable value.

(a) Land held for property development (non-current)

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.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development are classified as current assets when the construction of the relevent properties commences unless the construction period of the relevent property development project is expected to complete beyond normal operating cycle.

(b) Property development projects (current)

Property development projects comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such development activities which include property development and industrial land development.

In relation to inventories for affordable housing, it is the policy of the Group to group affordable housing with other inventories, for example, when affordable housing and premium housing are parts of a wider development master plan for a particular geographical area. If all housing in that master plan is expected to be profitable overall, an immediate expense would not be recognised for the affordable housing. The costing of both the affordable and premium housing would be performed.

(c) Other inventories (current)

Other inventories comprise shop and house, store and materials, agricultural produce and finished goods.

Cost is determined using the weighted average cost method and includes the cost of direct materials and an appropriate proportion of estate expenditure, manufacturing costs and overhead costs based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Provisions

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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.

Government grants that compensate the Group for expenses incurred are recognised in profit and loss as other income on a systematic basis in the same periods in which the expenses are recognised.

2.19 Receivables

A receivable is recognised when the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.20 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.

2.21 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 and the Corporation participate 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)

2.22 Leases

The Group and the Corporation assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group and the Corporation apply a single recognition and measurement approach for all lease, except for short-term leases and lease of low-value assets. The Group and the Corporation recognise lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Corporation recognise a right-of-use assets at the lease commencement date. The right-of-use asset is initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	15 – 904 years
Buildings	4 – 50 years
Plant and machinery	3 – 25 years
Office equipment	5 – 15 years
Furniture and fittings	2 – 20 years
Motor vehicles	3 – 5 years

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Corporation recognised lease liabilities measured at the present value of lease payments to be made over the lease term. The lease term payment include fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Corporation and the payments of penalties for terminating the lease, if the lease term reflects the Group and the Corporation exercising the option to terminate.

In calculating the present value of lease payments, the Group and the Corporation use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addtion, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payment or a change in the assessment of an option to purchase the underlying asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases (continued)

(a) As lessee (continued)

(iii) Short-term leases and leases of low-value assets

The Group and the Corporation have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Corporation recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As lessor

To classify each lease, the Group and the Corporation make an overall assessment of whether the lease transfers substantially all of the risk and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. 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 2.24(h)(ii).

If the lessee renews a lease that was previously treated as a finance lease by exercising the renewal option provided in the original lease arrangement, the additional lease rental income is recognised at the point of renewal.

2.23 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:

a) the asset must be available for immediate sale in its present condition; and
b) the sale is highly probable within one year

or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

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

2.24 Revenue recognition

A contract with customer exists when the contract has commercial substance, the Group, the Corporation and their customers have approved the contract and intend to perform their respective obligations, the Group's, the Corporation's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Corporation will collect the consideration to which it will be entitled to in exchange of those goods or services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Corporation expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax. If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Corporation estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group's revenue is generated from the following business segments:

(a) Palm oil
(b) Healthcare services
(c) Property
(d) Industrial
(e) Quick service restaurant
(f) Intrapreneur ventures
(g) Hospitality business and management services; and
(h) Revenue from other sources

Performance obligations from the business sectors above are as follows:

(a) Palm Oil

In the plantation operations, the Group and the Corporation sell agricultural produce such as crude palm oil ("CPO"), fresh fruit bunches ("FFB"), and palm kernel ("PK").

Revenue from sales of agriculture produce and goods from these operations is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customers, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group and the Corporation have objective evidence that all criteria for acceptance have been satisfied.

Some contracts include multiple or bundled deliverables, such as the delivery of the goods that are often bundled with freight services. In most cases, such delivery of goods is simple, does not include an integrated service, could be performed by another party and the customers can benefit from the sale of goods and freight services on its own or with the use of other resources. It is therefore accounted for as a separate performance obligation. There is no element of financing present as the sales is made with credit terms of up to 90 days. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include delivery of goods, revenue for the goods are recognised at a point in time when the goods are delivered, the legal title has passed and the customers have accepted the goods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

Performance obligations from the business sectors above are as follows: (continued)

(b) Healthcare services

(a) Revenue from hospital and healthcare charges

Revenue from hospital and healthcare charges comprises inpatient and outpatient hospital charges, consultation fees, and sales of pharmaceutical products, medical supplies and surgical products. These revenue are recognised as follows:

i. Revenue from inpatient and outpatient hospital charges

Inpatient revenue are recognised on a daily basis, as services are provided or goods delivered to patients. These services are typically provided over a short time frame, including consultancy and other services that the hospital provides such as the use of medical equipment, drugs, nursing procedures, room charges and others.

Outpatient cases generally do not involve surgical procedures and revenue is recognised on an individual component basis when performance obligations are satisfied. The outpatient revenue charges including consultants' charges are identified as separate performance obligations as the services are separately identifiable.

Revenue is recognised at a point in time as services are rendered or goods delivered. Revenue will only be recognised to the extent that if it is highly probable that a significant reversal will not occur, net of discounts. A receivable is recognised upon billing net of deposits received.

ii. Wellness packages

Revenue from wellness packages are recognised as and when the performance obligations are satisfied. Each services offered in a wellness package has been identified as a separate performance obligation.

Advance payment received are recognised as contract liabilities.

(b) Tuition fees

Revenue from tuition fees will be recognised within the semester of each courses offered to the students. Each number of semesters are identified as a performance obligations and the transaction price is allocated according to each semesters based on cost plus margin. The revenue will then be recognised over time throughout the semester. Advance payment received at the commencement of the semester will be recognised as contract liabilities. Non-refundable registration fees and enrolment fees are recognised at point in time.

(c) Property

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group and the Corporation will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Corporation's performance does not create an asset with an alternative use to the Group and the Corporation and the Group and the Corporation have an enforceable right to payment for performance completed to date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

(c) Property (continued)

The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan. The purchasers could enforce its rights to the promised properties if the Group and the Corporation seek to sell the unit to another purchaser. The contractual restriction on the Group's and the Corporation's ability to direct the promised property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group and the Corporation. The Group and the Corporation have the right to payment for performance completed to date. The Group and the Corporation are entitled to continue to transfer to the customer the development units promised and have the rights to complete the construction of the properties and enforce its rights to full payment.

The revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

The transaction price is adjusted for expected Liquidated Ascertained Damages ("LAD") payment, based on the expected value method and the effects of time value of money if the timing of payments provides the customer or the Group and the Corporation with a significant benefit of financing the transfer of goods or services to the customer. For contracts with deferred payment scheme, the Group and the Corporation adjust the promised consideration for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and the Corporation and its customer at contract inception. The significant financing component is recognised as finance income in statement of comprehensive income over the credit period using the effective interest rate applicable at the inception date.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Corporation recognise revenue over time using input method, which is based on the input to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of the total estimated costs for each contract. When there is limited information, the Group and the Corporation use output method, which is based on the level of completion of the physical proportion of contract work-to-date, certified by professional consultants.

The Group and the Corporation recognise sales at a point in time for the sale of land and sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group and the Corporation will collect the considerations to which it will be entitled to in exchange for the assets sold.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

(c) Property (continued)

When the Group and the Corporation are not able to determine the probability that the Group and the Corporation will collect the consideration to which the Group and the Corporation will be entitled to in exchange for properties, the Group and the Corporation will defer the recognition of revenue from sales of the property development. Consideration received from the customer is recognised as deposit liability.

(d) Industrial

<u>Sale of land with construction of earthwork and road works</u>

The Group and the Corporation recognise revenue over time using the input or output methods as appropriate. Output method is based on the level of completion of the physical proportion of contract work to-date as certified by professional consultants. Input method is based on the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of the total estimated costs for each contract.

<u>Sales of land and completed properties</u>

The Group and the Corporation recognise sales at a point in time for the sale of land and completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group and the Corporation will collect the considerations to which it will be entitled to in exchange for the assets sold.

(e) Quick services restaurant

<u>Sales of goods</u>

Revenue from sales of goods is recognised at a point in time upon delivery of goods when control of the goods has been transferred to the customers.

(f) Intrapreneur ventures

In the intrapreneur ventures operations, revenue from retail selling of agriculture, fertilisers, mechanical buffalo, fertilisers and computer hardware are recognised at a point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customers, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Some contracts include multiple or bundled deliverables, such as the delivery of the goods that are often bundled with freight services. In most cases, such delivery of goods is simple, does not include an integrated service, could be performed by another party and the customers can benefit from the sale of goods and freight services on its own or with the use of other resources. It is therefore accounted for as a separate performance obligation. There is no element of financing present as the sales is made with credit terms of up to 90 days. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include delivery of goods, revenue for the goods are recognised at a point in time when the goods are delivered, the legal title has passed and the customers have accepted the goods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Revenue recognition (continued)

(g) Hospitality business and management services

(i) Hospitality business

Revenue from hotel services comprises rental of hotel rooms, convention centre operations, sale of food and beverage and other related income are recognised at the point in the time when customer obtains control of the goods, which is generally at delivery.

(ii) Management services

Management services represent amounts charged to residents at the retirement village under the long term management agreements. Deferred management fees are recognised at a point in time upon performances of services, calculated in accordance with terms stipulated in resident contracts.

(h) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group and the Corporation are as follows:

(i) Dividend income

Dividends are received from financial assets measured at FVTPL and at FVOCI.

Dividend income from financial assets at FVTPL are recognised as part of net gains or net losses on these financial instruments. Dividend income from financial assets at FVOCI are recognised in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

Dividends that clearly represents a recovery of part of the cost of an investment is recognised in OCI if it relates to an investment in equity instruments measured at FVOCI.

(ii) Rental income and land lease income

Rental income and land lease income are 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.

(iii) Interest income

Interest income is recognised using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(iv) Vessel charter hire income

Most vessels charter hire income is recognised on straight line basis over the lease term determined at the inception of the lease.

Certain charter hire income is recognised when services are rendered and are computed at the contracted daily rate.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Contract assets and contract liabilities

A contract asset is recognised when the Group's or the Corporation's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 2.14).

A contract liability is stated at cost and represents the obligation of the Group or the Corporation to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

2.26 Contract cost

The Group and the Corporation have elected the practical expedient to recognise contract cost incurred related to contracts with period of less than one year as an expense when incurred.

Incremental cost to obtain contract

The Group or the Corporation recognise incremental costs of obtaining contracts when the Group or the Corporation expect to recover these costs.

Costs to fulfil a contract

The Group or the Corporation recognise a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Corporation, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

2.27 Income taxes

(a) Current tax

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

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

(b) Deferred tax

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Income taxes (continued)

(b) Deferred tax (continued)

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 on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefits arising from investment tax allowance and reinvestment allowance is recognised when the tax credit is utilised.

2.28 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 chief operating decision maker responsible for the performance of the respective segments under their charge. The chief operating decision maker of the Group is the Group Management Committee who regularly reviews 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 41, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 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)

2.30 Derivative and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2.14. Derivatives that qualify for hedge accounting are designated as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

(b) Hedges of a particular risk associated with a recognised assets or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current assets or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2.31 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 and the Corporation'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 shareholder of KPJ with 38% equity interest. The second, third and fourth largest shareholder are Employee Provident Fund ("EPF"), Waqaf An-Nur Corporation Berhad and Retirement Fund (Incorporated), which own 12%, 7% and 5% of the equity shares of KPJ respectively. All other shareholders individually own less than 5% of the equity shares of KPJ. Historically, the other shareholders did not form a group to exercise their votes collectively.

The Directors assessed that the Group has control over KPJ. Therefore, in accordance with the requirements of MFRS 10, KPJ is a subsidiary of the Corporation.

(ii) Investment in Al-'Aqar Healthcare REIT ("Al-'Aqar")

As at 31 December 2021, the Corporation and its subsidiaries collectively hold 39% equity interest in Al-'Aqar.

KPJ is leasing the properties from Al-'Aqar, which is under the control of Damansara REIT Managers Sdn Bhd ("DREIT"), the fund manager and real estate investment management arm of the Group. Therefore, the fund manager has decision making power to direct the relevant activities of Al-'Aqar. However, any decisions that affect the Group's overall exposure to variable return will be made in the best interest of the Group.

The Directors assessed that the Group has control over Al-'Aqar. Therefore, in accordance with the requirements of MFRS 10, Al-'Aqar is a subsidiary of the Corporation.

(b) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured at fair value, the Group has concluded that certain investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time while others are held for eventual sale. As a result, the Group has measured deferred tax on changes in fair values of these investment properties using the corporate income tax rate or the real property gains tax rate, as appropriate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements in applying accounting policies (continued)

(c) Revenue recognition

Revenue recognition for consultant fees

The Group relies heavily on information technology systems in accounting for its revenue from healthcare services. Such information systems process large volumes of data with combinations of different products and services, which consist of individually low value transactions. In addition, the Group's hospitals involve medical consultants in providing services to its customers. Significant judgement is required to assess the arrangements between the hospitals and its medical consultants to determine whether the Group is a principal or an agent in the provision of services to its customers, which will affect whether revenue is recognised on a gross or net basis.

Revenue recognition for property development activities

Revenue on property development activities are recognised in accordance with the accounting policy set out in Note 2.24(c). The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and corresponding revenue is recognised over time or at a point in time.

The Group recognises certain of its properties development activities over time or based on the percentage of completion method using the input method which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, management relies on past experience and the work of specialists.

Input method of recognising revenue over time

The input method is based on the input to the satisfaction of the perfomance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of the total estimated costs of each contract. Costs incurred during the year in connection with future activities on a contract are excluded from contract costs in determining the stage of completion.

Output method of recognising revenue over time

The output method is based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants. Significant judgement and high degree of estimation are required in assessing the outcome of the contract.

(d) Extension and termination of options as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. After the lease commencement date, the assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment that is within the control of the lessee. The carrying amounts of lease liabilities and the movements during the financial year is disclosed under Note 30.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty

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

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the recoverable amount of the Cash-Generating Units ("CGU") to which goodwill is allocated.

Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amounts of the CGUs were determined based on the higher of fair value less cost of disposal or value in use calculations. As a result of these impairment assessments, the Group has recognised an impairment of RM4 million during the financial year (2020: RM34 million).

Further details of the use of estimates and the key assumptions applied in the impairment assessment of goodwill are disclosed in Note 18.

(b) Impairment of cost of investment

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss and reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

(c) Impairment of property, plant and equipment

The Group and the Corporation has estimated the recoverable amount of certain properties, plant and equipment. The recoverable amount is the higher of an asset's fair value less costs of disposal and present value of the estimated future cash flows expected to be derived from the property, plant and equipment including the proceeds from its disposal. As the recoverable amount is lower than the carrying amount, an impairment charge has been recorded.

(d) Fair value of investment properties and property, plant and equipment

Fair value of the investment properties and certain property, plant and equipment of the Group were based on valuations carried out by independent professional valuers. The valuation applies estimates, judgements and assumptions in the determination of fair values. The valuation forms the basis for the carrying amount in the financial statements disclosed in Notes 13 and 16.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key source of estimation uncertainty (continued)

(e) Taxes

Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax credits or tax losses can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised as disclosed in Note 22.

Income taxes and Transfer Pricing

Income taxes are estimated based on the rules governed under Income Tax Act, 1967 and Transfer Pricing Guidelines. Significant judgement is required in determining the provision for income taxes and tax penalty exposure as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due, or any tax penalty will crystallise. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(f) Measurement of ECL allowance

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Corporation use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Corporation's past history, existing market conditions as well as forward looking estimates at the end of reporting period. Details of the key assumptions and inputs used are disclosed in Note 39.

(g) Estimating the incremental borrowing rate

If the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay for borrowing, under similar terms, to fund the purchase of a similar right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

4. REVENUE

Revenue consist of the following:

	Group		Corporation	
	2021	2020 Restated	2021	2020 Restated
Revenue from contracts with customers				
Palm oil	1,549	1,015	–	19
Healthcare services	2,627	2,393	–	–
Property	305	472	–	–
Industrial	160	79	89	84
Quick service restaurants	93	71	–	–
Intrapreneur ventures	30	23	–	–
Others	96	93	–	–
	4,860	4,146	89	103
Revenue from other sources				
Rental income and land lease income	180	110	119	100
Dividend income	2	3	283	127
Rendering of other services	95	45	3	7
	5,137	4,304	494	337

Disaggregation of the Group's and the Corporation's revenue from contracts with customers:

Group 2021	Palm oil	Healthcare services	Property	Industrial	Quick service restaurants	Intrapreneur venture	Others	Total
Geographical market:								
Malaysia	1,532	2,449	301	160	93	30	79	4,644
Indonesia	17	153	–	–	–	–	–	170
Others	–	25	4	–	–	–	17	46
	1,549	2,627	305	160	93	30	96	4,860
Timing of revenue recognition:								
At a point in time	1,549	2,594	71	82	93	30	94	4,513
Over time	–	33	234	78	–	–	2	347
	1,549	2,627	305	160	93	30	96	4,860

4. REVENUE (CONTINUED)

Disaggregation of the Group's and the Corporation's revenue from contracts with customers (continued):

Group 2020 Restated	Palm oil	Healthcare services	Property	Industrial	Quick service restaurants	Intrapreneur venture	Others	Total
Geographical market:								
Malaysia	1,008	2,303	472	79	71	23	93	4,049
Indonesia	7	29	–	–	–	–	–	36
Others	–	61	–	–	–	–	–	61
	1,015	2,393	472	79	71	23	93	4,146
Timing of revenue recognition:								
At a point in time	1,015	2,359	115	13	71	23	93	3,689
Over time	–	34	357	66	–	–	–	457
	1,015	2,393	472	79	71	23	93	4,146

Corporation 2021	Palm oil	Industrial	Total
Geographical market:			
Malaysia	**–**	**89**	**89**
Timing of revenue recognition:			
At a point in time	**–**	**11**	**11**
Over time	**–**	**78**	**78**
	–	**89**	**89**

Corporation 2020	Palm oil	Industrial	Total
Geographical market:			
Malaysia	19	84	103
Timing of revenue recognition:			
At a point in time	19	13	32
Over time	–	71	71
	19	84	103

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

4. REVENUE (CONTINUED)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatified) as at 31 December are as follow:

	Group	
	2021	**2020**
Within one year	**29**	–
More than one year	**132**	159
	161	159

5. OTHER INCOME

The following items have been included in other income:

	Group		Corporation	
	2021	**2020 Restated**	**2021**	**2020 Restated**
Amortisation of government grant (Note 33)	**7**	40	**7**	7
Changes in fair value of:				
Investment properties (Note 16)	**43**	29	**35**	107
Financial assets at fair value through profit and loss	**–**	–	**2**	4
Biological assets (Note 17)	**20**	10	**–**	–
Gain on disposal of:				
Property, plant and equipment (Note 13)	**1**	2	**–**	–
Investment properties	**–**	1	**–**	–
Assets held for sale	**–**	3	**–**	–
Interest income	**19**	24	**6**	7
Grants related to income received from government	**15**	40	**–**	–
Reversal of allowance for impairment of:				
Trade and other receivables (Note 25 (a)(ii) and (iii))	**23**	39	**7**	26
Unrealised foreign currency exchange gain	**–**	3	**–**	–
Waiver/Write-back of creditor	**38**	8	**38**	–
Amortisation of deferred income	**4**	–	**–**	–
Rental received	**10**	–	**–**	–

6. OTHER EXPENSES

The following items have been included in other expenses:

	Group		Corporation	
	2021	**2020 Restated**	**2021**	**2020**
Amortisation of intangible assets (Note 18)	**12**	16	**–**	–
Assessment tax	**1**	–	**–**	–
Changes in fair value of:				
Financial assets at fair value through profit and loss	**1**	–	**3**	10
Allowances for impairment for:				
Trade and other receivables (Note 25 (a) and (d))	**47**	77	**2**	62
Investment in subsidiaries (Note 19)	**–**	–	**44**	57
Investment in joint venture (Note 21)	**–**	219	**–**	–
Property, plant, equipment (Note 13)	**173**	216	**–**	–
Intangible assets (Note 18)	**4**	34	**–**	–
Right-of-use assets (Note 14)	**17**	4	**–**	–
Loss on disposal biological asset	**–**	1	**–**	–
Loss on disposal of investment properties	**1**	–	**–**	–
Unrealised foreign currency exchange loss	**1**	–	**–**	–
Realised foreign currency exchange loss	**–**	5	**–**	–
Rental yield guarantee	**–**	1	**–**	–
Provision for foreseable losses on Construction Industry Payment and Adjudication Act 2012 (“CIPAA”) claim	**–**	41	**–**	–
Zakat	**2**	–	**–**	–
Provision for litigation for Indonesia plantation	**18**	39	**–**	–
Provision for foreseeable losses on affordable housing	**22**	30	**–**	–

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

7. FINANCE COSTS

	Group		Corporation	
	2021	2020 Restated	2021	2020 Restated
Interest expense on:				
Islamic Medium Term Notes ("IMTNs")	76	95	64	63
Term loans	242	265	–	–
Islamic Bond	–	13	–	–
Short term borrowings	17	21	–	–
Finance leases	3	4	–	–
Interest expense on lease liabilities (Note 30)	1	10	1	1
Bank overdraft	11	14	–	–
Federal government loan	6	6	1	1
Amount owing to subsidiaries	–	–	57	56
Others	38	13	10	3
	394	441	133	124
Capitalised as assets:				
Property, plant and equipment	15	16	–	–
Inventories	31	33	31	33
	46	49	31	33

8. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

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

	Group		Corporation	
	2021	**2020 Restated**	**2021**	**2020**
Plantation operating costs	**932**	729	**–**	14
Charter service costs	**31**	22	**–**	–
Audit fees	**7**	7	*****	*
Cost of medical supplies	**876**	762	**–**	–
Hire of property, plant and equipment	**1**	8	**–**	–
Property, plant and equipment (Note 13)				
Depreciation	**388**	429	**4**	6
Written off	**1**	2	**–**	–
Impairment	**173**	216	**–**	–
Right-of-use assets (Note 14)				
Depreciation	**56**	64	**10**	(14)
Impairment	**17**	4	**–**	–
Written off	**–**	7	**–**	–
Cost of property development projects and industrial land	**214**	206	**–**	–
Amortisation of land lease rental	**132**	12	**132**	12
Rental of offices and buildings	**6**	9	**–**	–
Employee benefits expense (Note 9)	**1,215**	1,131	**48**	35
Repair and maintenance	**96**	74	**–**	–

* Audit fees for the Corporation is RM100,000 (2020: RM262,500)

9. EMPLOYEE BENEFITS EXPENSE (INCLUDING EXECUTIVE DIRECTORS REMUNERATION)

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Wages, salaries and bonus	**1,100**	991	**46**	34
Defined contribution retirement plan	**103**	116	**2**	1
Other employee benefits	**12**	24	**–**	–
	1,215	1,131	**48**	35

10. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel comprise of Directors, Chief Executives and top management of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The key management personnel compensations are as follows:

	Group		Corporation	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Executive Director:				
Fees	**161**	132	**161**	132
Remuneration	**2,598**	1,899	**2,598**	1,898
Defined contribution retirement plan	**502**	251	**502**	251
Other benefits	**1**	1	**1**	1
	3,262	2,283	**3,262**	2,282
Non-executive Directors:				
Fees	**1,715**	1,275	**1,715**	1,275
Other key management personnel:				
Fees	**1,723**	2,154	**–**	–
Remuneration	**42,035**	37,024	**8,370**	9,129
Other employee benefits	**4,733**	3,370	**19**	21
Defined contribution retirement plan	**5,762**	4,783	**1,061**	1,128
	54,253	47,331	**9,450**	10,278
	59,230	50,889	**14,427**	13,835

11. TAXATION

	Group		Corporation	
	2021	2020 Restated	2021	2020 Restated
Current income tax for the financial year:				
Malaysia	**216**	175	**–**	–
Foreign	**2**	2	**–**	–
Over provision in prior financial years	**(28)**	(24)	**–**	(1)
	190	153	**–**	(1)
Deferred tax (Note 22)				
Relating to origination and reversal of temporary differences	**26**	(87)	**9**	(71)
(Over)/under provision in prior years	**(82)**	30	**(29)**	–
	(56)	(57)	**(20)**	(72)
	134	96	**(20)**	(72)
Income tax attributable to continuing operations	**134**	110	**(20)**	(72)
Income tax attributable to discontinued operations (Note 12)	**–**	(14)	**–**	–
Total tax	**134**	96	**(20)**	(72)

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

11. TAXATION (CONTINUED)

Reconciliation of income tax applicable to profit before tax from continuing and discontinued operations at the Malaysian statutory income tax rate to income tax at the effective income tax rate of the Group and of the Corporation:

	Group		Corporation	
	2021	**2020 Restated**	**2021**	**2020 Restated**
Profit/(loss) before tax from continuing operations	**670**	(60)	**226**	85
Loss before tax from discontinued operations (Note 12)	**(157)**	(95)	**–**	–
	513	(155)	**226**	85
Tax at Malaysian statutory tax rate of 24%	**123**	(37)	**54**	20
Non-deductible expenses	**271**	270	**56**	34
Income not subject to tax	**(183)**	(180)	**(131)**	(79)
Deferred tax assets not recognised	**60**	18	**30**	–
Utilisation of previously unrecognised unutilised tax losses and unabsorbed capital allowance	**1**	(2)	**–**	–
Tax recognised at different tax rates	**(2)**	(3)	**–**	–
Share of results of associates	**9**	2	**–**	–
Share of results of joint ventures	**(38)**	54	**–**	–
Change in real property gains tax rate	**(1)**	(46)	**–**	(46)
Effect of changes in fair value of investment properties	**4**	–	**–**	–
Income tax attributable to discontinued operations	**–**	14	**–**	–
(Over)/under provision in prior financial years:				
Income tax	**(28)**	(24)	**–**	(1)
Deferred tax	**(82)**	30	**(29)**	–
Total tax	**134**	96	**(20)**	(72)

The Corporation and certain of its subsidiaries are exempt from taxes in respect of certain income, which expire over periods ranging from the year 2021 to 2022.

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

Statement of comprehensive income of the discontinued operation is as follows:

	2021	2020 Restated
Revenue	**174**	317
Cost of sales	**(150)**	(269)
Gross profit	**24**	48
Other income	**9**	10
Distribution expenses	**(1)**	–
Administrative expenses	**(14)**	(22)
Other expenses	**(164)**	(114)
Loss from operations	**(146)**	(78)
Finance costs	**(11)**	(17)
Loss before tax from discontinued operation (Note 11)	**(157)**	(95)
Income tax (Note 11)	**–**	14
Net loss for the financial year	**(157)**	(81)

(a) Planned disposal of Puteri Hotels Sdn Bhd

The Group via JCorp Hotels and Resorts Sdn Bhd ("JHR") has entered into a Sales and Purchase Agreement ("SPA") for the sale of business assets for purchase consideration RM139 million to third party. In the previous financial year, the SPA was terminated and subsequently, the hotel has ceased its operation with effective from 31 August 2020 and the assets are subsequently reclassified to investment properties. Pursuant to the reclassification, the hotel was presented as discontinued operation.

During the financial year, the Group has accepted the offer to purchase the land and the hotel from a third party on 14 December 2021. As at 31 December 2021, the sale is pending execution of the sale and purchase agreement by parties.

(b) Planned disposal of E.A Technique (M) Berhad

On 10 September 2020, the Board of Directors has approved the Group's plan to dispose E.A Technique (M) Berhad ("EAT"), which is involved in provision of sea transportation and related services. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. The disposal of EAT is expected to be completed within a year from the reporting date. At 31 December 2021, EAT was classified as discontinued operation and as a disposal group held for sale. On 9 May 2021, the Board has approved the appointment of the principal advisers for the disposal of EAT and the Group has commenced active discussion with potential buyers.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

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

(c) Planned disposal of Danamin Sdn Bhd

On 15 August 2021, the Board has approved the Group's plan to dispose Danamin Sdn Bhd ("DANAMIN"), which is involved in providing non – destructive testing services and performing electrical engineering works for oil gas, marine, chemical and construction industries. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. The disposal of DANAMIN is expected to be completed within a year from the reporting date. At 31 December 2021, DANAMIN was classified as a disposal group held for sale.

(d) Planned disposal of PT Tempirai Palm Resources and PT Rambang Agro Jaya ("SUMSEL")

On 20 October 2021, the Board has approved the Group's plan to dispose PT Tempirai Palm Resources and PT Rambang Agro Jaya (collectively referred to as the "SUMSEL") which is involved in oil palm plantations. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. The disposal of SUMSEL is expected to be completed within a year from the reporting date. At 31 December 2021, SUMSEL was classified as a disposal group held for sale.

(e) Planned disposal of MIT Insurance Brokers Sdn Bhd

On 15 August 2021, the Board has approved the Group's plan to dispose MIT Insurance Brokers Sdn Bhd ("MIT") which is involved in insurance broking and consultancy. The decision is in line with the Group's business exit strategy for identified companies under its Intrapreneur Ventures segment to maximise returns and mitigate risks. The disposal of MIT is expected to be completed within a year from the reporting date. At 31 December 2021, MIT was classified as a disposal group held for sale.

On 22 February 2021, the Board has approved the appointment of the principal advisers for the disposal of DANAMIN, SUMSEL and MIT and the Group has commenced active discussion with a potential buyers.

(f) Planned disposal of Rajaudang Aquaculture Sdn Bhd

In March 2021, The Group through Johor Capital Holdings Sdn Bhd disposed of its entire equity interest in Rajaudang Aquaculture Sdn Bhd and its subsidiaries, which is principally engaged in fish farming and operation in rental of marine livestock ponds and related activities.

Statement of cash flows of the discontinued operation is as follows:

	Group 2021
Net cash used in operating activities	(78)
Net cash used in investing activities	(35)
Net cash from financing activities	106
Net cash outflows	(7)

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Bearer assets	Buildings	Healthcare properties	*Other assets	Capital work in progress	Total
At cost or valuation							
At 1 January 2020	1,448	1,688	739	3,053	4,409	556	11,893
Additions	–	66	8	26	188	214	502
Disposals	–	–	(2)	–	(75)	–	(77)
Write off	–	(15)	(3)	–	(37)	–	(55)
Reclassification	–	(4)	29	84	104	(213)	–
Transfer from/(to):							
investment properties (Note 16)	(18)	–	(147)	67	–	–	(98)
assets held for sale (Note 29)	–	–	126	–	(155)	(13)	(42)
biological assets (Note 17)	–	(8)	–	–	–	–	(8)
inventories	(10)	–	–	–	–	–	(10)
right-of-use assets (Note 14)	–	–	–	(180)	6	–	(174)
Acquisition of subsidiaries	–	–	–	82	–	–	82
Exchange differences	–	(5)	(1)	(7)	–	–	(13)
Revaluation	–	–	–	136	–	–	136
Elimination of accumulated depreciation on revaluation	–	–	–	(54)	–	–	(54)
At 31 December 2020/ 1 January 2021	**1,420**	**1,722**	**749**	**3,207**	**4,440**	**544**	**12,082**
Additions	**–**	**29**	**10**	**10**	**180**	**159**	**388**
Disposals	**–**	**(5)**	**–**	**–**	**(10)**	**(1)**	**(16)**
Write off	**–**	**–**	**–**	**–**	**(8)**	**–**	**(8)**
Reclassification	**–**	**81**	**15**	**53**	**20**	**(169)**	**–**
Transfer from/(to):							
investment properties (Note 16)	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**
assets held for sale (Note 29)	**–**	**(198)**	**(91)**	**–**	**(1,055)**	**(73)**	**(1,417)**
inventories	**–**	**–**	**12**	**–**	**–**	**–**	**12**
Adjustment	**–**	**–**	**–**	**–**	**–**	**(68)**	**(68)**
Acquisition of subsidiaries	**–**	**–**	**1**	**–**	**77**	**6**	**84**
Exchange differences	**–**	**3**	**1**	**(1)**	**1**	**–**	**4**
Revaluation	**–**	**–**	**–**	**36**	**–**	**–**	**36**
Elimination of accumulated depreciation on revaluation	**–**	**–**	**–**	**(5)**	**–**	**–**	**(5)**
At 31 December 2021	**1,420**	**1,632**	**697**	**3,299**	**3,645**	**398**	**11,091**

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Bearer assets	Buildings	Healthcare properties	*Other assets	Capital work in progress	Total
Accumulated depreciation:							
At 1 January 2020 (restated)	–	528	60	258	2,194	–	3,040
Charge for the financial year (Note 8)	–	56	26	48	299	–	429
Disposals	–	–	(1)	–	(47)	–	(48)
Write off	–	(13)	(6)	–	(34)	–	(53)
Transfer from/(to):							
investment properties (Note 16)	–	–	(33)	–	–	–	(33)
biological asset (Note 17)	–	(4)	–	–	–	–	(4)
assets held for sale (Note 29)	–	–	26	–	(74)	–	(48)
right-of-use assets (Note 14)	–	–	–	(10)	4	–	(6)
Exchange differences	–	–	–	(2)	–	–	(2)
Elimination of accumulated depreciation on revaluation	–	–	–	(54)	–	–	(54)
At 31 December 2020	–	567	72	240	2,342	–	3,221
Prior year adjustment	–	–	–	–	7	–	7
At 1 January 2021 (restated)	–	567	72	240	2,349	–	3,228
Charge for the financial year (Note 8)	–	57	18	55	258	–	388
Disposals	–	(5)	(2)	–	(9)	–	(16)
Write off	–	–	–	–	(6)	–	(6)
Transfer from/(to):							
assets held for sale (Note 29)	–	(28)	(17)	–	(450)	–	(495)
Acquisition of subsidiaries	–	–	–	–	70	–	70
Elimination of accumulated depreciation on revaluation	–	–	–	(5)	–	–	(5)
At 31 December 2021	–	591	71	290	2,212	–	3,164

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Bearer assets	Buildings	Healthcare properties	*Other assets	Capital work in progress	Total
Accumulated impairment loss:							
At 1 January 2020	–	1	37	–	25	4	67
Charge for the financial year (Note 8)	–	87	23	17	83	6	216
Disposal	–	–	–	–	(6)	–	(6)
Transfer to assets held for sale (Note 29)	–	–	–	–	–	(4)	(4)
At 31 December 2020/ 1 January 2021	**–**	**88**	**60**	**17**	**102**	**6**	**273**
Charge for the financial year (Note 8)	**–**	**36**	**12**	**7**	**108**	**10**	**173**
Write off	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Reclassification	**–**	**–**	**1**	**–**	**–**	**(1)**	**–**
Exchange difference	**–**	**2**	**–**	**–**	**–**	**–**	**2**
Transfer to assets held for sale (Note 29)	**–**	**(125)**	**(37)**	**–**	**(180)**	**(14)**	**(356)**
Acquisition of subsidiaries	**–**	**–**	**–**	**–**	**2**	**–**	**2**
At 31 December 2021	**–**	**1**	**36**	**24**	**31**	**1**	**93**
Net carrying amount:							
At 31 December 2020 (restated)	1,420	1,067	617	2,950	1,989	538	8,581
At 31 December 2021	**1,420**	**1,040**	**590**	**2,985**	**1,402**	**397**	**7,834**

As a result of an impairment assessment on certain property, plant and equipment of subsidiaries, the Group has recognised an impairment loss of RM173 million (2020: RM216 million) that is recorded in other expenses in the financial statements of the Group.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Other assets of the Group can be further analysed as follows:

Group	Plant and machinery	Office equipment	Furniture and fittings	Motor vehicles	Renovations	Total
At cost or valuation:						
At 1 January 2020	3,012	296	302	–	799	4,409
Additions	119	24	17	–	28	188
Disposals	(67)	(2)	(2)	(4)	–	(75)
Write off	(28)	(3)	(3)	–	(3)	(37)
Reclassification	30	17	19	–	38	104
Transfer from/(to):						
assets held for sale (Note 29)	(201)	–	46	–	–	(155)
right-of-use assets (Note 14)	–	–	–	6	–	6
At 31 December 2020/ 1 January 2021	**2,865**	**332**	**379**	**2**	**862**	**4,440**
Additions	**119**	**16**	**26**	**1**	**18**	**180**
Disposals	**(6)**	**(2)**	**(1)**	**(1)**	**–**	**(10)**
Write off	**(3)**	**(1)**	**(2)**	**–**	**(2)**	**(8)**
Reclassification	**87**	**1**	**1**	**–**	**(69)**	**20**
Transfer from/(to):						
assets held for sale (Note 29)	**(1,028)**	**(1)**	**(26)**	**–**	**–**	**(1,055)**
Acquisition of subsidiaries	**59**	**9**	**3**	**–**	**6**	**77**
Exchange differences	**1**	**–**	**–**	**–**	**–**	**1**
At 31 December 2021	**2,094**	**354**	**380**	**2**	**815**	**3,645**

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Plant and machinery	Office equipment	Furniture and fittings	Motor vehicles	Renovations	Total
Accumulated depreciation:						
At 1 January 2020 (restated)	1,419	173	238	–	364	2,194
Charge for the financial year (Note 8)	182	31	45	–	41	299
Disposals	(40)	(1)	(3)	(3)	–	(47)
Write off	(29)	(2)	(1)	–	(2)	(34)
Transfer from/(to):						
assets held for sale (Note 29)	(114)	–	40	–	–	(74)
right-of-use assets (Note 14)	–	–	–	4	–	4
At 31 December 2020	**1,418**	**201**	**319**	**1**	**403**	**2,342**
Restatement*	**7**	**–**	**–**	**–**	**–**	**7**
At January 2021 (restated)	**1,425**	**201**	**319**	**1**	**403**	**2,349**
Charge for the financial year (Note 8)	**167**	**37**	**18**	**–**	**36**	**258**
Disposals	**(6)**	**(2)**	**(1)**	**–**	**–**	**(9)**
Write off	**(3)**	**–**	**(1)**	**–**	**(2)**	**(6)**
Transfer from/(to):						
assets held for sale (Note 29)	**(424)**	**–**	**(26)**	**–**	**–**	**(450)**
Acqusition of subsidiaries	**55**	**8**	**2**	**–**	**5**	**70**
At 31 December 2021	**1,214**	**244**	**311**	**1**	**442**	**2,212**

Group	Plant and machinery	Office equipment	Furniture and fittings	Motor vehicles	Renovations	Total
Accumulated impairment loss:						
At 1 January 2020	22	–	3	–	–	25
Charge for the financial year (Note 8)	82	–	1	–	–	83
Disposal	(4)	–	(2)	–	–	(6)
At 31 December 2020/ 1 January 2021	**100**	**–**	**2**	**–**	**–**	**102**
Charge for the financial year (Note 8)	**108**	**–**	**–**	**–**	**–**	**108**
Write off	**–**	**–**	**(1)**	**–**	**–**	**(1)**
Transfers to assets held for sale (Note 29)	**(180)**	**–**	**–**	**–**	**–**	**(180)**
Acquisition of subsidiaries	**2**	**–**	**–**	**–**	**–**	**2**
At 31 December 2021	**30**	**–**	**1**	**–**	**–**	**31**
Net carrying amount:						
At 31 December 2020 (restated)	1,340	131	58	1	459	1,989
At 31 December 2021	**850**	**110**	**68**	**1**	**373**	**1,402**

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment of property, plant and equipment

The Group has estimated the recoverable amounts of certain property, plant and equipment during the financial year. The assessment has led to the recognition of impairment losses of RM173 million (2020: RM216 million).

Included in these impairment losses is an amount of RM48.73 million (2020: RM112.70 million) relating to certain bearer assets, buildings and machines of the subsidiaries, PT Rambang Agro jaya ("PT RAJ") and PT Tempirai Palm Resources ("PT TPR"). The significant impairment loss was due to continuing losses incurred by the subsidiaries and negative market outlook, which were recorded in the expenses in the statement of comprehensive income. In determining the recoverable amounts of these assets, the Group estimated fair value less costs to sell based on the offer price of IDR416 billion (RM121.7 million) from a potential buyer, at a costs to sell of 4%.

Included in the total impairment losses is an amount of RM118.56 million (2020: RM89.36 million) relating to certain vessels of a subsidiary. E.A Technique (M) Berhad. The significant impairment loss was due to decline in the oil and gas market conditions. In determining the recoverable amounts of these vessels, the Group engaged an independant firm of valuers and applied judgement and estimates in determining the fair value of vessels based on quotations received from a broker, judgement of the Directors and the management's experience in the industry in light of the volatility of current market conditions.

The above fair value measurements are classified in level 3 of the fair value hierarchy.

Corporation	Freehold land	Bearer assets	Buildings	*Other assets	Capital work in progress	Total
At cost or valuation:						
At 1 January 2020	28	90	82	66	73	339
Additions	–	2	2	–	–	4
Disposals	–	–	(1)	(7)	–	(8)
Transfer from/(to):						
inventories	(10)	–	–	–	–	(10)
investment properties	(18)	–	–	–	–	(18)
At 31 December 2020/ 1 January 2021	**–**	**92**	**83**	**59**	**73**	**307**
Additions	**–**	**–**	**–**	**5**	**–**	**5**
Adjustment	**–**	**–**	**–**	**–**	**(68)**	**(68)**
At 31 December 2021	**–**	**92**	**83**	**64**	**5**	**244**
Accumulated depreciation:						
At 1 January 2020	–	12	43	52	–	107
Charge for the financial year (Note 8)	–	1	2	3	–	6
Disposals	–	–	–	(7)	–	(7)
At 31 December 2020/ 1 January 2021	**–**	**13**	**45**	**48**	**–**	**106**
Charge for the financial year (Note 8)	**–**	**–**	**2**	**2**	**–**	**4**
At 31 December 2021	**–**	**13**	**47**	**50**	**–**	**110**

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Corporation	Freehold land	Bearer assets	Buildings	*Other assets	Capital work in progress	Total
Accumulated impairment losses:						
At 1 January 2020	–	–	1	1	–	2
Charge for the financial year (Note 8)	–	–	–	–	–	–
At 31 December 2020/ 1 January 2021	**–**	**–**	**1**	**1**	**–**	**2**
Charge for the financial year (Note 8)	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2021	**–**	**–**	**1**	**1**	**–**	**2**
Net carrying amount:						
At 31 December 2020	–	79	37	10	73	199
At 31 December 2021	**–**	**79**	**35**	**13**	**5**	**132**

* Other assets of the Corporation can be further analysed as follows:

Corporation	Plant and machinery	Furniture and fittings	Motor vehicles	Total
At cost:				
As at 1 January 2020	29	30	7	66
Reclassification	(2)	(1)	(4)	(7)
At 31 December 2020/1 January 2021	**27**	**29**	**3**	**59**
Additions	**1**	**3**	**1**	**5**
At 31 December 2021	**28**	**32**	**4**	**64**
Accumulated depreciation:				
At 1 January 2020	19	29	4	52
Charge for the financial year (Note 8)	1	1	1	3
Disposals	(2)	(1)	(4)	(7)
At 31 December 2020/1 January 2021	**18**	**29**	**1**	**48**
Charge for the financial year (Note 8)	**1**	**1**	**–**	**2**
At 31 December 2021	**19**	**30**	**1**	**50**

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Corporation	Plant and machinery	Furniture and fittings	Motor vehicles	Total
Accumulated impairment losses:				
At 1 January 2020	1	–	–	1
Charge for the financial year (Note 8)	–	–	–	–
At 31 December 2020/1 January 2021	**1**	**–**	**–**	**1**
Charge for the financial year (Note 8)	**–**	**–**	**–**	**–**
At 31 December 2021	**1**	**–**	**–**	**1**
Net carrying amount:				
At 31 December 2020	**8**	**–**	**2**	**10**
At 31 December 2021	**8**	**2**	**3**	**13**

During the financial year, the Group and the Corporation acquired property, plant and equipment with an aggregate cost of RM388 million (2020: RM502 million) and RM5 million (2020: RM4 million), respectively. The acquisition is settled through the following means:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Cash payment	**373**	467	**5**	4
Finance leases	**–**	19	**–**	–
Capitalisation of borrowing cost	**15**	16	**–**	–
	388	502	**5**	4

As at 31 December 2021, property, plant and equipment of the Group with net book value of RM1,228 million (2020: RM1,356 million) are pledged as security for borrowings.

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluation of healthcare properties

Healthcare properties have been revalued on 31 December 2021 based on open market valuations carried out by an independent firm of professional valuers to reflect fair value. The book values of the healthcare properties were adjusted to reflect the revaluation and the resultant surpluses were credited to revaluation reserve.

If the total amounts of healthcare properties had been determined in accordance with the historical cost, they would have been stated as follows:

	Group	
	2021	**2020**
Net book value:		
Healthcare properties	**1,810**	1,951

The fair value of property, plant and equipment is estimated by the Directors based on the valuation carried out by an independent firm of professional valuers based on the valuation techniques below:

Group

Description	**Valuation technique**	**Significant unobservable inputs**
Healthcare properties	Investment method	Term yield (5.50% – 9.25%) (2020: 6.00% – 8.00%) Reversionary yield (6.00% – 7.50%) (2020: 6.25% – 8.50%) Void rate (5.00% – 10.00%) (2020: 2.50% – 10.00%)

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

14. RIGHT-OF-USE ASSETS

The Group and Corporation lease several assets as stated below. The Group and the Corporation average lease term ranges from 2-50 years.

The Group and the Corporation have the option to purchase certain manufacturing equipments for a nominal amount at the end of the lease term. The Group's and the Corporation's obligations are secured by the lessors' title to the leased assets.

Group	Land	Buildings	Plant and machinery	Office equipment	Motor vehicles	Total
At 1 January 2020	2,097	21	55	5	23	2,201
Additions	–	6	6	–	6	18
Depreciation	(3)	(10)	(34)	(5)	(12)	(64)
Revaluation	14	–	–	–	–	14
Write-off	–	(5)	–	–	(2)	(7)
Reclassification	2	–	(9)	7	–	–
Impairment loss	(4)	–	–	–	–	(4)
Transfer from/(to):						
investment property (Note 16)	(42)	–	–	–	–	(42)
assets held for sale (Note 29)	31	–	–	–	–	31
property, plant and equipment (Note 13)	170	–	–	–	(2)	168
Derecognition	(2)	–	(12)	(3)	–	(17)
Exchange differences	(2)	–	–	–	–	(2)
At 31 December 2020/ 1 January 2021	**2,261**	**12**	**6**	**4**	**13**	**2,296**
Additions	**–**	**4**	**–**	**–**	**5**	**9**
Depreciation	**(37)**	**(3)**	**(6)**	**(1)**	**(9)**	**(56)**
Revaluation	**12**	**–**	**–**	**–**	**–**	**12**
Impairment loss	**(16)**	**–**	**–**	**–**	**(1)**	**(17)**
Transfer from/(to):						
investment property (Note 16)	**(117)**	**–**	**–**	**–**	**–**	**(117)**
assets held for sale (Note 29)	**15**	**(3)**	**–**	**(3)**	**(1)**	**8**
Acquisition of subsidiaries	**–**	**33**	**1**	**–**	**–**	**34**
Exchange differences	**1**	**–**	**–**	**–**	**–**	**1**
At 31 December 2021	**2,119**	**43**	**1**	**–**	**7**	**2,170**

14. RIGHT-OF-USE ASSETS (CONTINUED)

Corporation	Land	Buildings	Plant and machinery	Office equipment	Motor vehicles	Total
At 1 January 2020	354	21	–	–	–	375
Additions	–	1	–	–	–	1
Depreciation	20	(6)	–	–	–	14
At 31 December 2020/ 1 January 2021	**374**	**16**	**–**	**–**	**–**	**390**
Adjustment	**–**	**(3)**	**–**	**–**	**–**	**(3)**
Depreciation	**(5)**	**(5)**	**–**	**–**	**–**	**(10)**
Transfer to:						
investment property (Note 16)	**(113)**	**–**	**–**	**–**	**–**	**(113)**
At 31 December 2021	**256**	**8**	**–**	**–**	**–**	**264**

During the year, there is transfer of leasehold land with net value of RM113 million subleased to subsidiaries to investment property.

As at 31 December 2021, right-of-use assets of the Group and the Corporation with net value of RM1,155 million (2020: RM1,190 million) and RM110 million (2020: RM111 million) respectively are pledge as security for borrowings.

Approximately one fifth of the leases for property, plant and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions of right-of-use assets amounting to RM9 million (2020: RM18 million).

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

15. INVENTORIES

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Inventories included under non-current assets:				
Land held for property development	**601**	506	**34**	34
At 31 December	**601**	506	**34**	34
Inventories included under current assets:				
Property development projects	**1,232**	1,261	**1,018**	884
Shop and houses	**249**	190	**5**	27
Store and materials	**38**	37	**–**	–
Agricultural produce	**11**	9	**–**	–
Finished goods	**37**	32	**–**	–
At 31 December	**1,567**	1,529	**1,023**	911

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Carrying amount of inventories pledged as security for borrowings	**178**	95	**–**	–
Carrying amount of inventories charged to a bank for banking facilities of a subsidiary	**32**	54	**1**	24

The cost of inventories recognised as an expense during the financial year in the Group and the Corporation amounted to RM808 million (2020: RM612 million) and RM61 million (2020: RM50 million), respectively. Included in inventories of the Group and the Corporation is borrowing costs capitalised for the financial year of RM31 million (2020: RM33 million) and RM31 million (2020: RM33 million), respectively.

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
The status of the land titles are as follows:				
Registered in the name of Corporation	**253**	383	**244**	363
Registered in the name of certain subsidiaries	**79**	95	**–**	–
In the process of being transferred to the name of the Corporation	**305**	168	**305**	168
In the process of being transferred to the name of the subsidiaries	**247**	254	**–**	–

16. INVESTMENT PROPERTIES

	At fair value			
	Group		Corporation	
	2021	2020 Restated	2021	2020 Restated
At 1 January	**5,347**	4,704	**1,853**	1,982
Prior year adjustment	**–**	312	**–**	371
At 1 January (restated)	**5,347**	5,016	**1,853**	2,353
Additions	**67**	117	**24**	42
Disposals	**(190)**	(3)	**–**	–
Changes in fair value (Note 5)	**43**	29	**35**	107
Net (loss)/gain from fair value adjustments in other comprehensive income	**(1)**	(3)	**–**	–
Exchange differences	**(1)**	11	**–**	–
Transfer from/(to), net:				
property, plant and equipment (Note 13)	**1**	65	**–**	18
inventories	**(135)**	9	**(134)**	9
right-of-use asset (Note 14)	**117**	42	**113**	–
assets held for sale	**(100)**	22	**(397)**	(676)
Surplus on transfer from right-of-use asset	**154**	–	**154**	–
Reclassification	**–**	42	**–**	–
At 31 December	**5,302**	5,347	**1,648**	1,853

	At fair value					
	Group			Corporation		
	31.12.2021	31.12.2020 Restated	1.1.2020 Restated	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
Included in the above are:						
Land (i) – Freehold	**2,222**	1,484	1,098	**35**	266	261
– Right-of-use	**2,422**	2,621	2,075	**1,503**	1,395	1,185
Buildings	**618**	1,127	1,645	**110**	192	907
Construction-in-progress ("CIP")	**40**	115	198	**–**	–	–
	5,302	5,347	5,016	**1,648**	1,853	2,353

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

16. INVESTMENT PROPERTIES (CONTINUED)

(i) Reconciliation of fair value measurement to valuation report

	Group			Corporation		
	31.12.2021	31.12.2020 Restated	1.1.2020 Restated	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
Fair value of investment property based on valuation report	**4,739**	4,832	4,594	**1,146**	1,338	1,931
Add: carrying amount of land lease rentals received in advance	**563**	515	422	**502**	515	422
	5,302	5,347	5,016	**1,648**	1,853	2,353

(a) Investment properties are stated at fair value based on the valuations performed by independent firms of professional valuers who have the relevant qualification and recent experience in the location and category of property valued.

(b) The land lease rentals received in advance relate to lease income received from third party sub-lessees for the sub-leases of leasehold land for period 30 to 60 years for which the sub-lease arrangements were treated as operating leases at the inception of sub-lease arrangements in compliance with MFRS 16. The sub-leased leasehold interest of 30 to 60 years have not been considered in the valuation as at 31 December 2021 performed by independent firms of professional valuers on the basis that the Corporation is no longer the beneficial/legal owner of the sub-leased leasehold land following the registration under the name of the third party sub-leases.

	Group		Corporation	
	2021	2020 Restated	2021	2020
Amortisation of land lease income received in advance	**16**	15	**13**	12
Rental income	**219**	147	**40**	37
	235	162	**53**	49
Direct operating expenses:				
From income generating investment properties	**23**	39	**3**	3

16. INVESTMENT PROPERTIES (CONTINUED)

The fair value of investment properties is estimated based on valuations carried out by independent firms of professional valuers using the following valuation techniques:

Group

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable input to fair value
Land	Comparison method	RM1 – RM779 per square foot (2020: RM1 – RM779 per square foot)	The higher the value per square foot, the higher the valuation
Buildings	Investment method	Term and reversion yield (5% – 9.25%) (2020: 5% – 8.0%)	The estimated fair value would increase/(decrease) if terms and reversion yield were higher/(lower)
	Residual method	Average rent price per square foot of RM3 – RM397 (2020: RM3 – RM397)	The estimated fair value would increase/(decrease) if selling price per square foot were higher/(lower)
	Net income method	Capitalisation rate (6% – 7.8%) (2020: 6% – 7.8%)	The estimated fair value would increase/(decrease) if the capitalisation decrease/(increase)
Construction-in-progress ("CIP")	Cost method	Construction cost per square foot RM3 – RM630 (2020: RM4 – RM630)	The estimated fair value would increase/(decrease) if construction cost per square foot were higher/(lower)
		Percentage of completion 5% – 100% (2020: 5% – 100%)	The estimated fair value would increase/(decrease) if percentage of completion were higher/(lower)

Corporation

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable input to fair value
Land	Comparison method	RM8 – RM779 per square foot (2020: RM8 – RM779 per square foot)	The higher the value per square foot, the higher the valuation
	Cost method	RM40 – RM52 per square foot (2020: RM33 – RM54 per square foot)	The estimated fair value would increase/(decrease) if the unobservable inputs disclosed were higher/(lower)
Buildings	Comparison method	RM3 – RM11 per square foot (2020: RM3 – RM15 per square foot)	The higher the value per square foot, the higher the valuation
	Cost method	RM2 – RM552 per square foot (2020: RM2 – RM636 per square foot)	The estimated fair value would increase/(decrease) if the unobservable inputs disclosed were higher/(lower)

The fair value hierarchy of these investment properties are disclosed in Note 39(e).

As at 31 December 2021, investment properties of the Group with carrying amount of RM3,814 million (2020: RM3,947 million) are pledged as security for borrowings.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

17. BIOLOGICAL ASSETS

Group	Fresh fruit bunches	Livestock	Others	Total
At 1 January 2020	7	18	4	29
Additions	–	4	4	8
Changes in fair value (Note 5)	14	(2)	(2)	10
Disposals	(1)	(5)	–	(6)
Transfer from:				
Property, plant and equipment (Note 13)	–	–	4	4
At 31 December 2020/1 January 2021	**20**	**15**	**10**	**45**
Additions	**–**	**7**	**9**	**16**
Changes in fair value (Note 5)	**20**	**–**	**–**	**20**
Disposals	**–**	**(2)**	**(9)**	**(11)**
At 31 December 2021	**40**	**20**	**10**	**70**

The biological assets are subject to the following maturity period:

	Group	
	2021	2020
Current:		
Due no later than one year	**70**	45
	70	45

During the financial year, the Group's produced approximately 1,061,504 metric tonnes ("MT") (2020: 1,158,815 MT) of fresh fruit bunches ("FFB"), 1,528 MT (2020: 2,151 MT) pineapples and 301 heads (2020: 289 heads) of livestock.

As at 31 December 2021, the Group's unharvested FFB, pineapples and unsold livestock used in the fair value were 36,008 MT (2020: 34,203 MT), 7,984 MT (2020: 5,210 MT) and 7,491 heads (2020: 6,115 heads) respectively.

Management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, FFB more than 2 weeks before harvesting are excluded from the valuation as their fair values are considered negligible. The fair value of FFB is calculated based on the income approach which considers the net present value of all directly attributable net cashflows including imputed contributory asset charges and the range of FFB prices as at year end of RM1,069 to RM1,211 (2020: RM748 to RM861) per MT.

Growing pineapples represent the standing pineapples prior to harvest. The fair value of growing pineapples depends on the age, sucrose content and condition and is calculated based on expected selling prices as at year end of RM1.59/kg (2020: RM2.09/kg).

Fair values of the livestock are based on the Group's assessment of the age, average weights and market values of the livestock, which range from RM400 to RM7,000 (2020: RM2,500 to RM5,500) per livestock.

The fair value measurement of the Group's biological assets are categorised within Level 3 of the fair value hierarchy with the exception of livestock which are on Level 2 as the inputs used are indirectly observable. If the selling price of the FFB, pineapples and livestock changed by 5%, the profit or loss of the Group would have increased or decreased by approximately RM0.60 million (2020: RM1.65 million), RM0.80 million (2020: RM0.50 million) and RM0.34 million (2020: RM0.75 million), respectively.

18. INTANGIBLE ASSETS

Group	Goodwill	Software expenditure	Software expenditure under development	Others	Total
Cost:					
At 1 January 2020	252	41	33	22	348
Additions	–	–	2	3	5
Reclassification	–	30	(30)	–	–
Acquisition of subsidiaries	16	–	–	–	16
At 31 December 2020/ 1 January 2021	**268**	**71**	**5**	**25**	**369**
Reclassification	**–**	**3**	**(3)**	**–**	**–**
Transfer to asset held for sale	**(29)**	**–**	**–**	**(8)**	**(37)**
Write off	**–**	**–**	**–**	**(16)**	**(16)**
Acquisition of subsidiaries	**48**	**–**	**–**	**–**	**48**
At 31 December 2021	**287**	**74**	**2**	**1**	**364**
Accumulated amortisation and impairment:					
At 1 January 2020	72	17	–	8	97
Amortisation (Note 6)	–	16	–	–	16
Impairment (Note 6)	17	–	–	17	34
At 31 December 2020/ 1 January 2021	**89**	**33**	**–**	**25**	**147**
Amortisation (Note 6)	**–**	**12**	**–**	**–**	**12**
Impairment (Note 6)	**4**	**–**	**–**	**–**	**4**
Written off	**–**	**–**	**–**	**(16)**	**(16)**
Transfer to asset held for sale	**(27)**	**–**	**–**	**(8)**	**(35)**
At 31 December 2021	**66**	**45**	**–**	**1**	**112**
Net carrying amount:					
At 31 December 2020	179	38	5	–	222
At 31 December 2021	**221**	**29**	**2**	**–**	**252**

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

18. 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"):

	Goodwill	
Group	**2021**	**2020**
Healthcare services	**189**	177
Others	**32**	2
	221	179

Goodwill – Healthcare services

Recoverable amount based on fair value less cost of disposal

The recoverable amount of the CGU is determined based on fair value less cost of disposal calculation (level 3 fair value hierarchy). These calculations use cash flow projections based on financial budgets approved by the Director covering a five-year period. Cash flow beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used are as follow:

	2021 %	2020 %
Malaysia		
Revenue[1]	**9 – 22**	7 – 11
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin[2]	**25.8 – 27.8**	23.5 – 28.3
Discount rate[3]	**13**	13
Terminal growth rate[4]	**5**	5

Assumptions:

1 Based on revenue range
2 EBITDA margin over the budget period
3 Pre-tax discount rate applied to the cash flow projections
4 Terminal growth rate used to extrapolate cash flows beyond the budgeted period

The Directors have determined the revenue and EBITDA margin based on expectations of market development. The pre-tax discount rates used are based on comparable healthcare companies and adjusted for projection risk. The terminal growth rate does not exceed the long-term average growth rate for the relevant group of CGUs.

Management believes that any reasonable change to the above key assumptions would not cause the recoverable amount of the CGU to be materially lower than its carrying amount.

Others

Others relate to goodwill relating to CGUs which are not individually material.

19. INVESTMENT IN SUBSIDIARIES

	Corporation	
	2021	**2020**
Shares, at cost:		
Quoted shares in Malaysia	**299**	299
Unquoted shares in Malaysia	**2,392**	2,355
Unsecured preference shares*	**1,810**	1,863
Amount due from subsidiaries	**382**	323
At 31 December	**4,883**	4,840
Less: Accumulated impairment		
Accumulated impairment, at 1 January	**(1,478)**	(1,421)
Transfer to assets held for sales	**31**	-
Charge for the financial year (Note 6)	**(44)**	(57)
Accumulated impairment, at 31 December	**(1,491)**	(1,478)
Investment in subsidiaries	**3,392**	3,362
Market value for quoted shares	**1,716**	1,546

* The unsecured preference shares are issued by different subsidiaries with equity features as follows:

- Convertible and non-convertible
- Cumulative and non-cumulative
- Redeemable and non-redeemable

(a) Carrying amounts of shares pledged as security for borrowings of the Corporation and certain subsidiaries amounted to RM257 million (2020: RM230 million).

(b) Impairment loss on investment in a subsidiary

In previous year, due to continuing losses over the years in a subsidiary, JCorp Hotels & Resorts Sdn Bhd, an impairment test was performed for the investment. The recoverable amount of the subsidiary is determined based on fair value less cost of disposal calculation (Level 3 fair value computation).

During the financial year, due to continuing losses over the years in few subsidiaries, an impairment loss of RM44 million had been recorded. The recoverable amount of the subsidiaries are determined based on fair value less cost of disposal calculation (Level 3 fair value computation).

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Al-'Aqar Healthcare REIT and Damansara Assets Sdn Bhd 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 intercompany balances and transactions. The non-controlling interests of the other subsidiaries are individually not material to the Group.

(i) The Group's subsidiaries that have non-controlling interests ("NCI") are as follows:

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Assets Sdn Bhd	
Group	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
NCI percentage of ownership interest	**0.02%**	0.02%	**61.74%**	61.32%	**85.21%***	85.05%*	**48.03%**	48.02%
Carrying amount of NCI	**–**	–	**1,318**	1,257	**805**	802	**308**	311
Profit allocated to NCI	**–**	–	**32**	68	**63**	11	**–**	–

* The NCI percentage of voting interest for Al-'Aqar Healthcare REIT is 61.4% (2020: 61.4%)

(ii) Summarised Statements of Financial Position

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Assets Sdn Bhd	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Non-current assets	**4,423**	5,226	**4,969**	5,071	**1,538**	1,540	**1,570**	1,740
Current assets	**1,538**	912	**1,219**	1,070	**127**	108	**409**	402
Total assets	**5,961**	6,138	**6,188**	6,141	**1,665**	1,648	**1,979**	2,142
Current liabilities	**840**	919	**1,580**	1,232	**21**	583	**186**	249
Non-current liabilities	**2,358**	2,494	**2,357**	2,707	**699**	121	**697**	642
Total liabilities	**3,198**	3,413	**3,937**	3,939	**720**	704	**883**	891
Net assets	**2,763**	2,725	**2,251**	2,202	**945**	944	**1,096**	1,251
Equity attributable to owners of the subsidiary	**2,835**	2,702	**2,136**	2,050	**945**	944	**788**	940
Non-controlling interests	**(72)**	23	**115**	152	**–**	–	**308**	311
Total equity	**2,763**	2,725	**2,251**	2,202	**945**	944	**1,096**	1,251

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Al-'Aqar Healthcare REIT and Damansara Assets Sdn Bhd 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 intercompany balances and transactions. The non-controlling interests of the other subsidiaries are individually not material to the Group. (continued)

(iii) Summarised Statements of Comprehensive Income

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Assets Sdn Bhd	
	2021	**2020 Restated**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Revenue	**1,647**	1,109	**2,627**	2,397	**114**	116	**112**	138
Profit/(Loss) for the financial year	**143**	(461)	**66**	111	**74**	13	**(16)**	(43)
Profit/(Loss) attributable to owners of the company	**237**	(376)	**51**	110	**74**	13	**(18)**	(36)
Profit/(Loss) attributable to the non-controlling interests	**(94)**	(85)	**15**	1	**–**	–	**2**	(7)
Other comprehensive income/(loss) attributable to owners of the company	**9**	–	**12**	95	**(2)**	12	**–**	–
Other comprehensive income/(loss) for the financial year	**9**	–	**12**	95	**(2)**	12	**–**	–
Total comprehensive income/(loss)	**152**	(461)	**78**	206	**72**	25	**(16)**	(43)
Total comprehensive income/(loss) attributable to owners of the company	**247**	(377)	**63**	205	**72**	25	**(18)**	(36)
Total comprehensive income/(loss) attributable to the non-controlling interests	**(95)**	(84)	**15**	1	**–**	–	**2**	(7)
	152	(461)	**78**	206	**72**	25	**(16)**	(43)
Dividend paid to non-controlling interests	**–**	1	**65**	30	**3**	39	**6**	20

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Summarised financial information of Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, Al-'Aqar Healthcare REIT and Damansara Assets Sdn Bhd 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 intercompany balances and transactions. The non-controlling interests of the other subsidiaries are individually not material to the Group. (continued)

(iv) Summarised Statements of Cash Flows

	Kulim (Malaysia) Berhad		KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Damansara Assets Sdn Bhd	
	2021	2020 Restated	2021	2020	2021	2020	2021	2020
Net cash generated from/ (used in) operating activities	**431**	587	**412**	337	**89**	83	**35**	44
Net cash (used in)/generated from investing activities	**(135)**	(253)	**38**	(275)	**1**	(1)	**139**	(54)
Net cash (used in)/generated from financing activities	**(306)**	(334)	**(394)**	(111)	**(67)**	(90)	**(176)**	2
Net change in cash and cash equivalents	**(10)**	–	**56**	(49)	**23**	(8)	**(2)**	(8)

(d) Acquisition of subsidiaries in 2021

(i) On 1 October 2021, JLand Group Sdn Bhd ("JLGSB") (formerly known as Absolute Ambient Sdn Bhd) acquired 184,815,730 units of shares in Damansara Holdings Berhad ("DBhd") for a total consideration of RM92,407,865. Subsequently, on 31 December 2021, additional shares of 33,912,585 units were acquired for a consideration of RM16,956,127 which amounted to a total of 68.7% equity interest in DBhd. On the same date, the Corporation acquired additional shares of 41,960,207 at RM1 per share in JLGSB. With this, the Corporation now holds a total of 42,060,207 shares of JLGSB.

(ii) The Corporation acquired 125,000 ordinary shares of Johor Skills Development Centre Sdn Bhd amounting to a total of RM2,692,250. This price and amount of shares were based on offer letter dated 17 September 2019, which was accepted by the vendor on 23 September 2019. The full payment was completed on 13 January 2021 which lead to the shares being allotted during the financial year 2021.

(iii) On 1 November 2021, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") acquired additional 18,330,000 new shares in Miri Specialist Hospital Sdn Bhd ("MSH") representing 14% equity interest, for a total consideration of RM18,330,000. With this, KPJSB now holds 84% shares of MSH.

(iv) On 24 December 2021, KPJSB acquired additional 15,300,000 new shares in Kuching Specialist Hospital Sdn Bhd ("KcSH"), representing 23% equity interest, for a total consideration of RM15,330,000. With this, KPJSB now holds 93% shares of KcSH.

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Acquisition of subsidiaries in 2021 (continued)

(v) During the financial year 2021, Kulim (Malaysia) Berhad ("KMB") acquired an additional 0.44% equity interest in Special Appearance Sdn Bhd and 25% equity interest in Perfect Synergy Trading Sdn Bhd for a total consideration of RM0.003 million and RM0.39 million respectively. The additional acquisitions did not have any significant effect on the financial position and results of the Group except for the decreased in non-controlling interest subsequent to the additional acquisition of interest in subsidiaries.

(e) Redemption of preference shares in 2021

(i) On 31 December 2021, there was a redemption of preference shares of JSEDC Properties Sdn Bhd amounting to RM34,452,965.

(f) Conversion of preference shares to ordinary shares in 2021

(i) On 18 August 2021, Syarikat Pengangkutan Maju Berhad converted 18,830,000 preference shares to ordinary shares.

(g) Disposal of subsidiaries in 2021

(i) On 15 November 2021, KPJSB disposed its entire equity interest in a subsidiary, Teraju Farma Sdn Bhd for a cash consideration of RM1,560,000. The effects of the disposal of the subsidiary gave a rise to a loss of RM750,412.

(ii) On 3 March 2021, Johor Capital Holdings Sdn Bhd disposed its entire equity interest in a subsidiary, Rajaudang Aquaculture Sdn Bhd for a cash consideration of RM973,466. The effects of the disposal of the subsidiary gave a rise to a loss of RM286,030.

(iii) During the financial year, KMB entered into share sale agreements with third parties in relation to the proposed disposal of Kulim Technology Ideas Sdn Bhd, Microwell Bio Solutions Sdn Bhd, KCW Electrical Sdn Bhd, KCW Hardware Sdn Bhd, KCW Kulim Marine Services Sdn Bhd, Sindora Trading Sdn Bhd and Sindora Wood Products Sdn Bhd for a purchase consideration of RM1 for each subsidiary. The decision is in line with the Group's intention to streamline its business activities and assets base by focusing on the Group's strength and expertise in palm oil and its related businesses. The disposal was completed on 1 April 2021, 1 June 2021, and 31 October 2021 respectively. Accordingly, the abovementioned entities ceased to be subsidiaries of the Group. The disposal did not have any significant effect on the financial position and results of the Group.

(h) Acquisition of subsidiaries in 2020

(i) On 2 November 2020, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") acquired 100% equity interest in Kluang Specialist Hospital Sdn Bhd ("KSHSB") for a total cash consideration of RM27,474,731.

(ii) On 9 October 2020, KPJSB acquired additional 2,000,000 new shares in Fabricare Laundry Sdn Bhd ("FLSB"), representing 3% equity interest in FLSB, for a total consideration of RM2,000,000. With this acquisition, the Group now holds 98% shareholdings of FLSB.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(i) Disposal of subsidiaries in 2020

(i) On 29 July 2020, KPJSB has entered into 2 separate Shares Sale and Purchase Agreements ("SSPA") with Mr Irfan Jasri and Ms Annie Trisusilo ("new shareholders") for the disposal of 80% of KPJSB's stake in PT Khidmat Perawatan Jasa Medika ("KPJ Medika") for a total consideration of IDR96.0 billion. The transfer of shares of KPJ Medika was completed on 21 October 2020, which was the date of the confirmation letter from Indonesia's Ministry of Law and Human Rights.

(ii) During the financial year, KMB Group entered into Shares Sales Agreement with third parties in relation to the proposed disposal of EPA Futures Sdn Bhd, Exquisite Livestock Sdn Bhd, Sindora Timber Products Sdn Bhd and Microwell Trading Sdn Bhd for a purchase consideration of RM1 for each subsidiary. The decision is in line with Group intention to streamline business activities and assets base by focusing on Group's strength and expertise in palm oil and its related business. The disposal was completed on 13 November 2020. Accordingly, all the subsidiaries mentioned above ceased to be subsidiaries of the Group.

(iii) During the financial year, KMB Group via EA Technique (M) Berhad ("EAT") announced the private placement of new ordinary shares representing approximately 21.1% of the Company's total number of issued shares (excluding treasury shares) allotted to its holdings company and independent third party investors. Following the issuance of private placement, the Group's shareholdings in EAT decreased from 53.16% to 52.48%.

20. INVESTMENT IN ASSOCIATES

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Unquoted shares in Malaysia, at cost	**105**	102	**4**	4
Unquoted shares outside Malaysia	**55**	63	**–**	–
Share of post-acquisition retained profits and reserves less losses	**97**	116	**–**	–
	257	281	**4**	4

20. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) Details of the Group's associates are as follows:

	Country of incorporation	Principal activities	Percentage of ownership interest held by the Group* 2021	2020	Accounting model applied
Held by the Corporation:					
Panca Pesona Sdn Bhd	Malaysia	Industrial land and property developer	**40.00%**	40.00%	Equity method
Held through the subsidiaries:					
Bertam Properties Sdn Bhd	Malaysia	Property developer	**20.00%**	20.00%	Equity method
Revertex (Malaysia) Sdn Bhd	Malaysia	Processing of rubber and chemicals	**30.07%**	30.07%	Equity method
Kedah Medical Centre Sdn Bhd	Malaysia	Operating as a specialist hospital	**45.65%**	45.65%	Equity method
Vejthani Public Company Limited	Thailand	International specialist hospital	**23.37%**	23.37%	Equity method
DAC Properties Sdn Bhd	Malaysia	Development of building projects for own operation	**30.00%**	–	Equity method

* Equals to the proportion of voting rights held

These associates have the same reporting period as the Group.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

20. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information represents the amounts in the statutory financial statements of the associates and not the Group's share of those amounts.

(i) Summarised Statements of Financial Position

	Vejthani Public Company Limited		Bertam Properties Sdn Bhd		Revertex (Malaysia) Sdn Bhd		DAC Properties Sdn Bhd	
	2021	2020 Restated	2021	2020	2021	2020	2021	2020
Non-current assets	**355**	361	**209**	107	**70**	231	**76**	–
Total current assets	**125**	147	**115**	117	**312**	149	**354**	–
Total assets	**480**	508	**324**	224	**382**	380	**430**	–
Non-current liabilities	**104**	97	**91**	17	**2**	–	**76**	–
Current liabilities	**109**	151	**38**	10	**158**	52	**202**	–
Total liabilities	**213**	248	**129**	27	**160**	52	**278**	–
Net assets	**267**	260	**195**	197	**222**	328	**152**	–

(ii) Summarised Statements of Comprehensive Income

	Vejthani Public Company Limited		Bertam Properties Sdn Bhd		Revertex (Malaysia) Sdn Bhd		DAC Properties Sdn Bhd	
	2021	2020 Restated	2021	2020	2021	2020	2021	2020
Revenue	**279**	234	**84**	64	**267**	146	**12**	–
Profit for the financial year from continuing operations	**31**	7	**11**	4	**9**	(6)	**3**	–
Dividend received from the associates during the financial year	**1**	2	**3**	3	**3**	14	**–**	–

20. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) Summarised financial information in respect of the Group's material associates is set out below. The summarised financial information represents the amounts in the statutory financial statements of the associates and not the Group's share of those amounts. (continued)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	Vejthani Public Company Limited		Bertam Properties Sdn Bhd		Revertex (Malaysia) Sdn Bhd		DAC Properties Sdn Bhd	
	2021	2020 Restated	2021	2020	2021	2020	2021	2020
Net assets at 1 January	**260**	225	**197**	206	**223**	417	**153**	–
Profit for the financial year	**30**	8	**11**	4	**9**	(6)	**3**	–
Changes in equity	**(20)**	34	**–**	–	**–**	–	**–**	–
Dividend paid by associates during the financial year	**(3)**	(7)	**(13)**	(13)	**(10)**	(83)	**–**	–
Net assets at 31 December	**267**	260	**195**	197	**222**	328	**156**	–
Interest in associates	**23.37%**	23.37%	**20.00%**	20.00%	**30.07%**	30.07%	**30.00%**	–
Group share of net assets	**62**	61	**39**	39	**67**	99	**47**	–

21. INVESTMENT IN JOINT VENTURES

	Group	
	2021	2020
At cost		
Unquoted shares in Malaysia	**1,478**	1,478
Unquoted shares outside Malaysia	**310**	310
Share of post-acquisition reserves	**251**	132
Accumulated impairment	**(265)**	(265)
	1,774	1,655

The Group has voting rights of its joint ventures ranging from 51.00% to 65.62% (2020: 51.00% to 65.62%). Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

21. INVESTMENT IN JOINT VENTURES (CONTINUED)

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*		Principal activities	Accounting model applied
		2021	2020		
QSR Brands (M) Holdings Bhd	Malaysia	**56.00%**	56.00%	Note (i)	Equity method
Tepak Marketing Sdn Bhd	Malaysia	**65.62%**	65.62%	Note (ii)	Equity method
Johor Concrete Products Sdn Bhd	Malaysia	**51.00%**	51.00%	Note (iii)	Equity method
PT Padang Industrial Park	Indonesia	**55.00%**	55.00%	Note (iv)	Equity method
PT Rizki Bukit Barisan Energi	Indonesia	**60.00%**	60.00%	Note (v)	Equity method

* equals to the proportion of voting rights held

These joint ventures have the same reporting period as the Group:

(i) The principal activity is mainly involved in the business of quick service restaurants.
(ii) The principal activities consist of contract packing of tea and tea trading.
(iii) The principal activities are manufacturing and marketing of concrete drains and piles. The Company ceased operations in February 2003.
(iv) The principal activities consist of construction, development and sale of industrial estate.
(v) The principal activities are exploration and production of crude oil and natural gas.

21. INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information represents the amounts in the statutory financial statements of the joint ventures and not the Group's share of those amounts.

(i) Summarised Statements of Financial Position

	QSR Brands (M) Holdings Bhd		PT Rizki Bukit Barisan Energi	
	2021	**2020**	**2021**	**2020**
Non-current assets	**5,929**	5,442	**201**	181
Cash and cash equivalents	**807**	648	**–**	–
Other current assets	**497**	554	**21**	20
Total current assets	**1,304**	1,202	**21**	20
Total assets	**7,233**	6,644	**222**	201
Current liabilities (excluding trade and other payables and provisions)	**578**	569	**–**	–
Trade and other payables and provisions	**731**	724	**–**	1
Total current liabilities	**1,309**	1,293	**–**	1
Non-current liabilities (excluding trade and other payables and provisions)	**2,942**	2,534	**288**	281
Trade and other payables and provisions	**–**	47	**–**	–
Total non-current liabilities	**2,942**	2,581	**288**	281
Total liabilities	**4,251**	3,874	**288**	282
Net assets/(liabilities)	**2,982**	2,770	**(66)**	(81)

(ii) Summarised Statements of Comprehensive Income

	QSR Brands (M) Holdings Bhd		PT Rizki Bukit Barisan Energi	
	2021	**2020**	**2021**	**2020**
Revenue	**4,800**	4,826	**–**	–
Depreciation and amortisation	**513**	533	**–**	–
Interest income	**9**	10	**–**	–
Interest expense	**126**	143	**–**	–
Profit/(loss) before tax	**383**	281	**15**	(7)
Income tax expense	**(121)**	(89)	**–**	–
Profit/(loss) after tax	**262**	192	**15**	(7)
Other comprehensive income	**2**	–	**–**	–
Total comprehensive income/(loss)	**264**	192	**15**	(7)

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

21. INVESTMENT IN JOINT VENTURES (CONTINUED)

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in material joint ventures.

	QSR Brands (M) Holdings Bhd		PT Rizki Bukit Barisan Energi	
	2021	2020	2021	2020
Net assets at 1 January	**2,770**	2,578	**(81)**	(74)
Profit/(loss) for the financial year	**262**	192	**15**	(7)
Other comprehensive income	**2**	–	**–**	–
Prior year unadjusted profit	**20**	–	**–**	–
Dividend declared by joint venture	**(72)**	–	**–**	–
Net assets at 31 December	**2,982**	2,770	**(66)**	(81)
Interest in joint ventures	**56.00%**	56.00%	**60.00%**	60.00%
Group's share of net assets	**1,670**	1,551	**(40)**	(48)

22. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

Deferred tax assets and liabilities are attributable to the following:

	Group			Corporation		
	31.12.2021	31.12.2020 Restated	1.1.2020 Restated	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
Deferred tax assets:						
Subject to income tax	**280**	256	210	**171**	172	148
Subject to Real Property Gain Tax ('RPGT')	**–**	–	–	**–**	–	–
	280	256	210	**171**	172	148
Deferred tax liabilities:						
Subject to income tax	**(784)**	(789)	(723)	**(36)**	(16)	(6)
Subject to Real Property Gain Tax ('RPGT')	**(211)**	(212)	(280)	**(165)**	(191)	(248)
	(995)	(1,001)	(1,003)	**(201)**	(207)	(254)

22. DEFERRED TAX (CONTINUED)

The movement in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

	Group		Corporation	
	2021	2020 Restated	2021	2020
At 1 January	(750)	(805)	(40)	(118)
Prior year adjustment	5	12	5	12
At 1 January (restated)	(745)	(793)	(35)	(106)
Deferred taxes acquired in business combinations	(8)	–	–	–
Transferred to discontinued operations	–	13	–	–
Credited/(Charged) to profit or loss:				
Property, plant and equipment	155	379	(1)	17
Investment properties	15	(24)	22	30
Unutilised tax losses	(38)	–	–	30
Right of use	(48)	(297)	–	–
Provisions	(3)	(20)	(1)	(6)
Receivables	(1)	32	–	–
Payables	(19)	(31)	–	–
Others	(5)	18	–	–
	56	57	20	71
Credited/(Charged) to other comprehensive income:				
Property, plant and equipment	(18)	(22)	(15)	–
At 31 December	(715)	(745)	(30)	(35)

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

22. DEFERRED TAX (CONTINUED)

	Group		Corporation	
	2021	**2020 Restated**	**2021**	**2020**
Deferred tax assets				
Property, plant and equipment	**35**	(81)	**–**	–
Right of use	**–**	81	**–**	–
Provisions	**39**	42	**5**	6
Investment property	**9**	(19)	**–**	–
Unutilised tax losses	**206**	244	**166**	166
Receivables	**(2)**	(2)	**–**	–
Payables	**12**	31	**–**	–
Others	**9**	37	**–**	–
Amount before offsetting	**308**	333	**171**	172
Offsetting	**(28)**	(77)	**–**	–
At 31 December	**280**	256	**171**	172
Deferred tax liabilities				
Property, plant and equipment	**(414)**	(449)	**(22)**	(21)
Right of use	**(299)**	(316)	**–**	–
Investment properties	**(274)**	(255)	**(164)**	(186)
Revaluation reserves	**(46)**	(46)	**(15)**	–
Receivables	**(4)**	(3)	**–**	–
Others	**14**	(9)	**–**	–
Amount before offsetting	**(1,023)**	(1,078)	**(201)**	(207)
Offsetting	**28**	77	**–**	–
At 31 December	**(995)**	(1,001)	**(201)**	(207)

The Directors are of the view that there is sufficient taxable profit available which allow the deferred tax assets to be utilised in the future.

In evaluating whether it is probable that taxable profits will be earned in future accounting periods prior to the expiry of the unabsorbed tax losses up to 2031, all available evidences are considered, including approved budgets, forecasts and business plans and, in certain cases, analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets. No reasonably possible change in any of the key assumptions would result in a reduction in forecast headroom of taxable profits such that the deferred tax asset would not be realised.

22. DEFERRED TAX (CONTINUED)

Unrecognised deferred tax assets

The amount of unused tax losses and deductible temporary differences for which no deferred tax assets are recognised in the statement of financial position by certain subsidiaries as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised is as follows:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Deductible temporary differences	**262**	233	–	–
Unabsorbed capital allowance	**267**	69	76	–
Unutilised tax losses	**504**	279	49	–
	1,033	581	125	–

Pursuant to the Finance Act 2021 amendment to Section 44, unutilised tax losses can now be carried forward up to 10 (2020: 7) consecutive years of assessment.

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Unabsorbed tax losses expiring in:				
– 2025	**221**	277	–	–
– 2028	**113**	2	–	–
– 2029	**91**	–	–	–
– 2030	**10**	–	–	–
– 2031	**69**	–	49	–
	504	279	49	–

23(A). FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Group 2021	Shares In Malaysia		
	Unquoted	**Quoted**	**Total**
Non-current:			
Financial assets at fair value through other comprehensive income	**12**	**–**	**12**

Group 2020			
Non-current:			
Financial assets at fair value through other comprehensive income	12	–	12
Current:			
Financial assets at fair value through other comprehensive income	–	16	16

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

23(B). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group 2021	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Total
Non-Current:			
Financial assets at fair value through profit or loss	**1**	**–**	**1**
Current:			
Financial assets at fair value through other comprehensive income	**–**	**5**	**5**

Group 2020	Shares In Malaysia Unquoted	Shares In Malaysia Quoted	Shares Outside Malaysia Unquoted	Warrant In Malaysia Quoted	Total
Current:					
Financial assets at fair value through profit or loss	–	5	–	–	5

Corporation 2021	Shares In Malaysia Quoted	Warrant In Malaysia Quoted	Total
Current:			
Financial assets at fair value through profit or loss	**13**	**–**	**13**

Corporation 2020			
Current:			
Financial assets at fair value through profit or loss	14	–	14

24. CONTRACT COSTS

	Group 2021	Group 2020
Assets recognised from costs incurred to fulfil a contract	**3**	9

Land and related development cost that are attributable to units sold are capitalised as contract cost. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised.

25. TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2021	2020	2021	2020
Non current				
Other receivables*	72	61	–	–
Less: Allowance for impairment (Note 25(a)(i))	(59)	(58)	–	–
	13	3	–	–
Current				
Trade receivables	767	599	54	35
Less: Allowance for impairment (Note 25(a)(ii))	(65)	(77)	(11)	(16)
	702	522	43	19
Other receivables	293	327	30	45
Less: Allowance for impairment (Note 25(a)(iii))	(30)	(43)	(7)	(9)
	263	284	23	36
Amount due from subsidiaries (Note 25(c))	–	–	491	308
Less: Allowance for impairment (Note 25(d)(i) & (ii))	–	–	(217)	(225)
	–	–	274	83
Amount due from associates	6	3	–	–
Deposits	44	45	–	–
	50	48	–	–
	1,015	854	340	138
Total trade and other receivables	1,028	857	340	138

* Included in non-current other receivables is an amount due from PT Graha Sumber Berkah amounting to RM59 million (2020: RM58 million) and has been fully impaired in 31 December 2021.

(a) Reconciliation of loss allowance

(i) Non-current other receivables using simplified approach

The loss allowance for other receivables as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

	Group		Corporation	
	2021	2020	2021	2020
Opening loss allowance at 1 January	58	11	–	–
Changes recognised in profit or loss during the year	1	47	–	–
At 31 December	59	58	–	–

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

(ii) Current trade receivables using simplified approach

The loss allowance for trade receivables as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Opening loss allowance at 1 January	**77**	99	**16**	42
Changes recognised in profit or loss during the year	**37**	32	**2**	–
Receivables written off	**(40)**	(15)	**(3)**	–
Reversal of unutilised amount	**(1)**	(7)	**(5)**	–
Reclassification	**–**	–	**1**	–
Recovery of written off receivables	**(5)**	(32)	**–**	(26)
Transfer to asset held for sale	**(3)**	–	**–**	–
At 31 December	**65**	77	**11**	16

(iii) Other receivables using general 3 stage approach

The loss allowance for other receivables as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

Group	**Performing**	**Under-performing**	**Non-performing**	**Total**
Opening loss allowance as at 1 January 2020	–	–	45	45
Changes recognised in profit or loss during the year	–	–	(2)	(2)
Individual financial assets transferred to under-performing (lifetime expected credit losses)	–	–	–	–
Closing loss allowance as at 31 December 2020/Opening loss allowance as at 1 January 2021	**–**	**–**	**43**	**43**
Changes recognised in profit or loss during the year	**–**	**–**	**9**	**9**
Reversal of unutilised amount	**–**	**–**	**(2)**	**(2)**
Write-off	**–**	**–**	**(5)**	**(5)**
Recoveries	**–**	**–**	**(15)**	**(15)**
Closing loss allowance as at 31 December 2021	**–**	**–**	**30**	**30**

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

(iii) Other receivables using general 3 stage approach (continued)

The loss allowance for other receivables as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows: (continued)

Corporation	Performing	Under-performing	Non-performing	Total
Opening loss allowance as at 1 January 2020/Opening loss allowance as at 1 January 2021	**–**	**–**	**9**	**9**
Reversal of unutilised amount	**–**	**–**	**(2)**	**(2)**
Closing loss allowance as at 31 December 2021	**–**	**–**	**7**	**7**

(b) Maximum exposure to credit risk

Trade receivables using simplified approach

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Group 31 December 2021	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	**0%**	**0%**	**0%**	**44%**	
Gross carrying amount – trade receivables	**560**	**11**	**12**	**184**	**767**
Loss allowance	**–**	**–**	**–**	**(65)**	**(65)**
Carrying amount (net of loss allowance)	**560**	**11**	**12**	**119**	**702**

Group 31 December 2020	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	0%	0%	0%	65%	
Gross carrying amount – trade receivables	436	28	17	118	599
Loss allowance	–	–	–	(77)	(77)
Carrying amount (net of loss allowance)	436	28	17	41	522

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Maximum exposure to credit risk (continued)

Trade receivables using simplified approach (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets: (continued)

Corporation 31 December 2021	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	0%	0%	0%	92%	
Gross carrying amount – trade receivables	39	–	3	12	54
Loss allowance	–	–	–	(11)	(11)
Carrying amount (net of loss allowance)	39	–	3	1	43

Corporation 31 December 2020	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	0%	0%	0%	76%	
Gross carrying amount – trade receivables	12	–	2	21	35
Loss allowance	–	–	–	(16)	(16)
Carrying amount (net of loss allowance)	12	–	2	5	19

(c) Offsetting of amount due from subsidiaries

	Corporation	
	2021	2020
Amount before offsetting	643	369
Offsetting (amount due to subsidiaries)	(152)	(61)
Amount after offsetting	491	308

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Reconciliation of loss allowance of amount due from subsidiaries

(i) Using simplified approach

The loss allowance for amount due from subsidiaries (trade) as at 31 December reconciles to the opening loss allowance for that provision as follows:

	Trade	
Corporation	**2021**	**2020**
Opening loss allowance as at 1 January	**97**	65
Changes recognised in profit or loss during the year	**–**	32
Receivable write off	**(6)**	–
Reclassification to trade receivables	**(1)**	–
Closing loss allowance as at 31 December	**90**	97

(ii) Using general 3 stage approach

The loss allowance for amount due from subsidiaries (non-trade) as at 31 December 2021 reconciles to the opening loss allowance for that provision as follows:

Corporation	Performing	Under-performing	Non-performing	Total
Opening loss allowance as at 1 January 2020	–	98	–	98
Changes recognised in profit or loss during the year	–	30	–	30
Closing loss allowance as at 31 December 2020/Opening loss allowance as at 1 January 2021	**–**	**128**	**–**	**128**
Reversal of time value of money	**–**	**(2)**	**–**	**(2)**
Reclassification from other receivables	**–**	**1**	**–**	**1**
Closing loss allowance as at 31 December 2021	**–**	**127**	**–**	**127**

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

26. CONTRACT ASSETS AND LIABILITIES

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Contract assets				
Current				
Construction contracts	–	6	–	6
Property development projects	**122**	133	–	–
Others	**6**	5	–	–
Total contract assets	**128**	144	–	6
Contract liabilities				
Current				
Construction contracts	**73**	70	**66**	50
Customer deposits	**43**	46	–	–
Others	**8**	10	–	–
Total contract liabilities	**124**	126	**66**	50

(i) Contract assets

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
At 1 January	**144**	134	**6**	39
Additions from/(Transfers to) contract assets recognised at the beginning of the financial period to receivables	**(6)**	6	–	6
Increase in revenue recognised in previous period arising from change in measure of progress	**39**	39	–	–
Billed to customers in current year	**(49)**	(35)	**(6)**	(39)
At 31 December	**128**	144	–	6

26. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(i) Contract assets (continued)

Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of contract assets for which the gross carrying amount represents the Group's and the Corporation's maximum exposure to credit risk:

Group 31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	–	–	–	–	–
Gross carrying amount – contract assets	128	–	–	–	128
Loss allowance	–	–	–	–	–
Carrying amount (net of loss allowance)	128	–	–	–	128

Group 31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	–	–	–	–	–
Gross carrying amount – contract assets	144	–	–	–	144
Loss allowance	–	–	–	–	–
Carrying amount (net of loss allowance)	144	–	–	–	144

Corporation 31 December 2021	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	–	–	–	–	–
Gross carrying amount – contract assets	–	–	–	–	–
Loss allowance	–	–	–	–	–
Carrying amount (net of loss allowance)	–	–	–	–	–

Corporation 31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	–	–	–	–	–
Gross carrying amount – contract assets	6	–	–	–	6
Loss allowance	–	–	–	–	–
Carrying amount (net of loss allowance)	6	–	–	–	6

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

26. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(ii) Contract liabilities

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
At 1 January	**126**	95	**50**	12
Revenue recognised that was included in the contract liabilities balance at the beginning of financial period	**(112)**	(64)	**(50)**	(12)
Addition during the year	**66**	95	**66**	50
Cash received	**44**	–	**–**	–
At 31 December	**124**	126	**66**	50

Contract assets consist of unbilled amount resulting from sales of properties under development when the revenue recognised exceeds the amount billed to the customers. Contract assets are transferred to receivables when the right to economic benefits become unconditional.

Contract liabilities represent the obligation of the Group and of the Corporation to transfer goods or services to customers for which considerations have been received (or the amount is due) from the customers.

The Group and the Corporation issue billings to purchasers based on the billing schedule as stipulated in the contracts.

All contract liabilities at the beginning of prior year have been fully recognised as revenue.

27. DERIVATIVE FINANCIAL INSTRUMENT

	Group Notional amount	
	2021	**2020**
Cash flow hedges:		
Notional amount		
Interest rate swap	**–**	400
Fair value		
Interest rate swap	**–**	4

During the previous financial year, the Group has entered into interest rate swap contracts that were designed to convert its floating rate liabilities to fixed rate liabilities to reduce the Group’s exposure to adverse fluctuations in interest rate on its borrowings.

Under the interest rate swap contracts, the Group paid a fixed rate of interest of 3.89% per annum and received a variable rate based on one month KLIBOR on the amortised notional amount.

The above interest rate swaps were not designated as a cash flow or fair value hedge and were entered into for a period consistent with the transaction exposure, which is up to the current financial year.

28. CASH AND BANK BALANCES

	Group		Corporation	
	2021	2020	2021	2020
Cash at banks and in hand	**596**	586	**26**	55
Fixed deposits	**324**	372	**104**	1
Cash and bank balances	**920**	958	**130**	56
Less:				
Fixed deposits with licensed bank of more than 3 months	**(317)**	(212)	**–**	–
Bank overdrafts	**(219)**	(197)	**–**	–
Designated accounts				
• Financial Service Reserve Account ("FSRA") & Deposit Service Reserve Account ("DSRA")	**(54)**	(58)	**–**	–
• Other deposits not for short funding requirement	**(34)**	(37)	**–**	–
• Shariah compliant designated account	**–**	(2)	**–**	–
• Others	**(4)**	(5)	**–**	–
Cash and cash equivalents	**292**	447	**130**	56

Included in fixed deposits are the following amounts subject to restriction:

	Group		Corporation	
	2021	2020	2021	2020
Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	**7**	32	**–**	–
Restricted usage under Government Grant	**–**	–	**–**	–
Restricted usage – others	**7**	21	**–**	–
	14	53	**–**	–

The currency profile of cash and bank balances is as follows:

	Group		Corporation	
	2021	2020	2021	2020
Malaysian Ringgit	**859**	899	**130**	56
Indonesian Rupiah	**12**	15	**–**	–
Australian Dollar	**44**	42	**–**	–
Bangladesh Taka	**1**	2	**–**	–
Philippine Peso	**3**	–	**–**	–
Singapore Dollar	**1**	–	**–**	–
	920	958	**130**	56

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

28. CASH AND BANK BALANCES (CONTINUED)

The weighted average interest rates of fixed deposits that were effective at the reporting date were as follows:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Fixed deposits	**2.11%**	2.88%	**1.83%**	1.7%

Deposits of the Group and of the Corporation have an average maturity of 130 days (2020: 135 days) and 21 days (2020: 33 days) respectively.

Included in the cash and bank balances of the Group is an amount of RM15 million (2020: RM11 million) of which the utilisation is subject to the Housing Developers Regulations 2002 (Housing Development Account).

29. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Assets of disposal group classified as held for sale:				
Property, plant and equipment (Note 29 (a) (iii) (b) & (c))	**618**	92	**81**	81
Inventory (Note 29 (a) (iii) & (b))	**2**	32	**55**	32
Investment properties (Note 29 (a) (i), (c) & (d))	**311**	185	**1,143**	746
Right-of-use assets (Note 29 (a) (iii), (b) & (c))	**73**	81	**–**	–
Investment in subsidiary	**–**	–	**1**	–
Trade and other receivables (Note 29 (a) (iii) & (b))	**55**	4	**–**	–
Intangible assets	**2**	–	**–**	–
Cash and bank balances	**17**	1	**–**	–
	1,078	395	**1,280**	859
Liabilities directly associated with disposal group classified as held for sale:				
Loans and borrowings (Note 29 (b))	**(235)**	–	**–**	–
Trade and other payables (Note 29 (a) (iii) & (b))	**(215)**	(5)	**–**	–
Lease liabilities	**(10)**	–	**–**	–
	(460)	(5)	**–**	–

29. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Below are the significant assets of disposal group classified as held for sale, all of which are expected to be completed in 2022:

(a) Group and Corporation

(i) On 31 July 2018, the Group and the Corporation entered into a development agreement with the State Government to surrender certain investment properties, property, plant and equipment and inventory for a development project in exchange for neighbouring land after the completion of the Arena Larkin development project under the term of "Serah Balik Kurnia Semula" ("SBKS"). The transaction is on-going as at the end of the financial year.

(ii) During the financial year, the Group entered into sale and purchase agreement for sale of Damansara Hills properties situated in Mukim of Beserah, District of Kuantan, Pahang to third parties for total of consideration RM7.5 milion.

(iii) On 7 September 2021, the Group has entered into agreement with a third parties to dispose its interest in Syarikat Pengangkutan Maju Berhad ("SPMB") at a consideration of RM0.76 million. At 31 December 2021, SPMB was classified as held for sale.

(iv) On 20 September 2021, the Group has entered into agreement with a third parties to dispose its interest in Virtualflex Sdn Bhd ("VFSB") at a consideration of RM0.38 million. At 31 December 2021, VFSB was classified as held for sale.

(v) On 9 December 2021, the Corporation has entered into sale and purchase agreement with a third party for the sale of the land and the Hotel Selesa Pasir Gudang for total consideration of RM23 million. As at 31 December 2021, the sale still pending the completion of condition precedent and was classified as held for sale.

(vi) On 14 December 2021, the Group has accepted the offer to purchase a land and hotel from a third party. As at 31 December 2021, the sale is pending execution of the sale and purchase agreement by parties.

(b) Kulim (Malaysia) Berhad

(i) On 10 September 2020, the Board of Directors ("the Board') has approved the Group's plan to dispose E.A Technique (M) Berhad ("EAT"),which is involved in provision of sea transportation and related services. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. The disposal of EAT is expected to be completed within a year from the reporting date. At 31 December 2021, EAT was classified as discontinued operation and as a disposal group held for sale.

On 9 May 2021, the Board has approved the appointment of the principal advisers for the disposal of EAT and the Group has commenced active discussion with a potential buyers.

(ii) On 15 August 2021, the Board has approved the Group's plan to dispose Danamin Sdn. Bhd. ("DANAMIN"), which is involved in providing non-destructive testing services and performing electrical engineering works for oil gas, marine, chemical and construction industries. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. The disposal of DANAMIN is expected to be completed within a year from the reporting date. At 31 December 2021, DANAMIN was classified as a disposal group held for sale.

29. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Below are the significant assets of disposal group classified as held for sale, all of which are expected to be completed in 2022 (continued):

(b) Kulim (Malaysia) Berhad (continued)

(iii) On 20 October 2021, the Board has approved the Group's plan to dispose PT Tempirai Palm Resources and PT Rambang Agro Jaya ("collectively referred to as the "SUMSEL") which is involved in Oil palm plantations. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. The disposal of SUMSEL is expected to be completed with in a year from the reporting date. At 31 December 2021, SUMSEL was classified as a disposal group held for sale.

(iv) On 15 August 2021, the Board has approved the Group's plan to dispose MIT Insurance Brokers Sdn Bhd ("MIT") which is involved in insurance broking and consultancy. The decision is in line with the Group's business exit strategy for identified companies under its Intrapreneur Ventures segment to maximise returns and mitigate risks. The disposal of MIT is expected to be completed within a year from the reporting date. At 31 December 2021, MIT was classified as a disposal group held for sale.

(c) KPJ Healthcare Berhad

During the financial year, the Board had approved a proposal to dispose a land belonged to Jeta Gardens (Qld) Ptd Ltd to a third party which has been identified as at year end. This transactions are expected to be completed within the next 12 months.

(d) Johor Land Berhad

During the financial year, the Group has entered into an agreement with buyer to dispose its investment properties for a total consideration of RM100 milion. This transactions are expected to be completed within the next 12 months.

30. LEASE LIABILITIES

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Amount due for settlement within 12 months	**39**	35	**5**	6
Amount due for settlement after 12 months	**67**	87	**4**	11
	106	122	**9**	17

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Maturity analysis				
Not more than 1 year	**39**	35	**5**	6
Later than 1 year and not later than 5 years	**67**	85	**4**	11
Later than 5 years	**–**	2	**–**	–
	106	122	**9**	17

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the financial year:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
At 1 January	**122**	128	**17**	22
Addition	**4**	36	**–**	1
Accretion of interest	**1**	10	**1**	1
Acquistion of subsidiaries	**36**	–	**–**	–
Payments	**(47)**	(26)	**(6)**	(7)
Exchange differences	**–**	1	**–**	–
Write off	**–**	(5)	**–**	–
Derecognition	**–**	(22)	**(3)**	–
Transfer to asset held for sales	**(10)**	–	**–**	–
At 31 December	**106**	122	**9**	17

The Group and the Corporation do not face a significant liquidity risk with regard to its liabilities. Lease liabilites are monitored within the Group treasury function.

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31. LOANS AND BORROWINGS

	Group			Corporation		
	31.12.2021	31.12.2020 Restated	1.1.2020 Restated	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
Non-current						
Secured:						
Term loans	**3,274**	3,109	3,449	**–**	–	–
Islamic Debt Securities	**80**	140	190	**–**	–	–
Islamic Medium Term Notes ("IMTNs")	**1,286**	2,261	2,368	**–**	1,796	1,793
Government loans	**99**	78	119	**–**	–	–
Unsecured:						
Islamic Medium Term Notes ("IMTNs")	**–**	1,050	1,100	**–**	–	–
Term loans	**–**	24	14	**–**	–	–
Government loans	**21**	32	53	**11**	13	16
	4,760	6,694	7,293	**11**	1,809	1,809
Current						
Secured:						
Bank overdrafts	**173**	163	175	**–**	–	–
Revolving credits	**638**	315	328	**357**	–	–
Bankers' acceptance	**–**	7	9	**–**	–	–
Term loans	**464**	664	717	**–**	–	–
Bridging loans	**98**	98	98	**–**	–	–
Islamic Debt Securities	**81**	50	20	**–**	–	–
Islamic Medium Term Notes ("IMTNs")	**1,798**	627	163	**1,798**	–	–
Government loans	**1**	1	2	**–**	–	–
Unsecured:						
Bank overdrafts	**47**	35	38	**–**	–	–
Revolving credits	**341**	196	226	**–**	–	–
Term loans	**–**	146	306	**–**	–	–
Islamic Medium Term Notes ("IMTNs")	**400**	250	–	**–**	–	–
Government loans	**15**	41	41	**2**	3	3
	4,056	2,593	2,123	**2,157**	3	3
Total loans and borrowings	**8,816**	9,287	9,416	**2,168**	1,812	1,812

31. LOANS AND BORROWINGS (CONTINUED)

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

Group	Year of maturity	Carrying amount	Under 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
At 31 December 2021	**2022-2041**	**8,816**	**4,056**	**1,548**	**1,970**	**1,242**
At 31 December 2020	2021-2041	9,287	2,593	3,692	1,577	1,425
At 1 January 2020	2020-2041	9,416	2,123	1,938	3,629	1,726

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

Corporation	Year of maturity	Carrying amount	Under 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
At 31 December 2021	**2022-2029**	**2,168**	**2,157**	**2**	**6**	**3**
At 31 December 2020	2021-2029	1,812	3	1,798	6	5
At 1 January 2020	2020-2029	1,812	3	5	1,799	5

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Weighted average effective interest rates of borrowings at the reporting date:				
Bank overdrafts	**6.31**	6.26	**–**	–
Revolving credits	**4.23**	4.51	**4.33**	–
Term loans	**4.39**	4.84	**–**	–
Government loans	**2.48**	2.96	**4.00**	4.00
Bankers' acceptance	**–**	4.18	**–**	–
Bridging loans	**4.99**	6.36	**–**	–
Islamic Debt Securities	**4.75**	1.75	**–**	–
Islamic Medium Term Notes ("IMTNs")	**4.27**	4.52	**3.84**	3.84

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

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
As at 31 December 2021				
Term loans	**3,738**	**3,684**	**–**	**–**
Islamic Medium Term Notes ("IMTNs")	**3,484**	**3,440**	**1,798**	**1,800**
As at 31 December 2020				
Restated				
Term loans	3,943	3,750	–	–
Islamic Medium Term Notes ("IMTNs")	4,188	3,792	1,796	1,800
As at 1 January 2020				
Restated				
Term loans	4,486	4,326	–	–
Islamic Medium Term Notes ("IMTNs")	3,631	3,421	1,793	1,800

Reconciliation of financial liabilities arising from financing activities

The table below details changes in the Group and the Corporation liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Corporation statement of cash flows as cash flows from financing activities.

	Group		Corporation	
	2021	2020 Restated	2021	2020 Restated
Loans and borrowings				
At 1 January	**9,287**	9,396	**1,812**	1,792
Prior year adjustment	**–**	20	**–**	20
At 1 January (restated)	**9,287**	9,416	**1,812**	1,812
Net cash changes (i)	**(942)**	(601)	**280**	(123)
Interest accretion (Note 7)	**393**	431	**73**	120
Other changes (ii)	**78**	41	**3**	3
At 31 December	**8,816**	9,287	**2,168**	1,812

(i) The net changes from borrowings represent the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include payments of transaction cost.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security

Corporation

(a) Islamic Medium Term Notes ("IMTNs")

On 14 June 2012, the Corporation entered into an Islamic Medium Term Notes ("IMTNs") Programme of up to RM3 billion, under the Syariah principle of Wakalah Bil Istithmar with Maybank Investment Bank ("MIB") ("Facility Agent") and CIMB Investment Bank ("CIMB") ("Joint Lead Arrangers"). The IMTNs were issued in 3 series as follows:

Series	Principal amount	Tenure (Years)	Profit rate (% per annum)	Maturity date
Series 1	400	5	3.48	14 June 2017
Series 2	800	7	3.68	14 June 2019
Series 3	1,800	10	3.84	14 June 2022
	3,000			

The frequency of the IMTNs periodic distribution ("Profit Payment") is on a semi-annual basis.

The Federal Government of Malaysia ("GOM") provided irrevocable and unconditional guarantee to 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 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 ("MOF") pursuant to the Loans Guarantee (Declaration of Bodies Corporate) (Johor Corporation) Order 2012 [P.U(A)128/2012] pay on an annual basis a Guarantee Fee of 0.10% for the first 5 years and 0.20% 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.

As at the date of the financial statement, the Corporation has fully redeemed the IMTNs.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Corporation (continued)

(b) State Government loans

On 17 July 2002, the Corporation had applied for a restructuring of its Johor State Government loans (inclusive of outstanding interest) to the Ministry of Finance. The agreement for the restructuring scheme amounting to RM58 million was finalised on 13 April 2017 with the following terms:

(i) Period of repayment is revised to 15 years, starting from 2015 with semi annual repayments on 1 June and 1 December;

(ii) Interest rate of 4% per annum;

(iii) Late payment interest of 2% per annum will be imposed if the payment is not accordance to the schedule; and

(iv) Exemption on previous interest accrued of RM17 million will be only approved if the repayment is in accordance to the schedule. If there is any failure to comply with the payment schedule, the interest accrued shall be paid in a lump sum on 1 December 2030.

There is no others specific financial covenant associated with the Johor Statement Government loans.

(c) Short Term Revolving Credit

On 28 April 2021, the Corporation entered into a Short Term Revolving Credit-i ("STRC-i") for a maximum aggregate amount of RM570 million to finance general working capital requirement, to reimburse the development costs incurred for the development of Pengerang Industrial Park ("PIP") and to refinance the subsidiaries bank borrowings.

The facility is secured against the following:

(i) Memorandum of charge over shares in KPJ owned by the Group that are free from encumbrances and acceptable to the Bank with market value of not less than RM140.0 million;

(ii) Memorandum of charge over shares in Al-Salam Real Estate Investment Trust owned by the Group that are free from encumbrances and acceptable to the Bank with market value of not less than RM150.0 million;

(iii) First legal charge over land owned by the Corporation or the Group that are free from encumbrances and acceptable to the Bank with open market value of not less than RM80.0 million;

(iv) Second legal charge over the following lands with open market value of not less than RM247.0 million:-

(a) PTD 190254, HS(D) 575708, Mukim Tebrau, Johor Bahru;
(b) PTD 190255, HS(D) 575709, Mukim Tebrau, Johor Bahru;
(c) PTD 180681, HS(D) 539994, Mukim Tebrau, Johor Bahru;
(d) PTD 171207, HS(D) 520154, Mukim Tebrau, Johor Bahru; and
(e) PTD 78587, HS(D) 431250, Mukim Tebrau, Johor Bahru.

(v) Subsequent memorandum of charge over 425,560,000 units of shares in KPJ;

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Corporation (continued)

(c) Short Term Revolving Credit (continued)

(vi) Third party second legal charge over a leasehold agricultural land i.e Bukit Kelompok Estate under title no. HSD 32182, Lot no. PTD 401, Mukim Kambau, Daerah Kota Tinggi, Johor;

(vii) Assignment over dividend income from KPJ's shares to be pledged as memorandum of first charge in favour to the Bank (as per item (i) above);

(viii) Assignment over 50% of the proceeds from sale of any industrial land in PIP;

(ix) Assignment over 30% of net proceeds received by the Corporation from the Monetization Exercise undertaken by Group; and

(x) Assignment and charge over Designated Account opened and maintained with the Bank.

The activities of Pledged Shares are not contrary to Shariah principles.

There is no specific financial covenant associated with the STRC-i issued by the Corporation other than in the event of default, the entire STRC-i become immediately due and repayable.

Subsidiaries

(a) Kulim (Malaysia) Berhad ("KMB")

Islamic financing facilities

(i) On 28 November 2019, KMB and its subsidiary, Mahamurni Plantation Sdn Bhd ("MPSB") has entered into a Syndicated Term Financing-i ("STF-i") of RM1.5 billion with few licensed financiers. The purpose of the STF-i is to refinance its existing borrowings and to finance working capital requirement related to KMB and MPSB's business operation.

The borrowing is secured by charges over certain plantation land acceptable by the financiers and Letter of Awareness executed by the Corporation.

In connection with significant term loan facilities, KMB has agreed on the following significant financial covenants with the lenders:

(a) Plantation segment:

(i) Shall ensure that commencing from the financial year ended 2020 and thereafter throughout the tenure of facility, Kulim's Malaysian Plantation Division's Financing Payment Coverage Ratio ("FPCR") (including cash balances) is not less than 1.2 times;

(ii) Shall ensure that gearing ratio, on consolidated basis shall not throughout the tenure of the facility at any time exceed 1.00 time; and

(ii) Shall ensure that the Minimum Security Cover of at least 1.30 times for Syndicated Term Financing-i of up to RM1.50 billion and at least 0.50 times for Term Financing-i of up to RM500 million is to be maintained throughout the tenure of the Facility.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(b) Tanjung Langsat Port Sdn Bhd ("TLP")

On 13 February 2013, TLP was granted a soft loan from the Government of Malaysia amounting to RM111 million for the construction of Berth 8 and Berth 9. The soft loan bore interest at 4% (2020: 4%) per annum and has a tenure of 20 years.

On 7 December 2018, TLP received a letter from the Government of Malaysia varying a term in the approval letter dated 11 May 2017.

The Government of Malaysia will charge interest at a rate of 2% per annum until 2023. Subsequently, the interest rate of the soft loan is revised to 4% per annum until the full repayment of the soft loan in 2041. The soft loan is repayable semi-annually on 8th March and 8th September.

The soft loan facility is secured by two (2) plots of vacant Commercial Lands identified as Lot H and Lot I and twenty one (21) plots of vacant Industrial Lands, third party first legal charge over Lot H and Lot I, and first fixed charge in respect of Berth 8 and 9.

There is no specific financial covenant associated with the soft loan facility other than in the event of default, the entire soft loan become immediately due and repayable.

(c) JCorp Capital Solutions Sdn Bhd (“JCSSB”)

Bridging loan

On 21 November 2013, JCSSB entered into a Margin Trading Facility Agreement, with a bank for a margin trading facility of up to a maximum aggregate sum of RM26 million. The facility is subject to interest at 7.75% per annum or not less than 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 is subject to half year review.

The purpose of the facility is for the purchase of securities which may, at the time of such purchase, be listed on the Bursa Malaysia Securities Berhad or such other recognised exchanges as may be acceptable to the bank.

On 26 November 2014, the Margin Trading Facility Agreement dated 21 November 2013 was revised to increase the maximum aggregate sum from RM26 million to RM98.5 million. With effect from 2 February 2018, the facility is subject to the bank’s Base Rate plus 2.70% per annum subject to not less than the minimum rate of 6.35% per annum.

The facility is secured by a fresh Margin Trading Facility Agreement of up to RM98.5 million and a third party legal charge executed by the Corporation.

There is no specific financial covenant associated with the bridging loan issued by JCSSB other than in the event of default, the entire bridging loan become immediately due and repayable.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(c) JCorp Capital Solutions Sdn Bhd ("JCSSB") (continued)

Revolving credit

On 4 May 2017, JCSSB entered into a Short Term Revolving Credit-i ("STRC-i") for a maximum aggregate amount of RM300 million to refinance the existing Margin Trading Facility and/or to finance general working capital requirement of JCSSB and its related companies.

The facility is secured against the following:

(i) Third party legal charge over KPJ shares and/or any other quoted listed shares in Bursa Saham Malaysia acceptable to the Bank held by the Corporation and/or any of it group of companies;

(ii) Letter of Awareness from the Corporation;

(iii) Assignment of all dividends received from the Pledged Shares;

(iv) Assignment and change over monies captured in the Designated Account; and

(v) Not less than 2 times cover of up to 10% of the total listed/paid up capital of KPJ's shares, land and/or properties and/or any other tangible assets acceptable to the Bank.

There is no specific financial covenant associated with the STRC-i issued by JCSSB other than in the event of default, the entire STRC-i become immediately due and repayable.

(d) Efinite Structure Sdn Bhd ("ESSB")

On 19 December 2017, ESSB entered into the Syndicated Islamic Financing Facility ("SIFF") of up to RM325 million comprising of Term Financing-i facility of up to RM162.50 million and Business Financing-i facility of up to RM162.50 million.

The purpose of SIFF is to refinance in full the outstanding principal amount under previous financing facilities granted to ESSB which were Sukuk Ijarah and Islamic Term Loan Financing.

The tenure of SIFF is up to 7 years from the date of reimbursement. The SIFF is subject to profit rates of 1.75% per annum above the effective 3-month Islamic Cost of Funds.

The SIFF and all amounts outstanding thereunder shall be secured against, including but not limited to the following terms:

(i) Third party assignment by the Corporation over 387.048 acres (2020: 387.048 acres) of vacant industrial land within Tanjung Langsat Industrial Complex;

(ii) Debenture creating fixed and floating charges over existing and future assets of the ESSB;

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(d) Efinite Structure Sdn Bhd ("ESSB") (continued)

The SIFF and all amounts outstanding thereunder shall be secured against, including but not limited to the following terms: (continued)

(iii) Third party assignment by the Corporation over concession fee payable by TLP Terminal Sdn Bhd to the Corporation; and

(iv) Letter of Awareness from the Corporation.

ESSB shall maintain a Finance Service Coverage Ratio ("FSCR") of not less than 1.25 times at all times throughout SIFF tenure. FSCR is defined as ESSB's net operating cash flow for the preceding 12 months plus its opening cash balances divided by total finance services for the corresponding 12 months period and ESSB shall maintain a Security Cover Ratio of not less than 1.5 times at all times throughout SIFF tenure. The Security Cover Ratio shall be calculated based on the Open Market Value of the Assigned Land against the aggregate principal amount outstanding under the SIFF.

(e) KPJ Healthcare Berhad ("KPJ")

The borrowings are secured by:

(i) Certain property, plant and equipment and investment property with carrying value of RM752 million as at 31 December 2021 (2020: RM779 million);

(ii) A Letter of Undertaking cum Awareness;

(iii) Negative pledge;

(iv) An assignment of the proceeds to be received from the disposal of the building and lease/rentals;

(v) Fixed and floating charge over certain present and future assets;

(vi) Corporate Guarantee;

(vii) Assignment of all Rights & Benefits or its equivalent over the relevant Takaful cover;

(viii) A charge on the specific Finance Service Reserve Account ("FSRA"), Debt Service Reserve Account ("DSRA"), Finance Reserve Account ("FRA") and all monies standing to the credit of certain subsidiaries; and

(ix) Specific debenture charge over assets;

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(e) KPJ Healthcare Berhad ("KPJ") (continued)

In connection with certain borrowings, KPJ has to comply with the following significant covenants:

(i) Gearing ratio being not more than 1.5 times (Islamic Medium Term Notes);

(ii) A subsidiary's dividends declared or paid being not more than fifty percent (50%) of profit after tax;

(iii) A subsidiary's debt service coverage ratio more than 2.0 times;

(iv) A subsidiary's gearing ratio to not exceed 3.5 times;

(v) A subsidiary's gearing ratio to not more than 2.0 times;

(vi) A subsidiary's gearing ratio to exceed 2.5 times; and

(vii) A subsidiary's debt service coverage ratio to exceed 1.25 times.

(f) BDO Assets Management Sdn Bhd ("BDO")

BDO obtained a term loan facility for the restructuring of its financing facility with profit to be serviced on a monthly basis based on Islamic Cost of Fund ("iCOF") + 2.25% per annum.

The term loan of RM135 million is secured over certain properties, shares and Real Estate Investment Trust ("REIT") units belonging to a related company of BDO.

There is no specific financial covenant associated with the term loan issued by BDO other than in the event of default, the entire loan become immediately due and repayable.

The term loan facility has been fully paid on 3 November 2021.

(g) Al-'Aqar Healthcare REIT ("AAHR")

Sukuk Ijarah – Islamic Medium Term Notes ("IMTN")

On 4 May 2018, AAHR group redeemed the outstanding IMTNs of RM575 million in nominal value of Issue 1 together with the outstanding profit due on maturity and refinanced the IMTNs via an issuance of IMTNs of RM575 million in nominal value ("Issue 2 – Tranche 1") consisting of RM220 million in nominal value of Class A, RM23 million in nominal value of Class B and RM332 million in nominal value of Class C.

On 20 December 2018, AAHR group re-rated IMTNs of RM112 million in nominal value of unrated Class C IMTNs of Issue 2, redeemed and re-issued rated Class A IMTNs of RM75 million in nominal value and rated Class B IMTNs of RM37 million in nominal value (collectively "Issue 2 – Tranche 2").

On 4 May 2021, AAHR group has fully redeemed IMTN of RM575 million. Following the redemption of the IMTN, the facilities has been cancelled on 10 December 2021.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(g) Al-'Aqar Healthcare REIT ("AAHR") (continued)

Commodity Murabahah Term Financing-i I ("CMTF-i")

On 27 December 2019, AAHR obtained floating rate borrowing facility (Commodity Murabahah – I) amounting to RM80 million to finance the acquisition of a new hospital. The Commodity Murabahah – I is payable over a period of 60 months from the date of first disbursement with bullet repayment of the principal sum on the 60th month.

The Commodity Murabahah – I bears an effective profit rate of 1.25% per annum above the bank's COF and is secured against investment properties with carrying amount of RM116 million (2020: RM119 million).

Commodity Murabahah Term Financing-i II ("CMTF-i")

On 30 November 2020, AAHR obtained floating rate borrowing facility (Commodity Murabahah – II) amounting to RM30 million to refinance the bank's facility. The Commodity Murabahah – II is payable over a period of 60 months from the date of first disbursement with bullet repayment of the principal sum on the 60th month.

The Commodity Murabahah – II bears an effective profit rate of 1.25% per annum above the bank's COF and is secured against investment properties with carrying amount of RM75 million (2020: RM80 million).

Commodity Murabahah Term Financing-I III ("CMTF-i")

On 4 May 2021, AAHR has restructured its existing Sukuk Ijarah of RM575 million into new Commodity Murabahah-III of RM580 million. The Commodity Murabahah-III is payable over a period of 60 and 84 months for Tranche 1 and Tranche 2 respectively from the date of first disbursement with bullet repayment of the principal sum on the 60th and 84th month respectively.

The Commodity Murabahah-III bears an effective profit rate of 1.15% and 1.25% per annum for Tranche 1 and Tranche 2 respectively above the bank's COF and is secured against investment properties with carrying amount of RM1,104 million (2020: RM Nil).

There is no specific financial covenant associated with CMTF-i issued by AAHR other than in the event of default, the entire loans become immediately due and repayable.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(h) Damansara Assets Sdn Bhd ("DASB")

Sukuk Ijarah – Islamic Medium Term Notes ("IMTN")

On 24 August 2018, a subsidiary of DASB, ALSREIT Capital Sdn Bhd ("ACSB") established a Sukuk Ijarah Programme comprising Islamic Medium Term Note ("IMTN") of up to RM1.5 billion in nominal value.

The Sukuk Ijarah Programme has a significant covenant in which a subsidiary of DASB shall at all times, maintain the following Finance Service Cover Ratio ("FSCR"):

(i) FSCR at Issuer level of not less than 1.5 times;

(ii) FSCR at a subsidiary level of not less than 1.5 times; and

(iii) such other financial covenant(s) as may be determined by the Rating Agency and to be mutually agreed to by ACSB.

Term loans

The term loans amounting to RM95 million are secured by way of legal charges over certain investment properties of DASB and the assignment of shares. The term loans are repayable over a period of 6 years commencing 3 months after the date of initial disbursement facility.

Term Financing-i ("TF-i")

On 27 February 2019, a subsidiary of DASB obtained the TF-i facility of up to RM118 million to finance the proposed acquisition of 22 units of investment properties. On March 2019, the subsidiary drawdown RM87 million to complete the acquisition of 17 properties.

The TF-i has a significant covenant in which the subsidiary of DASB shall at all times maintain the following criteria:

(i) The financing payment cover ratio FPCR of not less than 1.25 times;

(ii) Total debts and financing over total assets value of not more than 50%; and

(iii) Minimum security cover of 1.25 times.

The financing is used to secure the investment properties amounting to RM153 million (2020: RM152 million).

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(h) Damansara Assets Sdn Bhd ("DASB") (continued)

Business Financing-i ("BF-i")

On 24 September 2021, a subsidiary of DASB obtained the BF-i facility of up to RM70 million. The BF-i has a significant covenant in which the subsidiary of DASB shall at all times maintain the following criteria:

(i) The financing payment cover ratio ("FPCR") of not less than 1.25 times;

(ii) Total debts and financing over total assets value of not more than 50%; and

(iii) Minimum security cover of 1.30 times.

The financing is secured by the investment properties amounting to RM97 million (2020: RM nil).

(i) JCorp Capital Excellence Sdn Bhd ("JCE")

The Company has been granted with a RM150 million Commodity Murabahah Term Financing-i ("CMTF-i") from a licensed bank of which full drawdown had been made. Profit is to be served on a quarterly basis based on Cost of Fund ("COF")+2.75% per annum. The effective profit rate for the year is 5.01% (2020: 5.79%) per annum. The CMTF-i is repayable via 9 semi-annually payments based on the repayment schedule commencing at the end of the 12th months from the date of first drawdown. The CMTF-i is secured by vacant lands owned by the Corporation.

There is no specific financial covenant associated with the CMTF-i issued by JCE other than in the event of default, the entire CMTF-i become immediately due and repayable.

(j) Johor Land Berhad ("JLand")

Government loans

Loans were received from Johor State Government for the purposes of financing the construction of affordable houses. The loans are unsecured, interest free and payable via five instalments over a period of 5 years.

Term Loan

The banking facilities are secured by way of fixed charges on certain inventories and investment properties under construction of JLand with carrying amount of RM786 million (2020: RM774 million) and RM780 million (2020: RM770 million) respectively.

The unsecured term loan of JLand is subjected to the following:

(i) An assignment of Sales and Purchase Agreement ("SPA"); and

(ii) An assignment and charge over monies captured in the Finance Service Reserve Account ("FSRA").

The unsecured term loan of a subsidiary of RM145 million (2020: RM145 million) is utilised by the Corporation. The interest and bank charges on this unsecured term loan is borne by the Corporation. The term loan was settled during the financial year.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(k) Johor Foods Sdn Bhd ("JFOODS")

On 11 June 2019, a subsidiary of JFOODS, Phoenix Progress Sdn Bhd ("PPSB") was granted a RM210 million term loan which is repayable in 3 semi-annually principal payment commencing December 2020. The term loan carries an annual interest based on a profit rate of 2% per annum above the bank's prevailing Islamic Cost of Fund ("iCOF").

The term loan facility granted to JFOODS is utilised by the Corporation. The financing related expenses on this term loan is borne by the Corporation. The term loan is secured by:

(i) A Corporate Guarantee;

(ii) A Letter of Comfort;

(iii) Charge over several pieces of land belonging to a related company;

(iv) Charge over Islamic Redeemable Preference Shares ("RPS-i") held by a related company; and

(v) Charge over a related company's shares with market value of not less than RM321 million.

There is no specific financial covenant associated with the term loan issued by JFOODS other than in the event of default, the entire term loan become immediately due and repayable.

(l) Johor Franchise Development Sdn Bhd ("JFDSB")

In 2019, a subsidiary of JFDSB, Permodalan Teras Sdn Bhd ("PTSB") was granted a RM150 million term loan which carries an annual interest based on a profit rate of 2% per annum above the bank's prevailing Islamic Cost of Fund ("iCOF"). On 27 November 2019, RM100 million was drawdown.

The term loan is repayable in 3 annual principal payment commencing on 27 December 2021. The term loan facility granted is utilised by the Corporation. The financing related expenses on this term loan is borne by the Corporation.

The term loan is secured by:

(i) An assignment over a third party project land;

(ii) A charge over agriculture land comprising oil palm plantation;

(iii) A related company's shares;

(iv) Letter of Awareness from the Corporation;

(v) A Corporate Guarantee;

(vi) Negative pledge over the present and future assets of JFDSB and PTSB; and

(vii) Charge over several pieces of land belonging to a related company.

There is no specific financial covenant associated with the term loan issued by JFDSB other than in the event of default, the entire loan become immediately due and repayable.

31. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(m) JLand Group Sdn Bhd ("JLG")

On 14 September 2021, a subsidiary of JLand Group Sdn Bhd ("JLG"), Kulim Technology Ideas Sdn Bhd ("KTI") was granted a Term Loan facility ("TL") of up to RM110 million to part finance the acquisition of Damansara Holdings Berhad ("DBhd") by JLG and its related transaction fees with margin of financing of 80%.

The facility is secured against the following:

(i) Third party first legal charge over lease in favour of the Lender over the land and building known as The Puteri Pacific Johor Bahru Hotel held under Geran 468501, Lot No 22413, Township of Johor Bahru, District of Johor Bahru ("Hotel");

(ii) Third party(ies) legal charge over 35 million units ordinary shares of Al-Salam REIT ("ALSREIT") including but not limited, in all cases, to bonus shares, right shares and other new shares or rights entitlements ("Pledged Securities");

(iii) Corporate guarantee of Damansara Assets Sdn Bhd ("DASB") and JLG;

(iv) Letter of Equity Commitment/Undertaking from the Corporation to inject equity/shareholders' advances into JLG and/or KTI for an amount not less than all outstanding amount under the TL ("Proposed Injection"), 3 months prior to the maturity of the Term Loan facility with format acceptable to the financier;

(v) Letter of Undertaking from JLG to:

(a) cover any shortfall of funds by KTI;
(b) to channel the proceeds from the Proposed Injection to the proceeds account

(vi) Assignment over all proceeds from dividends and/or distributions made by DBhd;

(vii) Legal charge over the designated accounts of JLG and/or KTI including but not limited to:

(a) Dividend Accounts to capture dividends/distribution made by DBhd;
(b) Debt Service Reserve Account ("DSRA") with at least 3 months interest based on TL outstanding ("Minimum Balance");
(c) Collection Account – to capture proceeds from assignment (other than dividend made by Bhd and mandatory prepayment event);
(d) Proceeds Account to capture proceeds from equity injection and all proceeds from drawdown of the TL facility.

(viii) Debenture over all the present and future assets of KTI; and

(ix) Legal charge over all issued securities and shares of KTI and DBhd.

There is no specific financial covenant associated with the term loan issued by KTI other than in the event of default, the entire loan become immediately due and repayable.

32. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Current				
Trade payables (Note (a))	**751**	821	**209**	16
Trade accruals (Note (a))	**352**	228	**92**	1
Other payables (Note (b))	**780**	834	**267**	307
Amount due to associates (Note (c))	**3**	2	**–**	2
Amount due to non-controlling interest of subsidiaries (Note (c))	**2**	16	**–**	–
Amount due to subsidiaries (Note (d))	**–**	–	**1,101**	1,234
Dividend payable	**15**	–	**–**	–
Arbitration settlement (Note (e))	**15**	14	**–**	–
	1,918	1,915	**1,669**	1,560
Non-current				
Amount due to subsidiaries (Note (d))	**–**	–	**80**	275
Arbitration settlement ((Note (e))	**17**	31	**–**	–
Other payables (Note (b))	**104**	409	**–**	273
	121	440	**80**	548
Total	**2,039**	2,355	**1,749**	2,108

(a) Trade payables and trade accruals

These amounts are non-interest bearing. Trade payables and trade accruals are normally settled on 60 days (2020: 60 days) terms. Included in trade payables and trade accruals are amount due to a related party of RM200 million (principal) repayable in a lump sum in 2022, that is unsecured, with interest charged at an effective interest rate of 12% per annum (2020: 12%).

(b) Other payables

These amounts are non-interest bearing and are normally settled on an average term of six months (2020: average term of six months). Included in other payables (non-current) are:

(i) amount payable to State Government of Johor and State Heritage Trust Fund amounting to RM28 million (2020: RM65 million) over the next 1 year (2020: 2 years) at a discounted rate of 6.60% (2020: 6.60%);

(ii) amount payable to a previous shareholder of RPS-i amounting to RM7 million (2020: RM21 million) over the next 1 year (2020: 2 years) discounted at a rate of 6.60% (2020: 6.60%); and

(iii) included in other payables is an amount of RM58 million (2020: RM39 million) in relation to the provision for litigation as disclosed in Note 37(3) to the financial statements.

(c) Amounts owing to associates and non-controlling interest of subsidiaries

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

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

32. TRADE AND OTHER PAYABLES (CONTINUED)

(d) Amount owing to subsidiaries

This amount is unsecured, non-interest bearing and repayable on demand except for a subsidiary bearing interest between 5.55% to 8.18% (2020: 6.50% to 6.75%) per annum.

	Corporation	
	2021	2020
Amount before offsetting	1,333	1,625
Offsetting (amount due from subsidiaries)	(152)	(116)
Amount after offsetting	1,181	1,509

Reconciliation of financial liabilities arising from financing activities

The table below details changes in the Corporation liabilities arising from financing activities with subsidiaries including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Corporation statement of cash flows as cash flows from financing activities.

	Corporation	
	2021	2020
At 1 January	1,509	1,523
Net cash changes	(199)	(59)
Interest accretion	57	56
Other changes	(186)	(11)
At 31 December	1,181	1,509

(e) Arbitration settlement

On 11 November 2016, Tanjung Langsat Port Sdn Bhd ("TLP") entered into a Settlement Agreement with a claimant in respect of an arbitration award for a settlement sum of USD30 million payable to the claimant.

The settlement sum shall be settled by TLP in the following manner:

(i) An initial payment of USD3.5 million made during the year upon execution of agreement;

(ii) A second payment of USD3.5 million within 14 days from the date TLP secures the letter of undertaking from its holding corporation to perform TLP's payment obligations under the agreement in the event TLP fails to do so, a condition precedent in the settlement agreement;

(iii) A third payment of USD3 million one year after the date TLP secures the letter of undertaking from its holding corporation to perform TLP's payment obligations under the agreement in the event TLP fails to do so, a condition precedent in the settlement agreement; and

(iv) The balance of USD20 million shall be paid by five annual instalments with the first instalment due within a year from the date of fulfilment of the condition precedent stated above. The first instalment amounts to USD3 million and the second to fifth instalments amount to USD4.25 million each. The letter of undertaking by the holding corporation has been secured on 3 February 2017. As at the reporting date, TLP has made a total settlement of USD21.5 million.

32. TRADE AND OTHER PAYABLES (CONTINUED)

(e) Arbitration settlement (continued)

The total arbitration settlement has been discounted to its fair value upon recognition using the prevailing market interest rate for borrowing of 8%. The difference between the fair value and the balance of settlement sum is recognised as interest over the remaining settlement period. As at 31 December 2021, the balance outstanding to be paid is USD8.5 million.

The amount outstanding are as follows:

	Group	
	2021	**2020**
Balance outstanding	**45**	60
Maturity profile:		
Within 12 months	**15**	14
Later than 1 year and not later than 5 years	**17**	31
Later than 5 years	**–**	–
Total outstanding balance	**32**	45
Repayable within 12 months (under current liabilities)	**(15)**	(14)
Repayable after 12 months (under non-current liabilities)	**17**	31
Carrying value	**32**	45
Fair value	**32**	45

The movement in provision for arbitration is as follows:

	Group	
	2021	**2020**
At 1 January	**45**	60
Loss on unrealised foreign exchange	**–**	(1)
Settlement of arbitration	**(13)**	(18)
Interest on arbitration settlement	**–**	4
At 31 December	**32**	45

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

33. OTHER LONG TERM LIABILITIES

	Group			Corporation		
	31.12.2021	31.12.2020 Restated	1.1.2020 Restated	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
Government grant (Note (a))	**305**	301	301	**260**	252	253
Land lease rental received in advance (Note (b))	**605**	568	529	**523**	461	418
Other long term payables (Note (c))	**34**	30	36	**–**	–	–
Deposits (Note (d))	**21**	21	14	**–**	–	–
Others	**22**	46	24	**–**	5	9
	987	966	904	**783**	718	680

(a) Government Grant

	Group		Corporation	
	2021	2020	2021	2020
At cost:				
At 1 January	**376**	336	**283**	277
Grant received during the financial year	**15**	40	**15**	6
Reclassification	**(4)**	–	**–**	–
At 31 December	**387**	376	**298**	283
Accumulated amortisation:				
At 1 January	**75**	35	**31**	24
Amortisation (Note 5)	**7**	40	**7**	7
At 31 December	**82**	75	**38**	31
Balance as at 31 December	**305**	301	**260**	252

33. OTHER LONG TERM LIABILITIES (CONTINUED)

(b) Land lease rental received in advance

	Group		Corporation	
	2021	2020 Restated	2021	2020 Restated
At cost:				
At 1 January	**1,048**	942	**851**	745
Prior year adjustments (Note 43 (iv) (a))	**(361)**	(307)	**(329)**	(278)
At 1 January (Restated)	**687**	635	**522**	467
Additions	**112**	52	**75**	55
At 31 December	**799**	687	**597**	522
Accumulated amortisation:				
At 1 January	**119**	106	**61**	49
Recognition of income for the financial year	**75**	13	**13**	12
At 31 December	**194**	119	**74**	61
Carrying amount as at 31 December	**605**	568	**523**	461

This represents money received in advance from sub leases for periods between 30 to 60 years which will be recognised in the Statement of Comprehensive Income as follows:

	Group			Corporation		
	31.12.2021	31.12.2020 Restated	1.1.2020 Restated	31.12.2021	31.12.2020 Restated	1.1.2020 Restated
Under 1 year	**15**	15	15	**14**	14	12
1 to 2 years	**16**	16	18	**14**	14	15
2 to 3 years	**16**	16	20	**14**	14	16
Over 3 years	**558**	521	476	**481**	419	375
At 31 December	**605**	568	529	**523**	461	418

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

33. OTHER LONG TERM LIABILITIES (CONTINUED)

(c) Other long term payables

Other 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	
	2021	**2020**	**2021**	**2020**
Under 1 year	**1**	1	-	-
1 to 2 years	**1**	1	-	-
2 to 3 years	**1**	1	-	-
Over 3 years	**31**	27	-	-
At 31 December	**34**	30	-	-

(d) Deposits

Deposits represent amounts received from medical consultants, which are repayable on death, retirement (at age 65) or disability of the medical consultants. Deposits are forfeited on termination of a medical consultant's practice either by the Group due to events of breach or on early termination by the medical consultant. However, the deposits may be refunded to the medical consultants if approval from the KPJ's Board 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 recognised as income over the remaining service period to retirement (at age 65) of the medical consultants.

34. RESERVES

(a) Capital reserves

Capital reserves mainly comprise of Warrant Reserve, ESOS Reserve, and other reserves set aside by the subsidiaries of the Group.

(b) Asset revaluation reserve

Asset revaluation reserve represents surplus from the revaluation of property, plant and equipment in respect of healthcare properties.

(c) Currency fluctuation reserve

The currency fluctuation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

34. RESERVES (CONTINUED)

(d) Fair value through other comprehensive income ("FVOCI") reserve

The fair value through other comprehensive income reserve comprises the cumulative net change in the equity instrument classified as fair value through other comprehensive income ("FVOCI") until the investments are derecognised or impaired.

(e) Revenue reserve

The revenue reserve comprise of the portion of business profit retained by the Group and the Corporation for investment in future growth and differences between the share of non-controlling interest in subsidiaries acquired/disposed without loss of control, and the consideration paid/received.

35. 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.

Johor Corporation was incorporated under the Johor Corporation Enactment (No. 4, 1986) (as amended by Enactment No. 5, 1995), and controlled by the Johor State Government. The Group considers that, for the purpose of MFRS 124 – "Related Party Disclosures", the Johor State Government is in the position to exercise control over the Corporation. As a result, the Johor State Government and Johor State Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Corporation.

Apart from the individually significant transactions as disclosed in the financial statements, the Group and the Corporation have collectively, but not individually, significant transactions with other government related entities which include but not limited to the following:

(i) Quit rent and assesment fees paid to Municipal and Land Department of Johor;
(ii) Business license and rental paid to state government-related entities; and
(iii) Land conversion premium paid to government-related entities.

These transactions are conducted in the ordinary course of the Group's business on terms consistently applied in accordance with the Group's internal policies and processes. These terms do not depend on whether the counterparts are government-related entities or not.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Other than as disclosed in the financial statements, the significant related party transactions of the Group and the Corporation are as follows:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Paid/Payable to subsidiaries and related parties:				
Management fees	**–**	–	**7**	10
Rental expenses	**–**	–	**4**	2
Interest expenses	**–**	–	**58**	56
Purchase of goods	**52**	35	**–**	–
Contribution to Klinik Waqaf An-nur	**5**	3	**–**	–
Receipt/Receivable from subsidiaries and related parties:				
Sale of goods	**–**	–	**–**	19
Sale of services	**3**	2	**–**	–
Advances	**–**	2	**–**	–
Interest income	**1**	1	**4**	5
Dividend	**–**	–	**279**	127
Management fee income	**–**	–	**3**	5
Rental income	**–**	–	**13**	11
Concession fee	**–**	–	**22**	22

36. COMMITMENTS

(a) Capital commitments

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Authorised capital expenditure not provided for in the financial statements:				
Contracted for	**423**	948	**157**	108
Not contracted for	**288**	200	**–**	–
	711	1,148	**157**	108
Analysed as follows:				
Property, plant and equipment	**528**	409	**1**	3
Inventory (non-current)	**143**	95	**143**	95
Investment properties	**27**	636	**–**	2
Others	**13**	8	**13**	8
	711	1,148	**157**	108

37. CONTINGENCIES

1. Corporation

(a) Land Acquisition of Kem Tebrau

On 8 August 2019, the judge has delivered a decision (Point of Law : Jurisdiction of Court) as follows:

In brief, the Court found that the Land Administrator is duty bound under the statute to state, amongst others, the apportionment of the compensation award pursuant to Section 14(1) & 14(2) of the Land Acquisition Act 1950. As the Land Administrator failed to do so, the Award (Form G) was defective and invalid. The Court further found that any subsequent lodgement of Forms, flowing from an invalid award, shall be invalid. Therefore, an invalid Form N premised on an invalid Form G and/or Form H will not confer the High Court with the jurisdiction. The learned judge held that a Land Reference Court can determine and make orders related only to the 'terms of reference' referred in a valid Form N or those questions raised by a Land Administrator (in Form M) pursuant to Section 36(2)(a) to (f) of the Act.

The High Court answered the question of law in the negative, and ordered all 31 Land Reference proceedings be struck out for want of jurisdiction of the Court. The Court further ordered restitution of RM1,000 (subject to allocator fees) to be paid by the Land Administrator to all the Applicants of the Land Reference proceedings, except for Corporation (Applicant in Land Reference No. 96), within 14 days from this Order (i.e. within 14 days from 8 August 2019).

Pursuant to the said Decision, the following parties had filed an appeal at the Court of Appeal based on the High Court's Decision:

- The Corporation had filed the Notice of Appeal on 5 September 2019.
- Malaysia Building Society Berhad ("MBSB") had filed Notice of Appeal on 4 September 2019.
- The Land Administrator ("LA") had filed the Notice of Appeal on 5 September 2019.

The case was fixed for Case Management ("CM") on 15 April 2020 (before the Deputy Registrar at the Court of Appeal Registry) for the parties to update the Court on the status of sealed High Court Order (and Supplementary Records of Appeal) and the status of settlement negotiation.

The Court fixed further CM via e-Review on 24 July 2020 for the parties to update the status of settlement negotiation.

The Board of Directors through the Corporation's Board Meeting has agreed for the following:

Corporation to withdraw the appeal and discontinue the acquisition process with the following conditions:

- Corporation to engage in settlement negotiation with KCSB Konsortium Sdn Bhd ("KCSB") in relation to claim against Corporation only (payment-in-kind)
- The State of Johor to engage settlement negotiation with KCSB in relation to claim against the State only (payment-in-kind)
- The settlement agreement between Corporation and KCSB specifies that KCSB will release Corporation from any liability and legal/litigation claim and KCSB will not object/make and application to stop Corporation's application for refund of deposit.

37. CONTINGENCIES (CONTINUED)

1. Corporation (continued)

(a) Land Acquisition of Kem Tebrau (continued)

The Hearing of the Appeal is fixed on 5 July 2021 for all appeals, for which the Court has also directed the Parties to submit the following documents on or before 21 June 2021:

i. Common Core Bundle (if Record of Appeal has more than 5 volumes);
ii. Chronology of Facts for the Appellant & Chronology of Facts for the Respondent;
iii. Written Submission & Bundle of Authorities; and
iv. Executive Summary (if Written Submission is more than 30 pages).

The Court directed the Parties to attend CM on 22 June 2021 to update the Court on the status of document submissions set out in items (i) to (iv) above.

The appeals filed by all of the above parties were completely withdrawn from the Court of Appeal on 29 April 2022.

The Parties are in the midst of finalising an out of court settlement pertaining to the withdrawal of land acquisition and damages claimed by KCSB against the Corporation and the State.

As far as the negotiation for an out of court settlement is concerned, Corporation is working closely with KCSB and the State Government to ensure that the draft Global Settlement Agreement (GSA) is agreeable to all parties. The draft GSA shall be tabled in Majlis Mesyuarat Kerajaan Negeri for approval before its execution.

2. KPJ Healthcare Berhad ("KPJ")

KPJ is subject to litigations in the ordinary course of business, mainly arising from its subsidiary hospital operations. The Directors are of the opinion, based on legal advice and malpractice insurance, that no significant exposure will arise that requires recognition.

3. Kulim (Malaysia) Berhad ("KMB")

PT Rambang Agro Jaya ("PT RAJ")

In August 2019, a civil lawsuit was filed by the Ministry of Environment and Forestry in the Central of Jakarta, Indonesia claiming for damages arising from fires that occurred on PT RAJ's land amounting to IDR199.57 billion (RM58.39 million). On 26 January 2021, the First Level Court ruled that PT RAJ was liable for the fires and fined the subsidiary a sum of IDR137.60 billion (RM39.46 million).

Subsequently on 6 October 2021, the High Court imposed on PT RAJ a higher fine of IDR199.57 billion (RM58.39 million).

PT RAJ has filed an appeal to the Supreme Court on 15 October 2021 and the Court decision is expected to be delivered in August or September 2022. Accordingly, KMB has made an additional provision of RM58.39 million (2020: RM39.46 million) as disclosed in (Note 32) which was recorded in other expenses in the statement of comprehensive income.

The Directors are in the midst of reviewing the decision and reconsidering all available options for their next course of action.

37. CONTINGENCIES (CONTINUED)

4. Al-Aqar Healthcare REIT

On 25 January 2022, a subsidiary of Al-Aqar Healthcare REIT has received Failure To Lodge on time ("FTL") penalty of AUD1.6 million (RM4.8 million) in relation to late lodgement of several Business Activity Statements ("BAS") from the Australian Taxation Authority ("ATO") for the months of April 2021 to August 2021.

The Group also faces exposure to additional penalties for the following:

(i) False or misleading statements with regard to failure to disclose the status of its subsidiary as a Significant Global Entity ("SGE"). These penalties could range from Nil to AUD106,560 (RM326,074); and

(ii) FTL penalties relating to failure to lodge General Purpose Financial Statements ("GPFS") for the financial years ended 2017, 2018, 2019 and 2020. These penalties would likely be approximately AUD2.2 million (RM6.7 million).

The Directors, upon consultation with their tax advisors, are of the view that ATO will reduce the penalty amount as this is the Group's first infringement. Based on the tax advisors' previous experience of dealing with the ATO on similar matters, it is probable that the Group may be liable for a penalty of AUD150,000 (RM459,000) for failure to lodge BAS on time. It is also probable that the Group will have no further penalties relating to non-disclosure of its status as an SGE and late lodgement of GPFS from 2016 to 2020 under a prompt voluntary disclosure.

Based on the above, management recognised a provision of RM459,000 based on their best estimate of the probable outcome as at the reporting date.

38. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments of the Group and the Corporation as at 31 December are categorised into the following classes:

	Group		Corporation	
	2021	**2020**	**2021**	**2020**
Financial assets measured at amortised cost:				
Trade and other receivables (Note 25)	**1,028**	857	**340**	138
Cash and bank balances (Note 28)	**920**	958	**130**	56
	1,948	1,815	**470**	194
Financial assets at fair value through profit or loss (Note 23(b))	**6**	5	**13**	14
	6	5	**13**	14
Financial assets at fair value through other comprehensive income (Note 23(a))	**12**	28	**–**	–
	12	28	**–**	–
Financial liabilities measured at amortised cost:				
Trade and other payables (Note 32)	**2,039**	2,355	**1,749**	2,108
Other long term payables (Note 33(c))	**34**	30	**–**	–
Loans and borrowings (Note 31)	**8,816**	9,287	**2,168**	1,812
	10,889	11,672	**3,917**	3,920

39. 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 Board Audit & Risk 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 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 contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL"), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures primarily from outstanding trade and other receivables.

The Group and the Corporation adopt the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including payments in advance, security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. 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 profitability and buys insurance to protect itself against insurable risk in this regard, counterparties are assessed for credit limits that are set to minimise any potential losses. 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 given by the Corporation have not been recognised in the financial statements as the fair value on initial recognition was not material. The Group monitors on an ongoing basis the results of the subsidiaries and the repayment made by the subsidiaries.

Credit risk concentration profile

Concentration of credit risk with respect to trade receivables are limited due to the Group's diverse customer base. The Group controls its credit risk by ensuring its customers have solid financial standing and credit history.

Other than the amounts due from the subsidiaries to the Corporation, the Group and the Corporation are not exposed to any significant concentration of credit risk in the form of receivables due from a single debtor or from groups of debtors.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss ("ECL") model include trade receivables, contract assets and other receivables. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i) Trade receivables using simplified approach

The Group applies the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii) Other receivables using general 3-stage approach

The Group uses three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories.

(iii) Amount due from related parties, subsidiaries and associates

The Group uses three categories for amount due from related parties, subsidiaries and associates which reflect their credit risk and how the loss allowance is determined for each of those categories.

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flow	12 months ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL incorporating the methodology below:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group considers historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period. For financial guarantee contracts, in deriving the PD, the Corporation considered the maximum contractual period over which the debtor has a present contractual obligation to extend credit in measuring the expected credit losses.

(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 Corporation's 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's and the Corporation's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

At 31 December 2021 Group	On demand or within 1 year	More than 1 year to 5 years	Over 5 years	Total
Financial liabilities:				
Trade and other payables	1,918	121	–	2,039
Other long term liabilities	–	987	–	987
Loans and borrowings	4,056	3,518	1,242	8,816
Total undiscounted financial liabilities	5,974	4,626	1,242	11,842
Corporation				
Financial liabilities:				
Trade and other payables	1,669	80	–	1,749
Other long term liabilities	–	783	–	783
Loans and borrowings	2,157	8	3	2,168
Total undiscounted financial liabilities	3,826	871	3	4,700

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

At 31 December 2020 Group	On demand or within 1 year	More than 1 year to 5 years	Over 5 years	Total
Financial liabilities:				
Trade and other payables	1,915	440	–	2,355
Other long term liabilities	–	966	–	966
Loans and borrowings	2,593	5,269	1,425	9,287
Total undiscounted financial liabilities	4,508	6,675	1,425	12,608
Corporation				
Financial liabilities:				
Trade and other payables	1,560	548	–	2,108
Other long term liabilities	–	718	–	718
Loans and borrowings	3	1,804	5	1,812
Total undiscounted financial liabilities	1,563	3,070	5	4,638

(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, and entering into interest rate swaps.

Sensitivity analysis for interest rate risk

At the reporting date, a change of 50 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	
	2021	**2020**	**2021**	**2020**
Interest rate:				
50 bp increase in interest rates	**16**	14	**1**	–
50 bp decrease in interest rates	**(16)**	(14)	**(1)**	–

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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. 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 USD foreign currency risk, based on carrying amounts as at the end of the reporting date was:

	Group	
	2021	**2020**
Trade and other receivables	**9**	4
Cash and bank balances	**12**	11
Trade and other payables	**(93)**	(137)
Loans and borrowings	**(34)**	(38)
Net exposure in the statement of financial position	**(106)**	(160)

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	
	2021	**2020**
USD		
Strengthened 5%	**(5)**	(8)
Weakened 5%	**5**	8

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 investments in quoted equity instruments. The quoted equity instruments in Malaysia are listed in the Bursa Malaysia. These instruments are classified as fair value through profit or loss or fair value through other comprehensive income financial assets.

Commodity price

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.

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	25
Loans and borrowings (except for certain loans and borrowings of which their fair values are disclosed in Note 39)	31
Trade and other payables	32

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 value 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

Interest rate 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.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk (continued)

Fair value hierarchy

The Group held the following assets and liabilities measured at fair value or not measured at fair value but fair value is disclosed in the Statements of Financial Position:

Group At 31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through other comprehensive income	**12**	**–**	**–**	**12**
Fair value through profit or loss	**6**	**–**	**–**	**6**
Non-financial assets measured at fair value:				
Investment properties	**–**	**–**	**5,302**	**5,302**
Property, plant and equipment				
– Healthcare properties	**–**	**–**	**2,985**	**2,985**
Biological assets	**–**	**20**	**50**	**70**
Financial liabilities not measured at fair value but fair value is disclosed:				
Term loans – floating	**–**	**–**	**3,684**	**3,684**
Islamic Medium Term Notes ("IMTNs")	**–**	**–**	**3,440**	**3,440**
	18	**20**	**15,461**	**15,499**

Group At 31 December 2020 (restated)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through other comprehensive income	28	–	–	28
Fair value through profit or loss	5	–	–	5
Non-financial assets measured at fair value:				
Investment properties	–	–	5,347	5,347
Property, plant and equipment				
– Healthcare properties	–	–	2,950	2,950
Biological assets	–	15	30	45
Financial liabilities not measured at fair value but fair value is disclosed:				
Term loans – floating	–	–	3,750	3,750
Islamic Medium Term Notes ("IMTNs")	–	–	3,792	3,792
	33	15	15,869	15,917

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk (continued)

Fair value hierarchy (continued)

Group At 1 January 2020 (restated)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through other comprehensive income	28	–	–	28
Fair value through profit or loss	7	–	–	7
Non-financial assets measured at fair value:				
Investment properties	–	–	5,016	5,016
Property, plant and equipment				
– Healthcare properties	–	–	2,950	2,950
Biological assets	–	15	30	45
Financial liabilities not measured at fair value but fair value is disclosed:				
Term loans – floating	–	–	4,326	4,326
Islamic Medium Term Notes ("IMTNs")	–	–	3,421	3,421
	35	15	15,743	15,793

Corporation At 31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through profit or loss	**13**	**–**	**–**	**13**
Investment properties	**–**	**–**	**1,648**	**1,648**
Financial liabilities not measured at fair value but fair value is disclosed in the Statements of Financial Position:				
Islamic Medium Term Notes ("IMTNs")	**–**	**–**	**1,800**	**1,800**
	13	**–**	**3,448**	**3,461**

Corporation At 31 December 2020 (restated)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through profit or loss	14	–	–	14
Investment properties	–	–	1,853	1,853
Financial liabilities not measured at fair value but fair value is disclosed in the Statements of Financial Position:				
Islamic Medium Term Notes ("IMTNs")	–	–	1,800	1,800
	14	–	3,653	3,667

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk (continued)

Fair value hierarchy (continued)

Corporation At 1 January 2020 (restated)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through profit or loss	21	–	–	21
Investment properties	–	–	2,353	2,353
Financial liabilities not measured at fair value but fair value is disclosed in the Statements of Financial Position:				
Islamic Medium Term Notes ("IMTNs")	–	–	1,800	1,800
	21	–	4,153	4,174

During the reporting period ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2 of the fair value hierarchy and no transfers into and out of Level 3 fair value hierarchy.

40. 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 financial 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		Corporation	
	2021	2020 Restated	2021	2020 Restated
Loans and borrowings (Note 31)	**8,816**	9,287	**2,168**	1,812
Less: Cash and bank balances (Note 28)	**(920)**	(958)	**(130)**	(56)
Net debt	**7,896**	8,329	**2,038**	1,756
Total equity	**9,800**	9,269	**3,456**	3,087
Debt-to-equity ratios	**0.81**	0.90	**0.59**	0.57

There were no changes in the Group's approach to capital management during the financial year.

As at 31 December 2021, the Group and the Corporation have complied with all external financial covenants as disclosed in Note 31.

41. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective chief operating decision maker responsible for the performance of the respective segments under their charge. The chief operating decision maker of the Group is the Group Top Management Committee who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

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 financial year to acquire property, plant and equipment, investment properties and land held for property development.

Reportable segments

The Group comprises the following reportable segments:

- Palm oil – Oil palm plantation, crude palm oil processing, plantation management services and consultancy.
- Healthcare – Hospitals and healthcare services.
- Property – Property development, housing development, property management service, property investment and real estate investment trust.
- Industrial – Development and sale of industrial land, project management, promote, develop, operate and manage a port.
- Quick service restaurant – Kentucky Fried Chicken, Pizza Hut and Ayamas outlets.
- Intrapreneur ventures – Parking management, sales of wood-based products and bulk mailing and printing.

Other operations of the Group are not of sufficient size to be reported separately.

Reconciliation to the Statement of Comprehensive Income mainly relates to the elimination of QSR Brands (M) Holdings Bhd, a joint venture of the Group, which is included within the reportable segment.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

41. SEGMENT INFORMATION (CONTINUED)

Group As at 31 December 2021	Palm oil	Healthcare	Property	Industrial	Quick service restaurant	Intrapreneur ventures	Subtotal
External revenue	1,554	2,627	432	186	4,893	32	9,724
Inter-segment revenue	(5)	–	(127)	(26)	–	(2)	(160)
Total revenue	1,549	2,627	305	160	4,893	30	9,564
Results	519	216	63	132	1,017	(2)	1,945
Segment results							
Unallocated income							
Unallocated costs							
Profit from operations							
Finance costs							
Share of results of associates							
Share of results of joint ventures							
Profit before tax							
Taxation							
Profit after tax							

Group As at 31 December 2021	Others	Grand Total	Reconciliation	Continuing operations	Discontinued operation	Group
External revenue	753	10,477	(4,800)	5,677	174	5,851
Inter-segment revenue	(380)	(540)	–	(540)	–	(540)
Total revenue	373	9,937	(4,800)	5,137	174	5,311
Results						
Segment results	(62)	1,883	(1,015)	868	(146)	722
Unallocated income		18	–	18	–	18
Unallocated costs		22	–	22	–	22
Profit from operations		1,923	(1,015)	908	(146)	762
Finance costs		(509)	126	(383)	(11)	(394)
Share of results of associates		(14)	–	(14)	–	(14)
Share of results of joint ventures		159	–	159	–	159
Profit before tax		1,559	(889)	670	(157)	513
Taxation		(134)	–	(134)	–	(134)
Profit after tax		1,425	(889)	536	(157)	379

41. SEGMENT INFORMATION (CONTINUED)

Group As at 31 December 2021	Palm oil	Healthcare	Property	Industrial	Quick service restaurant	Intrapreneur ventures	Others	Total	Reconciliation	Group
Other information										
Segment assets	5,634	4,345	4,874	4,289	7,289	43	2,132	28,606	(7,233)	21,373
Associates	–	437	123	–	–	–	(303)	257	–	257
Joint ventures	–	–	–	–	1,763	–	11	1,774	–	1,774
Consolidated total assets								30,637	(7,233)	23,404
Segment liabilities	2,973	2,614	2,372	1,545	4,317	23	3,992	17,836	(4,252)	13,584
Unallocated liabilities								20	–	20
Consolidated total liabilities								17,856	(4,252)	13,604
Capital expenditure	185	232	27	3	434	–	15	896	(434)	462
Depreciation and amortisation	28	197	6	1	513	2	187	934	(513)	421

Group As at 31 December 2020 (Restated)	Palm oil	Healthcare	Property	Industrial	Quick service restaurant	Intrapreneur ventures	Subtotal
External revenue	1,068	2,397	608	117	4,686	27	8,903
Inter-segment revenue	(53)	(4)	(136)	(38)	–	(4)	(235)
Total revenue	1,015	2,393	472	79	4,686	23	8,668
Results							
Segment results	267	228	226	20	686	(4)	1,423
Unallocated income							
Unallocated costs							
Profit from operations							
Finance costs							
Share of results of associates							
Share of results of joint ventures							
Profit before tax							
Taxation							
Profit after tax							

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

41. SEGMENT INFORMATION (CONTINUED)

Group As at 31 December 2020 (Restated)	Others	Grand Total	Reconciliation	Continuing operations	Discontinued operation	Group
External revenue	413	9,316	(4,615)	4,701	317	5,018
Inter-segment revenue	(162)	(397)	–	(397)	–	(397)
Total revenue	251	8,919	(4,615)	4,304	317	4,621
Results						
Segment results	(451)	972	(684)	288	(78)	210
Unallocated income		15	–	15	–	15
Unallocated costs		(46)	–	(46)	–	(46)
Profit from operations		941	(684)	257	(78)	179
Finance costs		(558)	134	(424)	(17)	(441)
Share of results of associates		7	–	7	–	7
Share of results of joint ventures		114	–	114	–	114
Profit before tax		504	(550)	(46)	(95)	(141)
Taxation		(110)	–	(110)	14	(96)
Profit after tax		394	(550)	(156)	(81)	(237)

Group As at 31 December 2020 (Restated)	Palm oil	Healthcare	Property	Industrial	Quick service restaurant	Intrapreneur ventures	Others	Total	Reconciliation	Group
Other information										
Segment assets	6,007	4,369	4,914	3,428	7,286	(6)	2,505	28,503	(7,221)	21,282
Associates	–	451	148	–	–	–	(318)	281	–	281
Joint ventures	–	–	–	–	1,645	–	10	1,655	–	1,655
Consolidated total assets								30,439	(7,221)	23,218
Segment liabilities	3,018	2,766	2,268	1,582	4,579	50	4,119	18,382	(4,433)	13,949
Unallocated liabilities								–	–	–
Consolidated total liabilities								18,382	(4,433)	13,949
Capital expenditure	235	272	79	3	341	–	30	960	(341)	619
Depreciation and amortisation	95	189	6	4	535	2	149	980	(535)	445

41. SEGMENT INFORMATION (CONTINUED)

Group	Sales (External) 2021	Sales (External) 2020 Restated	Total Assets 2021	Total Assets 2020 Restated	Capital Expenditure 2021	Capital Expenditure 2020 Restated
Malaysia	**8,784**	7,863	**27,253**	27,234	**841**	909
Singapore	**883**	883	**801**	801	**20**	20
Australia	**29**	61	**271**	121	**–**	–
Indonesia	**170**	35	**197**	271	**25**	26
Brunei	**42**	42	**54**	54	**2**	1
Cambodia	**23**	23	**18**	18	**8**	4
Bangladesh	**6**	12	**12**	4	**–**	–
Total	**9,937**	8,919	**28,606**	28,503	**896**	960
Reconciliation	**(4,800)**	(4,615)	**(7,233)**	(7,221)	**(434)**	(341)
Group	**5,137**	4,304	**21,373**	21,282	**462**	619
Associates			**257**	281		
Joint ventures			**1,774**	1,655		
Unallocated assets			**–**	–		
Total assets			**23,404**	23,218		

42. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END

1. Corporation

(a) On 31 July 2018, the Corporation has entered into the Development Agreement in relation to Arena Larkin's development cost with the State Government, Majlis Bandaraya Johor Bahru, Johor Land Berhad and Johor Foods Sdn Bhd amounting to RM357 million. One of the components agreed for the development is for the Corporation and its subsidiaries to surrender certain lands to the State Government in exchange for neighbouring lands, cash and other monetary consideration. As at financial year end, the land is still in the process of "Serah Balik Kurnia Semula".

(b) On 21 January 2022, the Corporation received the approvals from the Cabinet of Malaysia and Ministry of Finance in establishing a New Sukuk Program with the option to have these guaranteed by the Johor State Government. This programme shall be an Islamic Medium Term Notes ("IMTNs") programme of up to RM3.5 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar (Sukuk Wakalah Program), with an AAA/Stable rating assigned by RAM Rating Services Berhad. The programme lodgment to the Securities Commission was completed on 02 March 2022 followed by the deal announcement on 11 March 2022. The book-building and private placement was concluded on 03 June 2022 with the subscription rate of RM1,560 million. The proceeds were fully utilised for the redemption of current IMTNs due on 14 June 2022.

42. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END (CONTINUED)

2. Kulim (Malaysia) Berhad ("KMB")

(a) Classification of a subsidiary of the Group, E.A. Technique (M) Berhad ("EAT"), as Practice Note 17 ("PN17") Issuer

On 25 February 2022, EAT announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that EAT is classified as a PN17 Issuer as it has triggered the prescribed criteria pursuant to Paragraph 8.04 of Chapter 8 and Paragraph 2.1(e) of PN17 of the Listing Requirements. On 28 February 2022, EAT made further announcement to Bursa Securities that EAT had also triggered Paragraph 2.1(a) of PN17 of the Listing Requirements.

Pursuant to PN17, EAT is required to submit a regularisation plan to either Bursa Securities or Securities Commission Malaysia ("SC") for approval (depending on whether the plan will result in a significant change in the business direction or policy of EAT) within twelve months from the announcement date and to complete the implementation of the plan within the timeframe set by Bursa Securities or SC. Should EAT fail to comply with the obligations to regularise its condition, Bursa Securities may take necessary actions against EAT which may include suspension from the market and de-listing procedures against EAT. Currently, management of EAT is in the midst of finalising the regularisation plan which include, amongst others, the proposed debt restructuring exercise as disclosed in Note 42(2)(b) below.

(b) Proposed debt restructuring exercise by a subsidiary of the Group, E.A.Technique (M) Berhad

On 18 February 2022, EAT filed an Originating Summon at the High Court pursuant to Section 366 and Section 368 of the Companies Act 2016 in applying for a scheme of arrangement for EAT's debt restructuring exercise.

On 28 February 2022, the High Court had granted the following orders to EAT:

(i) a restraining order pursuant to Section 368 of the Act ("Restraining Order") for a period of three months which is valid until 31 May 2022. A Restraining Order is an order granted by the court which suspends all legal proceeding against EAT to preserve the status quo of any pending legal proceeding and for legal proceeding not to be commenced. During this interim period, it will also preserve the assets of EAT as an opportunity should be provided to restructure and rehabilitate EAT; and

(ii) an order pursuant to Section 366(1) of the Act to summon meetings of the creditors of EAT or any class of them ("Scheme Creditors") for the purpose of considering and, if thought fit, approving the scheme of arrangement and compromise between EAT and the creditors ("Court Convened Meeting" or "CCM"). Permission was given to EAT to hold the CCM within three months from the date of this order.

The duration of three months for the initial restraining order and the CCM due date has been extended by way of Court Order.

As part of the debt restructuring exercise, the related companies of EAT are also included as Scheme Creditors and they are the major group of Scheme Creditors under the proposed scheme. Currently, management of EAT is in the midst of finalising the proposed debt restructuring scheme for the approval of Scheme Creditors during the CCM, which include amongst other, the value of debts owing to the Scheme Creditors. A Proof of Debt exercise will be carried out at a later date for the purpose of determining the value of debts owing to the Scheme Creditors.

The proposed debt restructuring scheme will only be approved through a majority of 75% of the total value of the Scheme Creditors present and voting in the CCM. The date of the CCM has not been fixed.

43. PRIOR YEAR ADJUSTMENT

During the financial year, the Group and Corporation have made the following prior year adjustments:

(i) A subsidiary has made prior year adjustments to correct the effects of error arising from the sale of leasehold land which was recognised as operating lease instead of finance lease. As a result, adjustments have been made to the opening balances and relevant comparative information of the Group has been restated accordingly.

(ii) The Group has restated E.A. Technique (M) Berhad's prior year result as discontinued operations due to the commencement of their disposal plans in May 2021 as per requirements of MFRS 5.

(iii) The Group has made prior year adjustments to correct depreciation which was under recognised for port assets due to oversight. Adjustments have been made to the opening balances and relevant comparative information of the Group has been restated accordingly.

(iv) The Corporation has made prior year adjustments in the following accounts. As a result, the opening balances have been adjusted and relevant comparative information of the Group and the Corporation has been restated accordingly.

(a) To correct the accounting treatment for revenue recognition for lease extension. In prior years, the Corporation has recognised lease renewal upon expiry of the first lease instead of receipt of renewal.

(b) To correct the error in the past valuation method for the industrial land recognised as investment property. In prior years, the land were valued based on entire lease period (including commited sub-lease period to third party) which was not in accordance with the valuation standard.

Changes has been made in current year to value the investment properties based on the remaining lease period available to the Group and the Corporation (net of the sub-lease period to third party), and add the unamortised advanced rental from the sub-lease to third party to arrive at the total carrying amount of the investment properties.

(c) In prior years, no amortisation has been recognised on sukuk transaction cost which should have been recognised as expenses over the period during which the debt is outstanding.

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

Group

(a) Impact on the Group's Statement Of Comprehensive Income

	Financial year ended 31 December 2020					
	As previously reported	Effects of prior year adjustment				A restated
		(i)	(ii)	(iii)	(iv)	
	RM	RM	RM	RM	RM	RM
Revenue	4,556	–	(303)	–	51	4,304
Cost of sales	(2,925)	–	259	–	–	(2,666)
Other income	190	(1)	(10)	–	124	303
Administrative expenses	(998)	–	17	(7)	–	(988)
Other expenses	(770)	–	102	–	–	(668)
Finance cost	(454)	–	16	–	(3)	(441)
Loss before tax from continuing operation	(305)	(1)	81	(7)	172	(60)
Taxation	(75)	–	(14)	–	(7)	(96)
Loss from discontinued operation, net of tax	(14)	–	(67)	–	–	(81)
Loss net of tax	(394)	(1)	–	(7)	165	(237)

(b) Impact on the Group's Statements of Financial Position

	Financial year ended 1 January 2020					
	As previously reported	Effects of prior year adjustment				As restated
		(i)	(ii)	(iii)	(iv)	
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	8,806	–	–	(20)	–	8,786
Investment properties	4,704	(60)	–	–	372	5,016
Revenue Reserve	5,847	(30)	–	(20)	641	6,438
Loans and borrowings	9,396	–	–	–	20	9,416
Deferred tax liabilities	1,015	–	–	–	(12)	1,003
Other long term liabilities	1,211	(29)	–	–	(278)	904
Trade and other payables	2,561	(1)	–	–	–	2,560

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

Group (continued)

(b) Impact on the Group's Statements of Financial Position (continued)

	Financial year ended 31 December 2020					
	As previously reported	Effects of prior year adjustment				As restated
		(i)	(ii)	(iii)	(iv)	
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	8,608	–	–	(27)	–	8,581
Investment properties	4,912	(60)	–	–	495	5,347
Revenue Reserve	5,533	(32)	–	(27)	807	6,281
Loans and borrowings	9,264	–	–	–	23	9,287
Deferred tax liabilities	1,006	–	–	–	(5)	1,001
Other long term liabilities	1,324	(30)	–	–	(328)	966
Trade and other payables	2,355	(1)	–	–	–	2,354

Corporation

(a) Impact on the Corporation's Statement of Comprehensive Income

	Financial year ended 31 December 2020				
	As previously reported	Effects of prior year adjustment			As restated
		(a)	(b)	(c)	
	RM	RM	RM	RM	RM
Revenue	286	51	–	–	337
Other income	64	–	124	–	188
Finance cost	(121)	–	–	(3)	(124)
Loss before tax	(87)	51	124	(3)	85
Taxation	79	–	(7)	–	72
Loss net of tax	(8)	51	117	(3)	157

AMOUNTS IN RM MILLION UNLESS OTHERWISE STATED

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

Corporation (continued)

(b) Impact on the Group's Statements of Financial Position

	Financial year ended 1 January 2020				
	As previously reported RM	Effects of prior year adjustment (a) RM	(b) RM	(c) RM	As restated RM
Investment properties	1,982	–	371	–	2,353
Revenue Reserve	2,234	278	383	(20)	2,875
Loans and borrowings	1,792	–	–	20	1,812
Deferred tax liabilities	266	–	(12)	–	254
Other long term liabilities	958	(278)	–	–	680

	Financial year ended 31 December 2020				
	As previously reported RM	Effects of prior year adjustment (a) RM	(b) RM	(c) RM	As restated RM
Investment properties	1,358	–	495	–	1,853
Revenue Reserve	2,226	329	500	(23)	3,032
Loans and borrowings	1,789	–	–	23	1,812
Deferred tax liabilities	212	–	(5)	–	207
Other long term liabilities	1,047	(329)	–	–	718

44. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorised for issue on 20 June 2022 in accordance with a resolution of the Directors.

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS**				
A	**PALM OIL**				
	Cita Tani Sdn Bhd^	Dormant	Malaysia	**99.98**	99.98
	Danamin (M) Sdn Bhd^	Providing non-destructive testing services and performing electrical engineering works for oil & gas, marine, chemical and contruction industries	Malaysia	**74.99**	74.99
	DQ-IN Sdn Bhd^	Business of engineering and fabrication	Malaysia	**74.99**	74.99
	E.A. Technique (M) Berhad#^	Provision of sea transportation and related services	Malaysia	**52.47**	52.47
	Edaran Badang Sdn Bhd^	Dealer in agricultural machinery and parts	Malaysia	**99.98**	99.98
	EPA Futures Sdn Bhd^	Dormant	Malaysia	**–**	Disposed on 13.11.2020
	EPA Management Sdn Bhd^	Investment holding	Malaysia	**99.98**	99.98
	Epasa Shipping Agency Sdn Bhd^	Shipping and forwarding agent	Malaysia	**99.98**	99.98
	Exquisite Livestock Sdn Bhd^	Dormant	Malaysia	**–**	Disposed on 13.11.2020
	Extreme Edge Sdn Bhd^	Supply of information technology (IT) hardware and provision of IT maintenance and development services	Malaysia	**74.99**	74.99
	Johor Shipyard & Engineering Sdn Bhd^	Shipbuilding, fabrication of steel structures, engineering services and consultancy	Malaysia	**52.47**	52.47
	JTP Trading Sdn Bhd^	Trading and distribution of tropical fruits	Malaysia	**99.98**	99.98
	KCW Electrical Sdn Bhd^	Dormant	Malaysia	**Disposed on 31.10.2021**	99.98
	KCW Hardware Sdn Bhd^	Dormant	Malaysia	**Disposed on 31.10.2021**	99.98
	KCW Kulim Marine Services Sdn Bhd^	Dormant	Malaysia	**Disposed on 31.10.2021**	99.98
	Kulim (Malaysia) Berhad^	Oil palm plantation, investment holding and property investment	Malaysia	**99.98**	99.98
	Kulim Civilworks Sdn Bhd^	Investment holding	Malaysia	**99.98**	99.98

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS (CONTINUED)**				
	A PALM OIL (CONTINUED)				
	Kulim Energy Nusantara Sdn Bhd^	Investment holding	Malaysia	**99.98**	99.98
	Kulim Energy Sdn Bhd^	Dormant	Malaysia	**79.98**	79.98
	Kulim Green Energy Ventures Sdn Bhd^	Renewable energy	Malaysia	**54.99**	54.99
	Kulim Greenergy Sdn Bhd (formerly known as SG Lifestyle Sdn Bhd)^	Renewable energy	Malaysia	**99.98**	99.98
	Kulim Livestock Sdn Bhd^	Livestock farming	Malaysia	**99.98**	99.98
	Kulim Nursery Sdn Bhd^	Oil palm nursery and other related services	Malaysia	**99.98**	99.98
	Kulim Plantations (Malaysia) Sdn Bhd^	Production of oil palm and palm kernels	Malaysia	**99.98**	99.98
	Kulim Safety Training and Services Sdn Bhd^	Provision of training services and any other services related to occupational safety, health, environmental and security systems and fire safety	Malaysia	**74.99**	74.99
	Kulim Smart Technologies Sdn Bhd^	Researching and developing cutting edge solutions for oil and gas, healthcare and industrial automation	Malaysia	**99.98**	99.98
	Kulim Topplant Sdn Bhd^	Production of oil palm clones	Malaysia	**99.98**	99.98
	Kumpulan Bertam Plantations Berhad^	Oil palm plantation	Malaysia	**95.55**	95.55
	Libra Perfex Precision Sdn Bhd^	Hiring and chartering of marine vessel	Malaysia	**52.47**	52.47
	Mahamurni Plantations Sdn Bhd^	Production of oil palm and palm kernels	Malaysia	**99.98**	99.98
	Microwell Bio Solutions Sdn Bhd^	Ceased operations in September 2018	Malaysia	**Disposed on 01.06.2021**	59.99
	Microwell Trading Sdn Bhd^	Dormant	Malaysia	**–**	Disposed on 13.11.2020

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
A PALM OIL (CONTINUED)				
MIT Captive Ltd^	Licensed to carry Labuan Captive takaful business	Malaysia	**99.98**	99.98
MIT Insurance Brokers Sdn Bhd^	Insurance broking and consultancy	Malaysia	**99.98**	99.98
Optimum Status Sdn Bhd^	Provision of mechanical & electrical services	Malaysia	**74.99**	74.99
Pembangunan Mahamurni Sdn Bhd^	Investment holding	Malaysia	**99.98**	99.98
Perfect Synergy Trading Sdn Bhd^	Trading and supplying of fertiliser and chemical	Malaysia	**99.98**	74.99
Pinnacle Platform Sdn Bhd^	Development and maintenance of information technology application system	Malaysia	**74.99**	74.99
Pristine Bay Sdn Bhd^	Investment holding	Malaysia	**99.98**	99.98
PT Kulim Agro Persada^	Dormant	Indonesia	**99.98**	99.98
PT Rambang Agro Jaya^	Oil palm plantation	Indonesia	**70.29**	70.29
PT Tempirai Palm Resources^	Oil palm plantation	Indonesia	**70.29**	70.29
PT Wisesa Inspirasi Nusantara^	Investment holding	Indonesia	**73.99**	73.99
Renown Value Sdn Bhd^	Cultivation of pineapples and other agricultural produce	Malaysia	**99.98**	99.98
Selai Sdn Bhd^	Oil palm plantation and livestock farming	Malaysia	**99.98**	99.98
SIM Manufacturing Sdn Bhd^	Dormant	Malaysia	**89.98**	89.98

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS (CONTINUED)**				
A	**PALM OIL (CONTINUED)**				
	Sindora Berhad^	Investment holding operations of oil palm	Malaysia	**99.98**	99.98
	Sindora Development Sdn Bhd^	Dormant	Malaysia	**99.98**	99.98
	Sindora Timber Products Sdn Bhd^	Dormant	Malaysia	**–**	Disposed on 13.11.2020
	Sindora Timber Sdn Bhd^	Dormant	Malaysia	**99.98**	99.98
	Sindora Trading Sdn Bhd^	Dormant	Malaysia	**Disposed on 31.10.2021**	99.98
	Sindora Wood Products Sdn Bhd^	Dormant	Malaysia	**Disposed on 31.10.2021**	99.98
	Skellerup Industries (Malaysia) Sdn Bhd^	Investment holding	Malaysia	**99.98**	99.98
	Sovereign Multimedia Resources Sdn Bhd^	Software development technical services, and other related ICT business	Malaysia	**74.99**	74.99
	Special Appearance Sdn Bhd^	Replanting of oil palm and other related services	Malaysia	**99.98**	99.54
	Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd^	Oil palm plantation	Malaysia	**99.98**	99.98
	United Malayan Agricultural Corp Berhad^	Oil palm plantation	Malaysia	**99.98**	99.98
	Xcot Tech Sdn Bhd^	Dormant	Malaysia	**74.99**	74.99
	Yayasan Ansar^	Corporate Social Responsibility	Malaysia	**@**	@

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
B FOOD AND RESTAURANTS				
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 Sdn Bhd^	Investment holdings and operation of a convenience foodstore chain	Malaysia	**100.00**	100.00
Business Chronicles Sdn Bhd^	Investment holding company	Malaysia	**100.00**	100.00
Efinite Value Sdn Bhd^	Customer service call centre	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Integrated Poultry Industry Sdn Bhd^	Primary poultry processing	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Kampuchea Food Corporation Co. Ltd^	Restaurants	Cambodia	**Joint-controlled entity**	Joint-controlled entity
Kara Holdings Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
Kentucky Fried Chicken (Malaysia) Sendirian Berhad^	Human resource management	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^	Biodiesel Property holding Investment holding	Malaysia	**Joint-controlled entity**	Joint-controlled entity
KFC (Sabah) Sdn Bhd^	Property holding	Malaysia	**Joint-controlled entity**	Joint-controlled entity
KFC Holdings (Malaysia) Bhd^	Property 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 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
B FOOD AND RESTAURANTS (CONTINUED)				
Ladang Ternakan Putihekar (N.S) Sdn Bhd^	Poultry breeder farm	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Massive Equity Sdn Bhd^	Investment holding	Malaysia	**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
PHD Delivery Sdn Bhd^	Restaurants and pizza delivery	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Pintas Tiara Sdn Bhd^	Property holding	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^	Restaurants	Singapore	**Joint-controlled entity**	Joint-controlled entity
QSR Brands (M) Holdings Bhd^	Investment holding and provision of management service	Malaysia	**Joint-controlled entity**	Joint-controlled entity
QSR Captive Insurance Limited^	Captive insuror	Malaysia	**Joint-controlled entity**	Joint-controlled entity
QSR Manufacturing Sdn Bhd^	Bakery Commissary Investment holding	Malaysia	**Joint-controlled entity**	Joint-controlled entity
QSR Stores Sdn Bhd^	Restaurants and trading in consumables	Malaysia	**Joint-controlled entity**	Joint-controlled entity
QSR Trading Sdn Bhd^	Sales and marketing of food products	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Rasamas Holdings Sdn Bhd^	Restaurants	Malaysia	**100.00**	100.00
Region Food Industries Sdn Bhd^	Sauce manufacturing plant	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Roaster's Chicken Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
B FOOD AND RESTAURANTS (CONTINUED)				
SPM Restaurants Sdn Bhd^	Property holding	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Tepak Marketing Sdn Bhd^	Contract packing tea and tea trading	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Usahawan Bistari Ayamas Sdn Bhd^	Operation of "Sudut Ayamas"	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Virtualflex Sdn Bhd^	Operation of KASH card	Malaysia	**100.00**	100.00
WQSR Holdings (S) Pte Ltd^	Investment holding	Singapore	**Joint-controlled entity**	Joint-controlled entity
Efinite Revenue Sdn Bhd^	Dormant	Malaysia	**Joint-controlled entity**	Joint-controlled entity
KFC (Sarawak) Sdn Bhd^	Dormant	Malaysia	**Joint-controlled entity**	Joint-controlled entity
KFC India Holdings Sdn Bhd^	Dormant	Malaysia	**–**	Struck off on 24.12.2020
QSR Delivery Sdn Bhd^	Dormant	Malaysia	**Joint-controlled entity**	Joint-controlled entity
QSR Technology Sdn Bhd^	Dormant	Malaysia	**–**	Struck off on 24.12.2020
Yes Gelato Sdn Bhd^	Dormant	Malaysia	**Joint-controlled entity**	Joint-controlled entity
Pizza (Kampuchea) Private Limited^	Dormant	Cambodia	**Joint-controlled entity**	Joint-controlled entity
DHE Logistics Malaysia Sdn Bhd^	Logistics	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 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
C HEALTHCARE				
Amity Development Sdn Bhd^	Operating as a property holding company	Malaysia	**38.26**	38.68
Advanced Health Care Solutions Sdn Bhd^	Providing healthcare information system service	Malaysia	**38.26**	38.68
Ampang Puteri Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Bandar Baru Klang Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Bandar Dato Onn Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Bayan Baru Specialist Hospital Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
BDC Specialist Hospital Sdn Bhd^	Operating as a building management company	Malaysia	**38.26**	38.68
Crossborder Aim (M) Sdn Bhd^	Investment holding company	Malaysia	**38.26**	38.68
Crossborder Hall (M) Sdn Bhd^	Investment holding company	Malaysia	**38.26**	38.68
Damansara Specialist Hospital Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
DTI Resources Sdn Bhd (formerly known as Diaper Technology Industries Sdn Bhd)^	Providing information technology related services and rental of software	Malaysia	**35.87**	36.26
Energy Excellent Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
Fabricare Laundry Sdn Bhd^	Providing laundry services	Malaysia	**37.62**	38.03
FP Marketing (S) Pte Ltd^	Dormant	Singapore	**–**	Struck off on 06.04.2020
Freewell Sdn Bhd^	Dormant	Malaysia	**30.61**	30.94
Healthcare IT Solutions Sdn Bhd^	Providing healthcare information technology services	Malaysia	**38.26**	38.68

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
C HEALTHCARE (CONTINUED)				
Healthcare Technical Services Sdn Bhd^	Providing management and engineering maintenance and services for specialist hospital	Malaysia	**68.51**	68.73
Ipoh Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**37.75**	38.17
Jeta Gardens (Qld) Pty Ltd^	Providing retirement village and aged care services	Australia	**21.87**	22.11
Johor Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Kajang Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Kedah Medical Centre Sdn Bhd^	Operating as a specialist hospital	Malaysia	**17.47**	17.66
Kluang Specialist Hospital Sdn Bhd^	Operating as a building management company	Malaysia	**38.26**	38.68
Kota Kinabalu Wellness Sdn Bhd^	Operating as an assisted living care, after birth care and rehabilitation centre	Malaysia	**38.26**	38.68
KPJ Ambulatory Care Centre Sdn Bhd^	Managing and operating Ambulatory Care Centre and related services	Malaysia	**38.26**	38.68
KPJ Dhaka Pte Ltd^	Providing management services to a specialist hospital	Bangladesh	**38.26**	38.68
KPJ Education (M) Sdn Bhd^	Operating as a college and training centre	Malaysia	**38.26**	38.68
KPJ Education Services Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
KPJ Eyecare Specialist Sdn Bhd^	Providing medical and consultancy services in eye care	Malaysia	**38.26**	38.68
KPJ Healthcare Berhad#^	Investment holding and provision of management services to subsidiaries	Malaysia	**38.26**	38.68
KPJ Healthcare University College Sdn Bhd^	Operating as a private university college of nursing and allied health	Malaysia	**38.26**	38.68

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS (CONTINUED)**				
C	**HEALTHCARE (CONTINUED)**				
	KPJ Healthshoppe Sdn Bhd^	Operating as pharmacy retail outlet	Malaysia	**38.26**	38.68
	KPJ Medik TV Sdn Bhd^	Operating as medical service provider	Malaysia	**38.26**	38.68
	Kuantan Wellness Center Sdn Bhd^	Operating as a dialysis and aged-care centre	Malaysia	**38.26**	38.68
	Kuching Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**35.43**	27.08
	Kumpulan Perubatan (Johor) Sdn Bhd^	Managing and investment holding company for medical sector	Malaysia	**38.26**	38.68
	Lablink (M) Sdn Bhd^	Providing laboratory and pathology services	Malaysia	**19.51**	19.73
	Maharani Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
	Malaysian Institute of Healthcare Management Sdn Bhd^	Dormant	Malaysia	**28.69**	29.01
	Massive Hybrid Sdn Bhd^	To be operating as a specialist hospital	Malaysia	**38.26**	38.68
	Miri Specialist Hospital Sdn Bhd^	To be operating as a specialist hospital	Malaysia	**32.14**	27.08
	Pahang Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**26.78**	27.08
	Pasir Gudang Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
	Penang Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
	Perdana Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**23.17**	23.42
	Perlis Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**22.96**	23.21

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
C HEALTHCARE (CONTINUED)				
PharmaCARE Sdn Bhd^	Providing human resource, training services and rental of human resource information system	Malaysia	**38.26**	38.68
Pharmacare Surgical Technologies (M) Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
Pharmaserv Alliances Sdn Bhd^	Marketing and distributing medical and pharmaceutical products	Malaysia	**38.26**	38.68
Point Zone (M) Sdn Bhd^	Providing treasury management services to the companies within the group	Malaysia	**38.26**	38.68
Pride Outlet Sdn Bhd^	Providing maintenance service for medical equipment	Malaysia	**28.69**	29.01
PT Al-Aqar Bumi Serpong Damai^	Operating as building management company	Indonesia	**38.26**	38.68
PT Al-Aqar Permata Hijau^	Operating as building management company	Indonesia	**38.26**	38.68
PT Khasanah Putera Jakarta Medica^	Operating as a specialist hospital	Indonesia	**28.69**	29.01
PT Khidmat Perawatan Jasa Medika^	Operating as a specialist hospital	Indonesia	**30.61**	30.94
Pusat Pakar Kluang Utama Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Pusat Pakar Tawakal Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
Pusrawi SMC Sdn Bhd (formerly known as Hospital Pusrawi SMC Sdn Bhd)^	Operating as a polyclinic	Malaysia	**11.94**	12.07
Puteri Specialist Hospital (Johor) Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
Rawang Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS (CONTINUED)**				
C	**HEALTHCARE (CONTINUED)**				
	Selangor Specialist Hospital Sdn Bhd^	Operating as a specialist hospital	Malaysia	**22.96**	23.21
	Sentosa Medical Centre Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
	Seremban Specialist Hospital Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
	Sibu Geriatric Health & Nursing Centre Sdn Bhd^	Operating and managing an aged care facilities	Malaysia	**38.26**	38.68
	Sibu Medical Centre Corporation Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
	Skop Yakin (M) Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
	SMC Healthcare Sdn Bhd^	Operating as a specialist hospital	Malaysia	**38.26**	38.68
	Sri Manjung Specialist Centre Sdn Bhd^	Operating as a specialist hospital	Malaysia	**37.75**	38.17
	Sterile Services Sdn Bhd^	Providing sterile services	Malaysia	**38.26**	38.68
	Taiping Medical Centre Sdn Bhd^	Dormant	Malaysia	**38.26**	38.68
	Tawakal Holdings Sdn Bhd^	Investment holding company	Malaysia	**38.26**	38.68
	Total Meal Solution Sdn Bhd^	Provide central kitchen services	Malaysia	**26.78**	27.08
	UTM KPJ Specialist Hospital Sdn Bhd^	To be operating as a specialist hospital	Malaysia	**38.26**	38.68
	Vejthani Public Company Limited^	Specialist hospital	Thailand	**8.94**	9.04

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
D PROPERTY				
Advance Development Sdn Bhd^	Property development	Malaysia	**100.00**	100.00
Bandar Baru Majidee Development Sdn Bhd^	Property development	Malaysia	**100.00**	100.00
Bertam Properties Sdn Bhd^	Property development	Malaysia	**20.00**	20.00
Bukit Damansara Development Sdn Bhd^	Property investment and holding	Malaysia	**100.00**	100.00
Convenue Marketing Sdn Bhd^	Dormant	Malaysia	**100.00**	100.00
DAC Land Sdn Bhd^	Investment holding and property development	Malaysia	**82.51**	–
DAC Properties Sdn Bhd^	Development of building projects for own operation	Malaysia	**24.75**	–
Damansara Assets Sdn Bhd^	Investment and property holding, property development, project and property management and collection agent	Malaysia	**100.00**	100.00
Damansara Galaxy Sdn Bhd^	Other service activities n.e.c	Malaysia	**82.51**	–
Damansara Holdings Berhad^	Investment holding, construction and project management	Malaysia	**82.51**	–
Damansara PMC Services Sdn Bhd^	Property and land development, healhcare facilities, consultancy services, human capital development and training	Malaysia	**82.51**	–
Damansara Prospects Sdn Bhd^	Leasing, hire purchase and loan financing	Malaysia	**82.51**	–
Damansara Pulse Sdn Bhd^	General trading	Malaysia	**82.51**	–
Damansara Realty (Johor) Sdn Bhd^	Property development	Malaysia	**82.51**	–

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS (CONTINUED)**				
	D PROPERTY (CONTINUED)				
	Damansara Realty (Negeri Sembilan) Sdn Bhd^	General construction	Malaysia	**82.51**	–
	Damansara Realty (Pahang) Sdn Bhd^	Property holding and development	Malaysia	**66.00**	–
	Damansara Realty (Terengganu) Sdn Bhd^	Buying, selling, renting and operation of self-owned or leased real estate-residential building	Malaysia	**82.51**	–
	Damansara Realty Management (Timber Operations) Sdn Bhd^	Carrying out part of the forestry operation on a fee or contact basis for logging services activities	Malaysia	**82.51**	–
	Damansara Realty Management Services Sdn Bhd^	Business management consultancy services	Malaysia	**82.51**	–
	Damansara Reit Managers Sdn Berhad^	Real estate investment management	Malaysia	**100.00**	100.00
	Damansara Technolgy Sdn Bhd^	Business and technology solution provider	Malaysia	**82.51**	–
	DASB Food Services Sdn Bhd^	Business of food services	Malaysia	**100.00**	–
	DASB Parking Sdn Bhd (formerly known as Harta Consult Sendirian Berhad)^	Carkpark management, design and consultancy services	Malaysia	**100.00**	100.00
	DASB Property Management Sdn Bhd (formerly known as Synergy Mall Management Sdn Bhd)^	Property management	Malaysia	**82.67**	100.00
	DASB Security Services Sdn Bhd (formerly known as AB Theme Park Sdn Bhd)^	Consultancy and security services	Malaysia	**100.00**	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
D PROPERTY (CONTINUED)				
DHealthcare Centre Sdn Bhd^	Healthcare service provider	Malaysia	**91.08**	49.00
Harta Facilities Management Sdn Bhd^	Providing facilities management and consultancy services	Malaysia	**82.51**	–
HC Duraclean Sdn Bhd^	Franchising of professional care and cleaning product and all other business related wholesale and retail of professional care and cleaning product and machinery to purchase in bulk, sell and deal in any kind of professional care and cleaning products	Malaysia	**70.13**	–
Healthcare Techical Services (PNG) Limited^	Specialist in hospital planning and development consultant	Papua New Guinea	**37.13**	–
HTS International Limited^	Design, production and sale of products relating to physical	United Kingdom	**82.51**	–
Ibrahim International Business District (Johor) Sdn Bhd	Consists of developing, managing and promoting investment for Ibrahim International Business District area	Malaysia	**60.00**	60.00
JLand Group Sdn Bhd (formerly known as Absolute Ambient Sdn Bhd)^	Investment holding	Malaysia	**100.00**	100.00
Johor City Development Sdn Bhd^	Property development	Malaysia	**100.00**	100.00
Johor Land Berhad^	Property development, construction and investment holding	Malaysia	**100.00**	100.00
Johor Silica Industries Sdn Bhd^	Selling of silica sand	Malaysia	**100.00**	100.00
JOLS Contructions Sdn Bhd^	Construction, refurbishment, inspection and sanitisation services	Malaysia	**82.51**	–

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	**CORE BUSINESS (CONTINUED)**				
	D PROPERTY (CONTINUED)				
	Kesang Kastory Enterprise Sdn Bhd^	Wholesale of other foodstuffs	Malaysia	**78.38**	–
	Kesang Properties Sdn Bhd^	Development of building projects for own operation, ie for renting of space in these buildings	Malaysia	**82.51**	–
	Kesang Quarry Sdn Bhd^	Quarrying operation	Malaysia	**57.76**	–
	Kesang Trading Sdn Bhd^	Retail sale of office supplies and equipment	Malaysia	**82.51**	–
	Kulim Technology Ideas Sdn Bhd (formerly known as KCW Roadworks Sdn Bhd)^	Dormant	Malaysia	**100.00**	99.98
	M.N. Koll (M) Sdn Bhd^	Building management and maintenance services	Malaysia	**82.51**	–
	Metro Parking (B) Sdn Bhd^	Managing car park facilities in Brunei	Brunei	**82.51**	–
	Metro Parking (M) Sdn Bhd^	Parking operator and consultant sevices	Malaysia	**82.51**	–
	Metro Parking (S) Pte Ltd^	Transport related services, car park management and operation services	Singapore	**57.76**	–
	Metro Parking Management (Philippines) Inc.^	Parking operator and other related parking services	Philippines	**82.51**	–
	Pedas Quarry Sdn Bhd^	Other mining and quarying n.e.c	Malaysia	**45.38**	–
	Pembinaan Prefab Sdn Bhd^	Property development	Malaysia	**100.00**	100.00
	Premier Revenue Sdn Bhd^	Provision of insurance agency services	Malaysia	**100.00**	100.00
	Premium Angle Development Sdn Bhd^	Dormant	Malaysia	**100.00**	79.74

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	2020 %
1 CORE BUSINESS (CONTINUED)				
D PROPERTY (CONTINUED)				
Revertex (Malaysia) Sdn Bhd^	Manufacture and sale of concentrated natural rubber latex, compounds, synthetic resin emulsions, alkyd resins, polyester resins and plasticisers	Malaysia	**30.07**	30.07
Smart Parking Management System Sdn Bhd^	To carry on the business of a service provider for financial and electronic payment application and provide expertise in IT project management and consultancy, supply of ICT hardware equipment, maintenance and asset management, supplying and maintaining of car park equipment	Malaysia	**82.51**	–
Tanjung Leman Theme Park Sdn Bhd^	Dormant	Malaysia	**100.00**	100.00
Tebing Aur Sdn Bhd^	Construction and project management	Malaysia	**82.51**	–
TMR ACMV Services Sdn Bhd^	Trading and servicing of air conditioning products	Malaysia	**82.51**	–
TMR Koll Sdn Bhd^	To provide engineering consultancy services	Malaysia	**82.51**	–
TMR LC Services Sdn Bhd^	Building management, maintenance services and hospitality	Malaysia	**57.76**	–
TMR Urusharta (M) Sdn Bhd^	Business of real estate services, general services, facility management, project consultant and project management	Malaysia	**82.51**	–
Valtro Services Sdn Bhd (formerly known as Metro Parking (Sabah) Sdn Bhd)^	Operation of parking facilities for motor vehicles (parking lots)	Malaysia	**82.51**	–

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1	CORE BUSINESS (CONTINUED)				
E	INDUSTRIAL DEVELOPMENT				
	Damai Ecotech Sdn Bhd^	Provide services for Biomass steam plant at Palm Oil Industrial Cluster (POIC)	Malaysia	**100.00**	100.00
	Johor Concrete Products Sdn Bhd^	Dormant	Malaysia	**51.00**	51.00
	Johor Skills Development Centre Sdn Bhd^	Technical skills development and training centre	Malaysia	**75.00**	75.00
	Langsat Marine Base Sdn Bhd^	Provide marine base services which includes handling and storage of high value oil and gas equipment	Malaysia	**100.00**	100.00
	Langsat Marine Terminal Sdn Bhd^	Engaged in leasing of warehousing and logistics facilities	Malaysia	**100.00**	100.00
	Langsat OSC Sdn Bhd^	Construct, manage and operate on offshore and a marine logistics base	Malaysia	**51.00**	51.00
	MC-JTP Concept Sdn Bhd^	Letting of factory lots and providing property management services	Malaysia	**100.00**	100.00
	Pagoh Highland Resorts Sdn Bhd^	Property investment	Malaysia	**60.00**	60.00
	Panca Pesona Sdn Bhd^	Industrial land and housing projects development	Malaysia	**40.00**	40.00
	PT Padang Industrial Park^	Industrial land development	Indonesia	**55.00**	55.00
	Sri Gading Land Sdn Bhd^	Ceased operating in 2017	Malaysia	**51.00**	51.00
	Tanjung Langsat Port Sdn Bhd^	To lease its port operating assets and facilities to a fellow subsidiary which has been granted the license to operate the port	Malaysia	**100.00**	100.00
	Techno SCP Sdn Bhd^	Industrial land development	Malaysia	**60.00**	60.00
	Tg. Langsat Development Sdn Bhd^	Contractors for earthwork and road construction	Malaysia	**100.00**	100.00
	TLP Terminal Sdn Bhd^	Promote, develop, operate, manage and maintain Tanjung Langsat Port	Malaysia	**100.00**	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
1 CORE BUSINESS (CONTINUED)				
E INDUSTRIAL DEVELOPMENT (CONTINUED)				
Total Project Management Sdn Bhd^	Architectural and project management services	Malaysia	**100.00**	100.00
TPM Technopark Sdn Bhd^	Consist of development and sale of industrial land and project management services	Malaysia	**100.00**	100.00
F LIST OF FUNDS				
Al-Aqar Healthcare REIT#^	Management of real estate investment trust	Malaysia	**14.94**	14.94
Al-Salam Investment Trust#^	Management of real estate investment trust	Malaysia	**57.34**	57.34
2 NON-CORE BUSINESS				
SME/NON-SME				
Aiman Lifestyle Sdn Bhd^	Food and beverages outlet	Malaysia	**51.00**	51.00
Alpha Primus Anonymous Sdn Bhd	Ceased operation on 31 July 2020	Malaysia	**100.00**	100.00
Aquabuilt Sdn Bhd^	Dormant	Malaysia	**100.00**	100.00
BDO Assets Management Sdn Bhd^	Investment holding and other related activities	Malaysia	**100.00**	100.00
Buat Niaga Sdn Bhd^	Dormant	Malaysia	**100.00**	100.00
Classruum Technologies Sdn Bhd^	Ceased operation on 30 June 2020	Malaysia	**79.40**	79.40
Eden Arajaya Sdn Bhd^	Dormant	Malaysia	**Struck off on 08.09.2021**	79.74
Efinite Structure Sdn Bhd^	Engaged as the Special Purpose Vehicle company ("SPV") to acquire certain assets under the Asset Rationalisation programme involving Tanjung Langsat Port Sdn Bhd	Malaysia	**100.00**	100.00

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
2	**NON-CORE BUSINESS (CONTINUED)**				
	SME/NON-SME (CONTINUED)				
	Ezmilesteps Global Sdn Bhd^	Ceased operation on 31 July 2020	Malaysia	**–**	Struck off on 31.12.2020
	Hotel Selesa (JB) Sdn Bhd^	Ceased operation on 15 April 2017	Malaysia	**100.00**	100.00
	Hotel Selesa Sdn Bhd^	Ceased operation on 15 March 2017	Malaysia	**100.00**	100.00
	Ihsan Permata Sdn Bhd^	Company ceased its operation in August 2017	Malaysia	**100.00**	100.00
	Inpago Travel & Tours Sdn Bhd^	Ceased operation on 31 July 2020	Malaysia	**–**	Struck off on 31.12.2020
	Intrapreneur Development Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
	Intrapreneur Development Capital Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
	Intrapreneur Value Creation Sdn Bhd^	Provide financing to companies within Johor Corporation Group based on Shariah principles and to subscribe, acquire, hold, dispose shares or other securities of any other company which are Shariah compliant	Malaysia	**79.60**	79.74
	IPPJ Sdn Bhd^	Investment holding, conducting entrepreneurial training programs and seminar, sub-letting its rented premises and other activities relating thereto	Malaysia	**75.00**	75.00
	JCorp Capital Excellence Sdn Bhd^	Investment holding company	Malaysia	**100.00**	100.00
	JCorp Capital Solutions Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
	JCorp Hotels and Resorts Sdn Bhd^	Investment holding and hospitality services	Malaysia	**100.00**	100.00
	Johor Aluminium Processing Sdn Bhd^	Aluminium products	Malaysia	**35.00**	35.00
	Johor Capital Holdings Sdn Bhd	Investment holding	Malaysia	**100.00**	100.00
	Johor Foods Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
2 NON-CORE BUSINESS (CONTINUED)				
SME/NON-SME (CONTINUED)				
Johor Franchise Development Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
Johor Heavy Industries Sdn Bhd^	Ceased operations since 2001	Malaysia	**100.00**	100.00
Johor Logistics Sdn Bhd^	Renting out building and container yards and rendering of related services	Malaysia	**100.00**	100.00
Johor Paper and Publishing Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
Johor Ventures Sdn Bhd	Investment holding	Malaysia	**100.00**	100.00
JSEDC Properties Sdn Bhd	Ceased operation since 2020	Malaysia	**100.00**	100.00
Kilang Airbatu Perintis Sdn Bhd^	Rental of land and cold room facilities	Malaysia	**88.22**	88.22
Kok Lian Marketing Sdn Bhd^	Book publisher	Malaysia	**51.19**	51.19
Larkin Sentral Management Sdn Bhd^	Special purpose vehicle for repurchase of unit trusts	Malaysia	**100.00**	100.00
Larkin Sentral Sdn Bhd^	Business of a contractor and developer	Malaysia	**100.00**	100.00
Le Petite Gourmet Sdn Bhd^	Food and beverages outlet	Malaysia	**51.00**	51.00
Makmuran Veneer & Plywood Sdn Bhd^	Subcontracting of its operating facilities to a third party	Malaysia	**&**	&
New Wave Health Sdn Bhd	Ceased operation on 12 October 2020	Malaysia	**60.00**	60.00
N2W Corporation Sdn Bhd	Ceased operation on 31 July 2020	Malaysia	**100.00**	100.00
Paper Automation Sdn Bhd^	Dormant	Malaysia	**93.58**	93.58
Penawar Express Line Berhad^	Public bus and express bus services	Malaysia	**95.70**	77.62
Pelaburan Johor Berhad^	Dormant	Malaysia	**100.00**	100.00
Permodalan Teras Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
Phoenix Progress Sdn Bhd^	A special purpose vehicle for financing	Malaysia	**100.00**	100.00
Pro Corporate Management Services Sdn Bhd^	Corporate management services	Malaysia	**100.00**	100.00
Puteri Hotels Sdn Bhd^	Ceased operation on 31 August 2020	Malaysia	**100.00**	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest 2021 %	Group Effective Interest 2020 %
2	**NON-CORE BUSINESS (CONTINUED)**				
	SME/NON-SME (CONTINUED)				
	Rajaudang Aquaculture Sdn Bhd	Prawn and fish farming	Malaysia	**Disposed on 03.03.2021**	75.00
	Rajaudang Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
	Rajaudang Trading Sdn Bhd	Trading of household agricultural products	Malaysia	**Disposed on 03.03.2021**	75.00
	Selasih Catering Services Sdn Bhd^	Ceased operations on 16 April 2020	Malaysia	**100.00**	100.00
	SPMB Holdings Sdn Bhd^	Investment holding	Malaysia	**100.00**	100.00
	Sergam Berhad^	Ceased operation since 2001	Malaysia	**96.78**	96.78
	Sibu Island Resorts Sdn Bhd^	Ceased operation on 31 December 2015	Malaysia	**100.00**	100.00
	Sindora Ventures Sdn Bhd^	Investment holding company	Malaysia	**&**	&
	Syarikat Pengangkutan Maju Berhad^	Public bus service according to itinerary travel and vehicle rental	Malaysia	**95.70**	77.62
	Tanjung Tuan Hotel Sdn Bhd^	Ceased operation on 31 October 2014	Malaysia	**100.00**	100.00
	Tenaga Utama (Johor) Bhd^	Investment holding	Malaysia	**69.76**	69.76
	Teraju Fokus Sdn Bhd^	Security services	Malaysia	**30.00**	30.00
	Timeless Commitment Sdn Bhd^	Manage and operate a master licensee agreement to develop, open and operate licensed outlet	Malaysia	**51.00**	51.00
	Trapezoid Web Profile Sdn Bhd^	Ceased operation since 2004	Malaysia	**81.74**	81.74
	Westbury Tubular (M) Sdn Bhd^	Dormant	Malaysia	**41.69**	41.69
	Waqaf An-Nur Berhad^	Investment holding	Malaysia	**@**	@
	Yakin Tea Sdn Bhd^	In process of being winding up	Malaysia	**62.24**	62.24

Listed on the Main Board of Bursa Malaysia Securities Berhad
@ Limited by Guarantee
^ Subsidiaries not audited by KPMG PLT
& Subsidiaries of Waqaf An-Nur Berhad

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