



**FUTURE
REDEFINED**



ABOUT THIS REPORT

Welcome to Johor Corporation Berhad (JCorp)'s inaugural integrated report, which has been prepared to provide a balanced and accurate narrative about the Group's performance and prospects based on our strategy, taking into account the challenges posed by the operating environment and other key risks impacting the industries we operate in. This report is intended primarily for providers of capital, but is also relevant to all stakeholders who would like to understand how we seek to create value in the short, mid and long term through good governance, balancing our vision for growth against environmental and social imperatives.

MATERIALITY

Information disclosed is relevant to matters that have been determined to be material to our stakeholders as well as to the achievement of our corporate goals. These matters reflect existing and emerging risks and opportunities, which could affect our ability to create value and deliver on our core purpose.

REPORTING FRAMEWORK

Our integrated reporting process as well as the contents of this report have been guided by the principles and requirements of the following standards:

- International Reporting <IR> Framework of the International Financial Reporting Standards (IFRS) Foundation
- Main Market Listing Requirements (MMLR) of Bursa Malaysia
- Corporate Governance Guide (Fourth Edition) issued by Bursa Malaysia
- Companies Act 2016 (CA 2016)
- Malaysian Code on Corporate Governance (MCCG) 2021
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)

Additionally, our Sustainability Statement has been guided by the Global Reporting Initiative (GRI) Standards, Bursa Malaysia's Sustainability Reporting Guide (Second Edition), and the United Nations' Sustainable Development Goals (UN SDGs).

SCOPE AND BOUNDARY

In this report we focus on activities, initiatives and key events that took place during the financial year from 1 January to 31 December 2021, unless stated otherwise. The report covers all companies in the Group in which we have a majority shareholding and substantial influence.

COMBINED ASSURANCE

Contents of the entire report have been read and approved by the Management and Board of Directors. Additionally, all the financial data presented have been assured by our internal and external auditors.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances, which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of JCorp acknowledges responsibility for ensuring the integrity of our Integrated Report 2021. In our opinion, the report presents a fair assessment of the Group's performance and addresses all key matters that are material to our ability to create value.

FEEDBACK

We welcome all inquiries, comments and feedback on our Integrated Annual Report in order to clarify issues and to further improve our reporting. Please communicate with us through:

Group Corporate Communications

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Log on to our website to find out more information about JCorp at www.jcorp.com.my

Please scan the QR Code to read the full digital financial statement report in PDF version here:





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OVERVIEW

WHO WE ARE

Johor Corporation (JCorp) was incorporated through the Johor State Economic Development Corporation Enactment in 1968 as the principal development institution to drive socioeconomic growth in Johor.

We operate in four core sectors – Agribusiness, Wellness & Healthcare, Food & Restaurants, and Real Estate & Infrastructure - through our flagship companies: Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, QSR Brands (M) Holdings Bhd and Johor Land Berhad, respectively.

A firm advocate of responsible business, JCorp has embedded Environmental, Social and Governance (ESG) principles into our investment processes and decision-making across the Group. Our focus on ESG is consistent with our purpose of *Membina & Membela* (Wealth Creation & Wealth Distribution).

VISION

A highly admired institution known for our financial success and exemplary ESG practices



MEMBINA & MEMBELA

We believe in equitable wealth creation and distribution that empowers a more inclusive, resilient and sustainable future generations to live well and proper.

MISSION

To grow the economy through catalytic projects

To build long term value through an ethical and impactful portfolio

To lead the way towards a sustainable, inclusive world

MEMBINA
Wealth Creation

MEMBELA
Wealth Distribution

For betterment of livelihoods, the state and nation

For the well-being of the community, enterprises and human capital

For the continued preservation and accessibility of natural, social & cultural resources

ROLES



STRATEGIC

- Identify and undertake development of strategic projects that stimulate and contribute significant economic growth
- Capitalise on the opportunities unleashed by creating new verticals for the State economy



COMMERCIAL

- Formulate & execute value creation continually
- Ensure returns from investment are maximised
- Deliver stakeholders' expectation effectively & successfully



CORPORATE

- Develop & uphold corporate governance
- Provide corporate stewardship based on best practices
- Inculcate & institutionalise culture of excellence



ESG

- Commitment to environmental sustainability as a consideration in all decisions across the Group
- Strengthen social inclusiveness for improved well-being of the community & society
- Advocate responsible investments, business ethics and transparency

KEY HIGHLIGHTS OF 2021

FINANCIAL HIGHLIGHTS (GROUP)



REVENUE
RM5.13
billion
2020: RM4.30 billion



PROFIT BEFORE TAX
RM670
million
2020: (RM60 million) loss before tax



PROFIT AFTER TAX
RM379
million
2020: (RM237 million) loss after tax



TOTAL EQUITY
RM9.80
billion
2020: RM9.27 billion



TOTAL ASSETS
RM23.4
billion
2020: RM23.2 billion



TOTAL LIABILITIES
RM13.60
billion
2020: RM13.95 billion

BUSINESS HIGHLIGHTS



AGRIBUSINESS REVENUE:
RM1.65
billion



WELLNESS & HEALTHCARE REVENUE:
RM2.62
billion



FOOD & RESTAURANTS REVENUE:
RM4.80
billion



REAL ESTATE & INFRASTRUCTURE REVENUE:
RM765
million

SUSTAINABILITY HIGHLIGHTS



- Reduced **Net Carbon Emissions**

- **Zero Burning**

- **Green Energy Generation**

KULIM (MALAYSIA) BERHAD

Committed to reducing carbon footprint by **50%** by 2025 from its 2012 baseline, which translates to achieving an emissions density of **0.88 MT CO₂e per MT CPO/PK**.

KPJ HEALTHCARE BERHAD

Invested **RM3.93 million** in training and development programmes for employees

Amount of clinical waste generated per patient was **0.48 kg** which was below target of **0.5kg** per patient.

QSR BRANDS (M) HOLDINGS BHD

Green building initiatives at KFC Green Outlet further the sustainability efforts via water and energy conservation, sustainable materials and resources, and indoor environmental quality.

JOHOR LAND BERHAD

Collected 2,000 kg of recyclable waste, exceeding target of 1,000 kg.

TLP TERMINAL SDN BHD

79.3% in Customer Satisfaction Index, surpassing the 70% target.

WAQAF AN-NUR CORPORATION BERHAD AND YAYASAN JCORP

Waqaf An-Nur disbursed **RM6.3 million** from its waqf benefits through various activities, including Wakalah Zakat, welfare & charity and crowdfunding.

Yayasan JCorp has contributed a total of **RM3.83 million** benefiting **84,590 recipients**.

AWARDS & ACHIEVEMENTS

We are elated and proud of the numerous awards and accolades that we have received over the years in the different areas of our business. It is a testament to our continuous pursuit of excellence and a firm affirmation of the trust our customers and industry peers have in us.

AGRIBUSINESS KULIM (MALAYSIA) BERHAD

Awards

National Annual Corporate Report Awards (NACRA) 2021

- Best Annual Report in the Non-Listed Organisations Category (Silver)

IKM Laboratory Excellence Award 2021

- Kulim's laboratory received the IKM Laboratory Excellence Award 2021 from the Malaysian Institute of Chemistry (Institut Kimia Malaysia)

Certifications



1-0080-09-100-00



MSPO/2-3-0079



SAMM 307



SIRIM

WELLNESS & HEALTHCARE KPJ HEALTHCARE BERHAD

- Industry Excellence Awards – MSWG-ASEAN Corporate Governance Award 2020
- Platinum (Most Trusted Brand in Healthcare) – Reader's Digest Most Trusted Brand Award 2021
- Best Hospital of the Year in Malaysia – GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021
- Top Orthopaedic Service Provider of the Year in Asia-Pacific Award (KPJ Tawakkal KL Specialist Hospital – 5th Year Running) – GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021
- Best Maternity Hospital of the Year Award 2021 (Johor Bahru, Johor) – Baby Talk & Mama Papa Readers' Choice Awards
- Best Dental Service Provider of the Year in Asia-Pacific Award (KPJ KL Dental Specialist Centre) – GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021
- Top 10 Raya TVCs 2021 – Experts' Choice Awards, Marketing Magazine
- Top 10 Merdeka TVCs 2021 – Experts' Choice Awards, Marketing Magazine

- Paediatric Service Provider of the Year in Asia-Pacific Award (KPJ Damansara Specialist Hospital) – GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021
- Marketing Initiative of the Year – Healthcare Asia Awards 2021
- Excellence Award for Best in Branding & Marketing Campaign (KPJ Johor Specialists Hospital) – Hospital Management Asia
- Excellence in CSR – Bumiputera Excellence Awards (BBEA) 2021
- Most Preferred Employers to Work For – Graduates' Choice Awards 2022

FOOD & RESTAURANTS QSR BRANDS (M) HOLDINGS BHD

2021

- **Anugerah Majikan Prihatin (Swasta)**
Sambutan Hari Orang Kurang Upaya Sedunia Peringkat Kebangsaan Tahun 2021 Ministry of Women, Family and Community Development (KPWKM)
- **Yum! Annual Planning Meeting**
The Pacesetter Award – Chan May Ling Given by Valerie Kubizniak AFBU GM

2020

- **Graduates' Choice Awards (GCA) – #2 Most Attractive Employers To Work For in 2021 under Fast Food Chain Category (QSR Brands)**
100% determined by the votes of university students nationwide

2019

- **Anugerah Jenama Halal Asia (AHBA), Kategori Anugerah Jenama: Anugerah Restoran Makanan Segera Terbaik (QSR Brands)**
Recognise and promote prominent halal brands in Asia

REAL ESTATE & INFRASTRUCTURE JOHOR LAND BERHAD

- Best Sustainable Community Development (ASEAN Property Developer Awards 2021/2022)
- FIABCI Malaysia Property Award 2019
- Excellence of The WOW Award (Public Building)
- Best Office Development (Malaysia)
- Excellence For Best Commercial Development
- Best Office Development



WHAT WE DO: CORE BUSINESSES

AGRIBUSINESS

Kulim (Malaysia) Berhad (Kulim) was incorporated in the United Kingdom in 1933 as Kulim Rubber Plantations Ltd. In 1976, Johor Corporation became the major shareholder of the plantation company that over the years refocused from rubber to oil palm. With 74,511 ha of plantations and 7,756 employees, Kulim was amongst the earliest palm oil producers to be certified to the RSPO standard. It also expanded into agro farming consisting of intensive farming (cucumber and luffa) and mono-crops (pineapple, coconut and durian) as well as livestock operations.

FY2021 Revenue
RM1.65 billion

Landbank
74,511 ha

Operates in
Malaysia & Indonesia

Total Employees
7,756

Among the earliest to have the recognition of the **Roundtable on Sustainable Palm Oil (RSPO)**



REAL ESTATE & INFRASTRUCTURE

JLand Group Sdn Bhd (JLG) is a wholly owned subsidiary of JCorp, focusing on spearheading the Group's real estate and infrastructure businesses. JLG's core businesses encompass four strategic pillars, namely Real Estate Development, Asset Lifecycle Management, Real Estate Investment and Infrastructure & utilities, allowing for strategic value optimization for its businesses and assets across diverse industry presence.

FY21 Revenue
RM765 million

Strategic Pillars

- Real Estate Development
- Asset Lifecycle Management
- Real Estate Investment
- Infrastructure & Utilities

Townships

- Bandar Dato' Onn
- Bandar Tiram
- Sri Gading
- Johor Bahru
- Pasir Gudang

Managing **179 parking** sites with more than **50,000 carpark** bays in Malaysia, Philippines and Singapore.



WELLNESS & HEALTHCARE

KPJ Healthcare Berhad (KPJ) has been one of Malaysia's leading specialist healthcare providers since 1981. The public listed group operates 28 hospitals across Malaysia, two in Indonesia, one in Bangladesh and has a sizeable share in a hospital in Bangkok. KPJ also manages 17 Klinik Waqf An-Nur, and senior and assisted living care centres in Kuala Lumpur, Sibul, Kuantan, Kota Kinabalu and Australia. A range of ancillary companies provide the necessary support to KPJ's network of hospitals, clinics and care centres, while two tertiary institutions offer degrees and diplomas for the healthcare sector.

32 Hospitals
3,615 beds

28 in Malaysia,
2 in Indonesia,
1 in Thailand and
1 in Bangladesh

Managing
18 waqaf clinics
nationwide &
4 mobile waqaf clinics

4 Education Centres

- 1 KPJ Healthcare University College (KPJUC)
- 3 campuses: Nilai (Master), Johor Bahru & Penang

Senior Citizen Care Services

- KPJ Tawakkal Health Centre, KL
- KPJ Kuantan Care & Wellness, Pahang
- Sibul Geriatric Health & Nursing Centre, Sarawak
- KPJ Damai Care Wellness, Sabah
- Jeta Gardens, Queensland, Australia

Medical laboratory services
Lablink
Retail Pharmacy

FY2021 Revenue
RM2,627 million

1,106
specialist medical consultants

FOOD & RESTAURANTS

QSR Brands (M) Holdings Bhd (QSR Brands) is the first and only fully integrated food operator in Malaysia, complete with upstream, midstream and downstream businesses. It manages over 1,350 KFC and Pizza Hut restaurants in Malaysia, Singapore, Brunei and Cambodia. QSR Brands and its subsidiaries guarantee full halal compliance to customers in all of the Group's markets. Its outlets have been certified by the Department of Islamic Development Malaysia (JAKIM) as strictly adhering to MS1500:2009.

FY2021 Revenue
RM4,800 million

More than
1,350
Restaurants
Malaysia's largest restaurant chain operator & one of the leading players in Singapore

Stringent
Halal & food safety compliance

Operates in
Malaysia, Singapore, Brunei & Cambodia

Upstream

Feedmill, breeder farm, hatchery, broiler farm, poultry processing plants

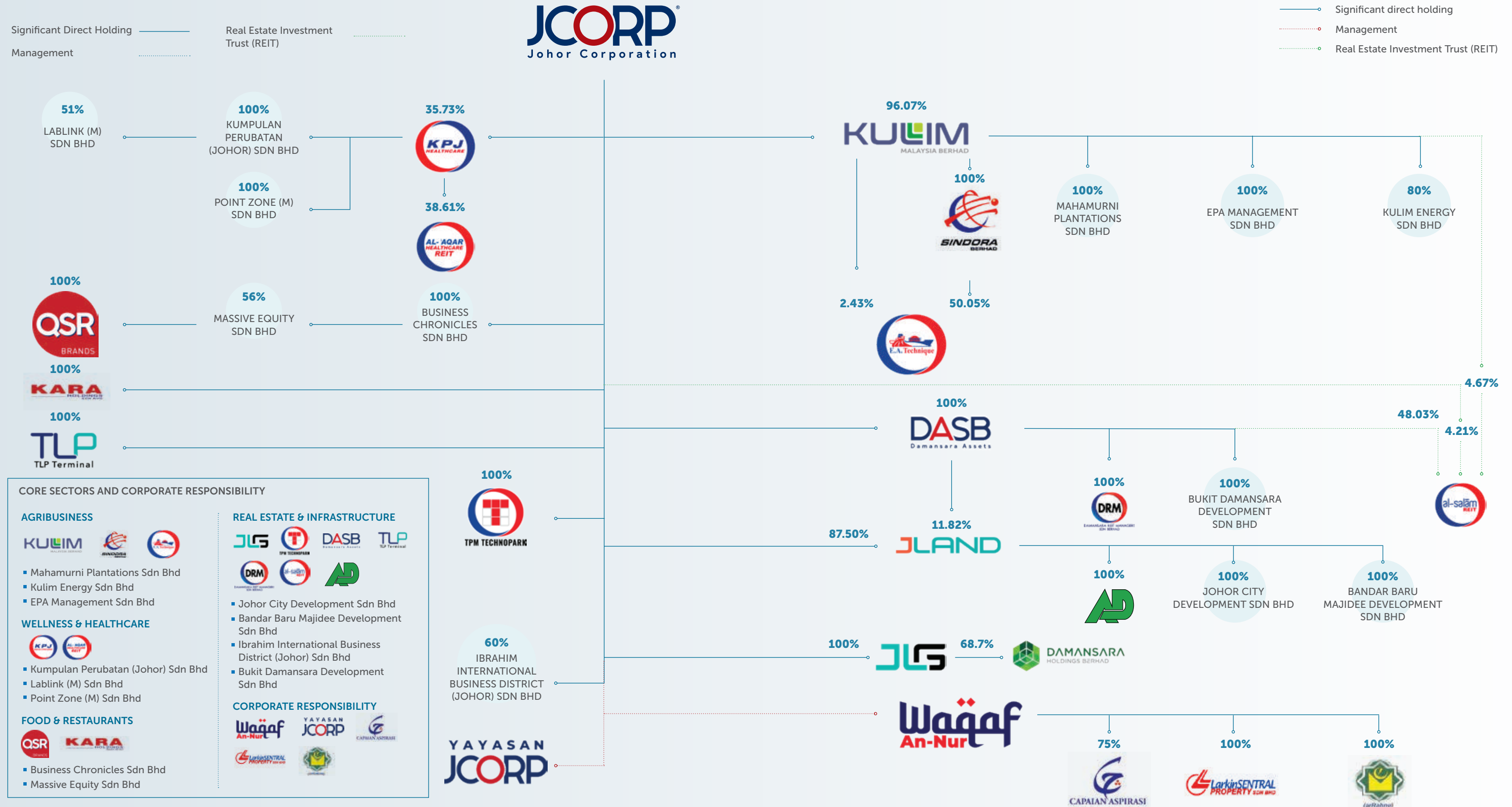
Ancillary

Sauce manufacturing, bakery & commissary

Trading

HOW WE ARE STRUCTURED

GROUP CORPORATE STRUCTURE



CORE SECTORS AND CORPORATE RESPONSIBILITY

AGRIBUSINESS

- KULIM
- MAHAMURNI PLANTATIONS
- EPA MANAGEMENT
- KULIM ENERGY

WELLNESS & HEALTHCARE

- KUMPULAN PERUBATAN (JOHOR) SDN BHD
- LABLINK (M) SDN BHD
- POINT ZONE (M) SDN BHD

FOOD & RESTAURANTS

- BUSINESS CHRONICLES SDN BHD
- MASSIVE EQUITY SDN BHD

REAL ESTATE & INFRASTRUCTURE

- JUS
- TPM TECHNOPARK
- DASB
- TLP
- DRM
- al-salam REIT
- AD
- IBRAHIM INTERNATIONAL BUSINESS DISTRICT (JOHOR) SDN BHD
- BANDAR BARU MAJIDEE DEVELOPMENT SDN BHD
- BUKIT DAMANSARA DEVELOPMENT SDN BHD
- JOHOR CITY DEVELOPMENT SDN BHD

CORPORATE RESPONSIBILITY

- Waqaf An-Nur
- YAYASAN JCORP
- CAPAIAN ASPIRASI
- Larkin Sentral Property Sdn Bhd
- al-salam REIT

OUR PRESENCE

From humble beginnings in plantations, JCORP has scaled up to deliver the Johor dream and will continue on its 'Membina' mission to develop industrial parks and nurture budding local entrepreneurs.

AGRIBUSINESS DIVISION

MALAYSIA

Total Landbanks
60,064
Hectares

Planted Areas
55,796
Hectares

INDONESIA

Total Landbank
14,447
Hectares

Planted Areas
7,362
Hectares

WELLNESS & HEALTHCARE DIVISION

INDONESIA (Jakarta)

2 Hospitals

Number of Operating Beds
170

AUSTRALIA (Brisbane)

1 Senior and Assisted Living Care Centre

Occupancy Rate
95%

THAILAND (Bangkok)

1 Hospital

BANGLADESH (Dhaka)

1 Hospital

Number of Operating Beds
80

FOOD & RESTAURANTS DIVISION

SINGAPORE

154 Outlets

Drive-Thru Outlets
2

BRUNEI

15 Outlets

Drive-Thru Outlets
3

CAMBODIA

12 Outlets

REAL ESTATE & INFRASTRUCTURE DIVISION

MALAYSIA (Johor Bahru)

50
Residential Developments

10
Total Number of High Rise Residential & Commercial Buildings



OUR GROWTH STRATEGIES



OUR COMPETITIVE STRENGTHS

JCorp has leveraged the steady support of the state government to become the socio-economic backbone of Johor. Over the last half-century, we have continuously reviewed and revised our strategies to be relevant, and in the process built our competitive strengths and resilience.

COMPETITIVE STRENGTHS

 <p>Manage more than 50,000ha of RSPO-certified plantations in Malaysia and Indonesia</p>	<p>Developed 34 industrial parks and more than 35,000 residential units; created more than 220,000 jobs; and attracted more than RM90 billion in foreign and domestic investments</p> 
 <p>Manage the largest network of private hospitals in Malaysia</p>	<p>Industry know-how in Agribusiness, Wellness & Healthcare, Food & Restaurants, and Real Estate & Infrastructure</p> 
 <p>Farm-to-fork delivery through Malaysia's only vertically integrated food operations</p>	<p>Robust organisation with diversified businesses and more than RM8.7 billion in net assets</p> 
 <p>Strong governance framework with a focus on building stakeholder value based on ESG principles</p>	<p>State development corporation responsible for shaping Johor into a thriving business and industrial hub over the last half century</p> 

KEY MILESTONES

JCORP 1.0 – ERADICATING POVERTY & REORGANISING SOCIETY

The State Government of Johor established the Johor State Economic Development Corporation (JSEDC) through Enactment No. 4 1968 to contribute to the State's socio-economic development.

JSEDC crossed its first million earning when it recorded RM1.76 million in net profit compared to RM500,311.32 in 1972, mainly from rubber and palm oil plantation.



The establishment of Damansara Assets Sdn Bhd (DASB) replacing Harta Consult Sdn Bhd to manage commercial, industrial, residential and government properties portfolio owned by JSEDC.



JSEDC appointed as the local council of Pasir Gudang, the first local council in Malaysia to be privatised until June 2009, under a five-yearly arrangement for 31 years.



The State's development arm hit significant milestones, with Group revenue surpassing the RM1 billion mark for the first time in 1988 with assets over RM1.11 billion.

JCORP 2.0 – RAPID ECONOMIC GROWTH

- In 1995, JSEDC went through a metamorphosis and known as Johor Corporation (JCorp) through Enactment Amendment Number 5, 1995.
- Ventured into the new business sectors and became the largest SEDC in Malaysia.
- Introduced a new logo.



KPJ through its flagship social responsibility launched a community-based healthcare facility, Klinik Waqaf An-Nur (KWAN) serving low-income dialysis patients with only RM5 per treatment.



Kulim (Malaysia) Berhad entered Kalimantan, Indonesia, when it acquired 100% equity in EPA Management Sdn Bhd (EPA).

The RM50 million Persada Johor International Convention Centre opened its doors in October.

- KPJ Healthcare embarked on the aged care business; acquired a 51% stake in Jeta Gardens – a retirement village in Queensland, Australia.
- QSR Brands via Pizza Hut announced the opening of its 200th restaurant while KFC Malaysia proudly reached and moved past the milestone of 500 restaurants nationwide in Q4.



- JSEDC commenced operation on 1 August 1970.
- Tan Sri Dato' Haji Othman Mohd Saat, the then Chief Minister of Johor, was appointed the first Chairman and Tan Sri Basir Ismail as the Chief Executive.
- Started with Plantation, JSEDC launched two projects in 1970, Ladang Tebrau (Tebrau Rubber Estates Limited) and mining of silica sand in Kota Tinggi.

Investment in KPJ Healthcare Berhad (KPJ) marked JSEDC's first strategic investment in private healthcare.



JSEDC acquired plantation company, Kulim (Malaysia) Berhad and became the major shareholder by 43.77%.

JSEDC developed a string of industrial zones of 1,677 acres located in Pasir Gudang, Tanjung Agas, Tongkang Pecah, Segamat, as well as the Senai Free Trade Zone, which attracted a total of 325 entrepreneurs.



KPJ became the first investee company listed on the main board of Bursa Malaysia, key development in JSEDC's healthcare portfolio.

JCorp's real estate development arm, Johor Land Berhad is listed on Bursa Malaysia, and Kulim (Malaysia) Berhad became the largest shareholder with paid-up capital RM100 million.



Unveiled Corporate Restructuring Master Plan, the divestment of non-strategic assets and restructuring exercise.



Through Kulim (Malaysia) Berhad, Johor Corporation acquired 8,808,000 ordinary shares and 62,000 QSR Brands Bhd warrants on 27 June 2005.

- Official Roundtable on Sustainable Palm Oil (RSPO) certification was accorded to Kulim-owned plantations in Malaysia in January.
- QSR Brands via KFC Holdings (KFCH) received the franchise rights to operate KFC restaurants in Mumbai and Pune, India.



KEY MILESTONES

JCORP 3.0 – REINVENTING IN AN ERA OF DISRUPTION



- Acquired 51% of KFC & Pizza Hut Malaysia operator, QSR (M) Holdings Berhad.
- Implemented Corporate Restructuring and Rationalisation Plan through the successful issuance of Sukuk Wakalah worth RM3.0 billion.
- Launched Skim Dana Johor RM1 (SDJ1), a buy-back scheme benefiting over 35,000 unitholders.
- KPJ Healthcare bagged the Best Healthcare Service Provider of the Year at Frost & Sullivan's Malaysia excellence awards 2012.



- KOMTAR JBCC opened to the public in August.
- The first Angry Birds Activity Park in Southeast Asia opened in KOMTAR JBCC in October.
- JCorp's wholly-owned E.A. Technique (M) Berhad listed in Bursa Malaysia.

• Masjid Sultan Iskandar, Bandar Dato' Onn, an eco-tourism mosque developed by JLand was officiated by HRH Tunku Mahkota Johor on 8 April.

• TLP Terminal Sdn Bhd was appointed as the port manager for Tanjung Langsat in June.



- JCorp celebrated its 50th Anniversary and the new logo was launched, symbolising its determination to position itself on the domestic front and in the international arena.
- JCorp recorded higher revenue of RM5.616 billion in 2018 compared with RM5.564 billion posted in 2017.
- QSR Brands via KFC Malaysia won Gold recognition at the Putra Brand Awards in the Restaurants & Fast Food category.
- Johor Corporation via TPM Technopark launched Muar Furniture Park; the First Furniture Hub in Malaysia.

- JCorp appointed Johor Menteri Besar, YAB Dato' Hasni Mohammad as the Chairman in February and YBhg Datuk Syed Mohamed Syed Ibrahim as its new President and Chief Executive in January.
- JCorp introduced a new logo and corporate identity in July 2020 to better position itself with its vision as a highly admired institution for its financial success and exemplary social responsibility.
- JCorp and its Group of Companies, through the JCorp Prihatin initiative, contributed RM32 million nationwide in the fight against COVID-19.



2011

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



2012



KPJ in partnership with Waqaf An-Nur Corporation Berhad established 20 Klinik Waqaf An-Nur (KWAN) in 6 states nationwide.

2013

2014

2015

2016

- His Majesty Sultan of Johor launched the Ibrahim International Business District (IIBD) valued at RM3.5 billion GDV on 22 November.
- Johor Corporation listed Real Estate Investment Trusts Al-Salām REIT on Bursa Malaysia on 29 September.
- The State Government of Johor appointed Johor Corporation as the administrator of the Pengerang Local Authority.



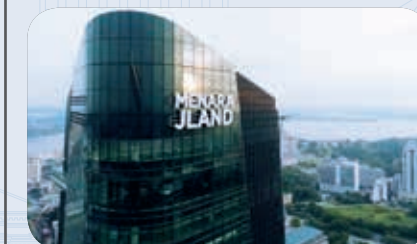
2017

- JCorp officially administered the Local Authority of Pengerang in January and was mandated to oversee the Pengerang Integrated Petroleum Complex (PIPC) industrial zone and its surrounding areas.
- JCorp through JLand launched a low cost housing project, Rumah Impian Bangsa Johor (RIBJ), the brainchild of the His Majesty Sultan of Johor in March.

2018

2019

- Menara JLand; the first Green Building Index in Johor Bahru was launched in November 2019 by His Majesty the Sultan of Johor.
- JLand received the Best Master Plan award for Bandar Dato' Onn and Affordable Housing award for Pangsapuri Kasturi, Bandar Dato' Onn at the FIABCI Malaysia Property Awards 2019.



2020

2021



- Announcement of JCorp 3.0 Reinvention; A sustainable 2021-2025 Strategic Plan to weather the era of disruption.
- JCorp strengthened Yayasan Johor Corporation's (YJC) role to build its Membela mandate through its four key focus areas namely; Education, Arts, Culture & Heritage, Environment & Community Wellbeing.
- JCorp, through YJC, pledged RM500,000 to Johor Cerebral Palsy Association (JCPA) and contributed 50 laptops to underprivileged children cancer patients via the Tunku Laksamana Johor Cancer Foundation (TLJCF).

JCORP
Johor Corporation

JCORP
Johor Corporation

**MENARA
KOMTAR**

02

KEY MESSAGES

**DATUK ONN HAFIZ
BIN GHAZI**

MENTERI BESAR OF JOHOR
CHAIRMAN OF JOHOR
CORPORATION

CHAIRMAN'S STATEMENT

DEAR STAKEHOLDERS,

“

Reflective of the importance that the State places on accountability, responsibility and good governance, I am pleased to present Johor Corporation (JCorp)'s annual report for 2021.

Indeed, while this annual reports goes beyond statutory requirements, guided by best practices, this year, we have taken the proactive effort to adopt the Integrated Reporting approach as prescribed by Bursa Malaysia Berhad.

”

As a State-owned enterprise, accountability is deeply embedded in JCorp's ethos, particularly given our mandate to drive Johor's socio-economic development.

The State's strategic location, coupled with its seamless infrastructure as well as connectivity with neighbouring Singapore, are some of its inherent potential. Our role is to unlock this potential for the benefit of Johoreans.

Reflecting our commitment to the State and its citizens, in 2020, JCorp embarked on an extensive transformation journey. We focused on creating greater stakeholder value through our businesses.

At the macro level, we have streamlined our operations into four verticals; while at the micro level, our companies have been tasked with reinventing the way they operate, leveraging digital advances to remain relevant to today's customers, business partners, employees and indeed, society.

REVENUE
RM5.13
billion

PROFIT AFTER TAX (PAT)
RM379
million

CHAIRMAN'S STATEMENT

Reflective of the tangible impact of our JCorp 3.0 journey, almost all the companies within the Group performed better in 2021 than in 2020, despite a very challenging operating environment.

This was reflected in the Group's highly encouraging results for FY2021 where JCorp recorded a profit after tax (PAT) of RM379 million, following a loss of RM237 million in FY2020. This was achieved on the back of increased revenue of RM5.13 billion.

True to our Mission, we are driven to Membina & Membela. JCorp is not just focused on creating wealth but also on its just distribution.

Through our investee companies, we have created more than 220,000 jobs and attracted more than RM90 billion worth of foreign and domestic investment into the state, stimulating further economic growth for the benefit of the rakyat.

Our Real Estate & Infrastructure division has delivered more than 3,000 units of affordable homes, and through our 23 Klinik Waqaf An Nur, we have served about 1.8 million patients. Our social enterprise Waqaf An Nur has allowed us to disburse RM1.3 million to more than 450 recipients of Dana Niaga micro-credit.

A critical development during the year was the restructuring of our foundation, Yayasan JCorp, to serve as a central point for all corporate social responsibility (CSR) projects undertaken by the Group.

In response to the significant disruption to lives and livelihoods caused by the pandemic, in 2021 Yayasan JCorp expanded its focus to include community well-being, complementing its emphasis on education; arts, culture and heritage; and environment.

Among others, the foundation handed out more than RM1.4 million in KFC vouchers to underprivileged students. Yayasan JCorp spent RM4.8 million on various projects aimed at uplifting the well-being of people and the environment.

As a measure of our commitment to ESG, JCorp recently set up a Board Sustainability Committee to oversee all ESG initiatives undertaken by the organisation. We have also set up a sustainability governance framework, which will be cascaded to all our investee companies in due course.



While ESG is a popular buzzword in today's business landscape, JCorp has always upheld our commitment in all three aspects in our business practices - environmental, social and governance. And this is something that will continue to guide our strategies as well as direction. As a measure of our commitment to ESG, JCorp recently set up a Board Sustainability Committee to oversee all ESG initiatives undertaken by the organisation. We have also set up a sustainability governance framework, which will be cascaded to all our investee companies in due course.

Despite the reopening of economies in 2022, the future remains challenging as the world continues to grapple with a supply-demand imbalance and widespread inflation.

In facing challenges, JCorp will continue along the path of reinvention that we have embarked on in order to enhance our value creation. We are confident in the prospects ahead, particularly given the fact that we are managing a number of catalytic projects that will contribute to the state's continued development. These include the Ibrahim International Business District (IIBD), Sedenak Tech Park (STeP), Pagoh Special Economic Zone (PSEZ) and Muar Furniture Park. Each of these projects will attract more investments into Johor, creating a positive multiplier effect for the benefit of Johoreans and the nation.

With our reinvention strategy firmly in place and with the commitment of everyone across the Group to serve the people of Johor and the nation, I have every confidence in JCorp maintaining our growth momentum.

Datuk Onn Hafiz bin Ghazi
Menteri Besar of Johor
Chairman of Johor Corporation

OUR PRESIDENT & CHIEF EXECUTIVE'S OVERVIEW

DEAR STAKEHOLDERS,

“

In many ways, 2021 was even more daunting than 2020, premised on the fact that the impact of the pandemic reverberated throughout the year, accompanied by more extended periods of shutdown under the Movement Control Order (MCO). Through it all, Johor Corporation (JCorp) stood strong. We performed exceptionally well, turning around a loss after tax (LAT) of RM237 million in 2020 into a profit after tax (PAT) of RM379 million. This was on the back of a 19% increase in revenue from RM4.3 billion in 2020 to RM5.13 billion.”

The most significant underlying reason for our results has been the concerted effort of the entire JCorp ecosystem to reinvent JCorp under our new strategic plan, JCorp 3.0.

JCorp 3.0 is about re-imagining the Group and resetting the way we work. Two defining aspects of the plan have contributed to its early success – our restructuring into a leaner and tighter organisation that is more focused on our core businesses; and our efforts to forge ahead in digitalising the Group entirely.

Our transformation has trickled down to all investee companies and has inspired clarity in terms of their strategic objectives as well as purpose. This has instilled renewed vigour in our operating companies, catalysing greater productivity. The Group's performance reflects that of our subsidiaries, and I would like to take this opportunity to commend their hard work, which, in turn, has produced the results that I take great pride in sharing.

CONTINUED REINVENTION

JCorp 3.0 was launched in early 2020, in response to the realisation that the corporate landscape around us was changing, and that we had to adapt in order to remain true to our mission of *Membina & Membela* (Wealth Creation & Wealth Distribution).

Incorporated in 1968 to spur Johor's socio-economic development, JCorp expanded into many different sectors over the years. The result was an inflated organisation will no less than 298 companies undertaking disparate operations. From having to take a RM10 million loan from the state government to launch our operations more than 50 years ago, today, we have a Group's Net Asset Value (NAV) of RM9.8 billion. While this in itself is impressive, it was clear to us that, to be optimally effective, we needed to streamline our organisation. Today, we are focused on four core verticals: Agribusiness, Wellness & Healthcare, Food & Restaurants, and Real Estate & Infrastructure.

DATUK SYED MOHAMED SYED IBRAHIM

PRESIDENT & CHIEF EXECUTIVE JOHOR CORPORATION

OUR PRESIDENT & CHIEF EXECUTIVE'S OVERVIEW

These now form our core business divisions. In upholding our high standards of being only the best in what we do, any company that does not contribute to the four verticals have been or will be divested and absorbed into other companies. Although the process of divestment is still ongoing, in 2021 the Group already saw the impact of a JCorp that was trimmer, leaner and more laser-focused on our chosen verticals. We are therefore better prepared to face and outperform the competition.

JCorp 3.0. we have outlined a Digital Transformation Strategy under which we are implementing artificial intelligence (AI), machine learning (ML) and blockchain technologies for better business insight hence also better-informed decision-making.

To support future growth of the verticals, we are complementing our corporate restructuring with a financial restructuring. Among others, we are undertaking debt consolidation across the Group to optimise our financial costs and unlock assets that have been overly pledged as collateral. At the same time, we are reviewing our capital structure and that of our group of companies to ensure optimum debt and equity structures. Underlying our financial restructuring, we are introducing new policies to institutionalise the management of finances in order to safeguard our investments. In 2020, for example, we introduced the JCorp Investment Policy and JCorp Financial Policy to protect our shareholder returns in terms of dividends and capital appreciation.

BUSINESS HIGHLIGHTS

Each core vertical is undergoing its own transformation for more significant value creation, leveraging the Group's strengths and collective expertise. To reflect the restructuring of the businesses, in line with JCorp's refreshed energy, the investee companies have also developed new logos to reflect their new strategic directions.

Our Agribusiness faced a number of operational challenges, the two most pertinent being labour shortage and unfavourable weather. Both of these contributed to a 6.43% decrease in crude palm oil (CPO) production. More positively, the sharp increase in CPO and palm kernel prices more than compensated for lower yield and led to Agribusiness recording a 49% increase in revenue to RM1.65 billion.

While the pandemic caused a 5% reduction in total inpatient numbers from 246,529 to 234,206, our Wellness & Healthcare division was able to benefit from treating 7% more outpatients (2020: 2,629,909; 2021: 2,821,701), many of whom sought COVID-19 related services such as screening and vaccination. This contributed to a 10% increase in revenue from RM2.4 billion to RM2.6 billion. We were also very encouraged by KPJ being named the Best Hospital of the Year in Malaysia for the fourth time at the GlobalHealth Asia Pacific Healthcare and Hospital Awards 2022.

As part of efforts to restructure our Real Estate & Infrastructure Division (REID), a new holding company – JLand Group Sdn Bhd (JLG) – was incorporated. The division also expanded its core businesses through the acquisition of Damansara Holdings Berhad (DHB), a listed entity involved in facilities management.

Financially, revenue was impacted by various restrictions, however the division managed to increase its profit marginally to RM47.9 million.

Our Food & Restaurants division continued to be plagued by movement and social restrictions that greatly affected the number of dine-in customers. However, capitalising on the opportunities presented by these challenges, both KFC and Pizza Hut have successfully pivoted to online channels for takeaways and home delivery. This, together with continuously refreshed menus and attractive promotions, enabled the division to contribute significantly to the Group.

DIGITALISATION

Digitalisation forms the bedrock of our reinvention. As part of JCorp 3.0, we have outlined a Digital Transformation Strategy under which we are implementing artificial intelligence (AI), machine learning (ML) and blockchain technology for better business insight resulting in better-informed decision-making.

Collaborating with Amazon Web Services (AWS), we have migrated all our systems onto the cloud, providing greater data security and scalability while facilitating a hybrid workforce.

As a result of cloud computing, we were able to launch a Digital Dashboard in January 2021, allowing us to track our performance, monitor our risks, and plan our strategies more holistically. Migration to the cloud also enhanced the ability of our employees to work from home during the various phases of movement restriction, helping us to maintain our productivity.



Although we are already reaping many benefits from the digital technologies that have been implemented, we are still enhancing our analytics, cloud computing, automation and big data capabilities. We expect to derive increasing benefits as we mature in this space.

DEVELOPING OUR PEOPLE

In line with our reinvention, we seek to cultivate a highly capable and diverse talent pipeline that is agile, multi-skilled, innovative and forward-thinking – i.e. a workforce that will position JCorp at the vanguard of our rapidly changing industries. This workplace transformation is being driven by digitalisation, creating a new culture premised on innovation. Employees are empowered to contribute ideas on ways to improve our systems and processes and to carry through with developing and assessing their proposals. Tasked with creating an environment in which the process of ideation can be deployed in a structured manner, JCorp has introduced a new framework, Rapid Innovation & Technology Excellence (RITE).

We are also employing technology to evolve our workforce into a hybrid module. Having seen the benefits of remote work, we are leveraging it not only for our permanent employees but also to tap into the gig community. We see this as an essential component of positioning JCorp as a dynamic and relevant employer, able to attract the best talent locally and globally.

Much of our HR's focus today is on capacity-building, especially in digital skills, to ensure our people can fully leverage the technologies we are adopting.



OUR PRESIDENT & CHIEF EXECUTIVE'S OVERVIEW

In Johor, it means resumption of various plans and projects that have been outlined such as Johor Strategic Growth Plan 2050, Johor Smart City 2030 Blueprint, Johor Sustainable Development Plan 2030 and the Johor Bahru-Singapore Rapid Transit System (RTS).

OUTLOOK

The overall outlook for 2022 is generally positive, especially as pandemic-related restrictions are gradually dismantled, enabling society and the economy to fully recover after two years of a slowdown. In Johor, it means resumption of various plans and projects that have been outlined such as Johor Strategic Growth Plan 2050, Johor Smart City 2030 Blueprint, Johor Sustainable Development Plan 2030 and the Johor Bahru-Singapore Rapid Transit System (RTS).

In line with our mandate to catalyse the state's development, we will seize all opportunities that present themselves with the ultimate objective of uplifting lives and the standard of living. Towards this end, and in line with our reinvention programme, we have tasked all our investee companies to



become market leaders in their fields. Given their performance in 2021, we are optimistic of even better results in 2022. For our part, as the holding company, JCorp will continue with our corporate and financial restructuring to provide the necessary ecosystem for enhanced value creation.

Wellness & Healthcare is set to benefit from a return to normal in demand for hospital treatments. The opening of Damansara Specialist Hospital 2 (DSH2) will be a gamechanger, not only for the division, but the healthcare sector more generally as it will be the first smart hospital in Malaysia offering a truly seamless and integrated healthcare experience.

We expect greater output from our Agribusiness, not just that of CPO but all farming and livestock produce within Kulim's portfolio, as a result of more effective (including smart) agricultural methodologies as well as having a fuller quota of workers as international borders reopen. Revenue is also

anticipated to increase as a result of enhanced production as well as continuously buoyed CPO prices.

REID has set its sights on becoming a leading integrated real estate group. While further diversifying its business operations within the property vertical, it is also looking to expand its footprint both within Malaysia and internationally. There are already plans to venture into Australia, and I look forward to reporting more on this as we progress.

As pandemic restrictions are lifted, our Food & Restaurants division is set to experience greatly enhanced demand from dine-in customers. Meanwhile, the online channels established for takeaways and partnerships established for home delivery will continue to serve its businesses well.

Last year, we stated that various key businesses were working towards a listing on Bursa Malaysia Berhad. These plans are still on track, and we hope to be able to make the announcements in due course.

Through these listings, we hope to attract more investment into the state. While JCorp will continue to be the foremost investor in the Johor, we seek to attract more foreign direct investment for the betterment of the state, its people, and the nation.

SPECIAL NOTE OF APPRECIATION

On behalf of JCorp and the Group, we would like to express our heartfelt condolences to the family of YBhg Tan Sri Dr. Ali Hamsa, our former Deputy Chairman, who passed away on 21 April 2022. His remarkable contributions and unwavering dedication to our organisation have left an indelible mark on all of us. His loss is deeply felt by everyone who had the privilege of working with him and witnessing his exceptional leadership. We will always remember his wisdom, integrity and commitment to excellence, which served as an inspiration to us all.

At the same time, JCorp and all its employees would like to extend our heartfelt congratulations to YAB Datuk Onn Hafiz Ghazi on his appointment as Johor's 19th Menteri Besar and JCorp's new Chairman. This mandate was last held by YB Dato' Haji Hasni Mohammad and JCorp would like to record our deepest appreciation for his contributions.

JCorp and its employees also warmly welcome YBhg Tan Sri Ismail Bakar, YBhg Datuk Johan Mahmood Merican, YBhg Dato' Nor Azmie Diron, and YBhg Datuk Seri Isham Ishak as new Directors on JCorp's Board of Directors. We congratulate them on their appointments and look forward to their valuable contributions to JCorp's continued growth and success.

In addition, we would like to extend our sincere appreciation to YBhg Datuk Seri Asri Hamidon, YBhg Datuk Seri Saiful Anuar Lebai Hussien, and YBhg Datuk Haji Ruji Haji Ubi for their invaluable guidance, support, wisdom, and expertise during their tenure on JCorp's Board of Directors.

GROUP'S NET ASSET VALUE (NAV) OF

RM9.8 billion

KPJ NAMED BEST HOSPITAL OF THE YEAR IN MALAYSIA AT THE GLOBALHEALTH ASIA PACIFIC HEALTHCARE AND HOSPITAL AWARDS 2022.

Datuk Syed Mohamed Syed Ibrahim
President & Chief Executive
Johor Corporation

OUR APPROACH TO VALUE CREATION

Value creation is ingrained into our DNA at JCorp, given our primary responsibility to drive socio-economic development in Johor. To create long-term value, we have adopted an integrated approach that inputs relevant internal and external factors; weighs the risks and opportunities that could impact our performance; then outlines a strategy aimed, ultimately, at optimising our capitals to support our long-term growth. All of this is underlined by a robust governance framework.

Evaluate our operating environment

See page **39**

We analyse our operating context and identify trends that could potentially impact our ability to create value in the short, medium and long term. These include the global economy, restrictions imposed by the pandemic, increasing digitalisation and focus on environmental, social and governance (ESG) issues, among others.

Identify our risks & opportunities

See page **42**

We identify the risks and opportunities presented by our operating landscape and business operations; and develop effective processes/systems to manage them while pursuing our strategic and corporate objectives.

Identified Risks:

- Regulatory Risk
- Financial Risk
- Safety, Health and Environment Risk

Engage with our stakeholders

We engage with our key stakeholders to understand their needs and meet their expectations. This is important for us to continuously strengthen our stakeholder relationships and deliver sustained value to them.

Our Stakeholders:

- Government & Regulators
- Private Sector
- Local Communities
- Investors & Shareholders

Determine our material matters

The operating landscape as well as stakeholder needs/expectations together determine our material matters, namely those matters that could impact our value creation and our ability to deliver on our strategy in the short, medium and long term.

Embedding ESG Practices

Guided by environmental, social and governance (ESG) considerations, we make choices that are in line with our values and our commitment to operating in a manner that is responsible, ethical and that protects the interests of our stakeholders.

Develop our strategy

Formulate our strategy

See page **44**

Our strategy has been developed with the principal aim of leveraging opportunities to mitigate our risks and create sustainable value. Responding to emerging market trends and the challenging business landscape, we are focused on strengthening our resilience, integrating sustainability into our operations, and building our capabilities.

- Financial Restructuring
- Corporate Restructuring & Asset Rationalisation
- Intangible Assets

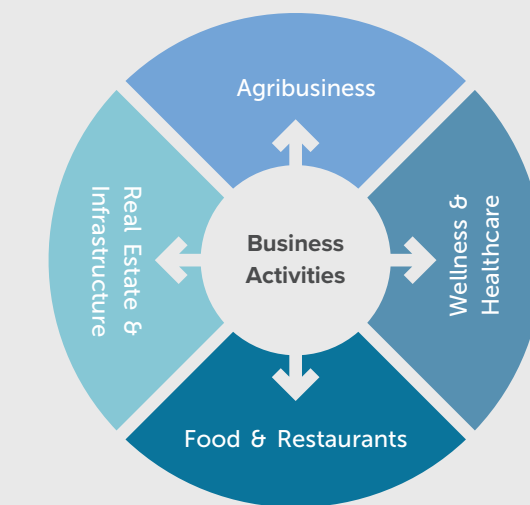
Allocate our resources/capitals

See page **36**

We leverage our financial, natural, manufactured, intellectual, human, and social & relationship capitals to optimise our ability to create long-term value. As these capitals are interrelated, increasing the value of one capital could decrease the value of other capitals. Our objective is to balance the interplay of different capitals for optimum results.

Integrate into our business model

We seek to actively manage our activities and their impacts to ensure we enhance the positive and minimise the negative outcomes of our business model, thereby generating and sustaining value for all our stakeholders



- Financial Capital
- Human Capital
- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital
- Natural Capital

Creating Value

Ultimately, our focus on value creation ensures JCorp's resilience and relevance while underlying our commitment to operating responsibly.

We provide healthy returns to our shareholders through effective financial management

We present a compelling employee value proposition, making us an employer of choice

We work together with business partners to ensure they share in our ongoing growth

We care for the local communities and contribute towards narrowing socio-economic gaps through strategic investments

OUR KEY CAPITALS



Our key capitals are the resources that we use to create value for our businesses and stakeholders. These can broadly be categorised as our financial, manufactured, human, intellectual, social and relationship and natural capitals. Recognising that they play off each other, we seek to manage our capitals optimally in order to create an overall increase in value with time.

OUR 6 CAPITALS



Financial Capital

Our financial capital comprises the pool of funds available to JCorp to undertake ongoing activities and achieve our growth strategies for long-term sustainability. This includes our debt and equity (including sukuk) financing as well as income from the different companies and subsidiaries in our four core businesses.



Manufactured Capital

This refers to all the physical assets that we own or use to create value, including machinery, tools and equipment, as well as the hospitals and clinics under our Wellness & Healthcare business; mills under our Agribusiness; outlets under our Food & Restaurants business; and built properties under our Real Estate & Infrastructure business.



Social & Relationships Capital

This comprises the strong relationships we have with various stakeholders, from our business partners to our patients, suppliers, customers, regulators and other government agencies, the media as well as the community at large. These relationships provide critical support to the Group, in many tangible and intangible ways.



Human Capital

Our human capital encompasses the Group's [number] full-time employees as well as the contract workers employed in our Agribusiness. Together, our workforce is responsible for executing all strategies to ensure our businesses meet their goals and objectives.



Intellectual Capital

Companies across the Group rely on various innovations, systems and processes – from digital platforms and cybersecurity protocols to ISO certifications and R&D-backed technologies – to maintain smooth and efficient operations. We also run accredited training programmes for healthcare personnel; and stand to benefit from our strong branding, which has been associated with Johor's socio-economic transformation for more than 50 years.



Natural Capital

We rely on natural sources of energy, water and other materials to drive our operations; as well as land for property development.

STRATEGIC REVIEW:

MARKET REVIEW AND OUTLOOK

The companies within our portfolio are necessarily impacted by changes in the market and operating environment. To optimise their performance, it is important to keep track of market forces and to prepare for trends as these unfold. Below we describe some of the key global/local trends that are shaping our strategies and outlook.

GLOBAL ECONOMIC RECOVERY

The global economy rebounded in 2021, growing 5.7% after having contracted by 2.6% in 2020¹ mainly as a result of mass vaccination programmes which encouraged governments to lift pandemic-induced movement and social restrictions. However, this growth was not even. Countries with early access to COVID-19 vaccinations enjoyed a head start and recorded higher growth for the year. GDP growth in Southeast Asia, for example, came in at only 2.9%². Malaysia was one of the top performers, registering 3.1% growth³.

Impact

- A strengthening economy has a positive impact on all sectors, even industries that are relatively immune to macro-economic conditions.
- Robust output in 2021 was a boon for most companies, though the effects were not as dramatic in Malaysia as in more developed nations.

Our Response

- The diversified nature of our businesses allowed us to leverage emerging opportunities, such as increasing commodity prices (including that for palm oil), and supporting the government in the provision of COVID-19 related healthcare services.
- We pivoted our Real Estate & Infrastructure as well as Food & Restaurant offerings to suit the prevailing mood of the market.

Outlook

The World Bank anticipates a moderation of global growth to 4.1% in 2022. As Malaysia starts from a lower base, Bank Negara Malaysia expects growth to accelerate to between 5.5% and 6.5%⁴. Each of our investee companies will leverage opportunities that arise to push ahead with its own growth strategies.



3.5%	Public Investment
4.5%	Exports of Services
7.9%	Public Consumption
9.0%	Private Investment
37.4%	Exports of Goods
37.7%	Private Consumption



2.5%	Construction
4.0%	Mining
4.4%	Agriculture
6.8%	Imports of Services
14.9%	Manufacturing
30.9%	Imports of Goods
36.5%	Services

¹ <https://www.worldbank.org/en/news/press-release/2022/06/07/stagflation-risk-rises-amid-sharp-slowdown-in-growth-energy-markets>.

² ASEAN Economic Outlook: Pushing Growth. Regional Cooperation for a Stronger Pandemic Recovery, Asian Development Bank, 28 April 2022

³ According to Bank Negara Malaysia (BNM)

⁴ According to the MOF, <https://budget.mof.gov.my/pdf/2022/economy/Foreword-Preface-The-Economy-2022.pdf>

03

MANAGEMENT
DISCUSSION &
ANALYSIS

STRATEGIC REVIEW: MARKET REVIEW & OUTLOOK

MOVEMENT CONTROL & RESTRICTIONS

The year 2021 was in some ways more challenging than 2020 as it represented a full year of pandemic restrictions, as opposed to just three quarters in the previous year. Most pertinently, the country was under some form of the government's Movement Control Order (MCO) for most of the year. This required people to avoid public or crowded places, while international travel continued to be curtailed, causing blockages in the movement of labour.

Impact

- Our Agribusiness was impacted by a severe shortage of labour as about 75% of our plantation workers are from Indonesia, India and Bangladesh.
- Our hospitals saw a reduced number of inpatients although the number of outpatients increased, particularly for COVID-19 related services such as screening and vaccination.
- Our F&B outlets experienced reduced footfall, manpower shortage, supply chain disruptions, and higher operating costs; nevertheless saw increased demand for takeaways and home delivery.
- Our Real Estate & Infrastructure business faced a shortage of workers as well as increase in cost of materials due to supply chain disruption.

Our Response

- Kulim embarked on various initiatives to attract more local workers to its estates, while incentivising foreign workers to stay on.
- KPJ hospitals decanted patients from overflowing public hospitals; introduced wards for COVID-19 patients; and offered the use of 22 hospitals as Vaccination Administration Centres (PPVs).
- KPJ also introduced online patient consultation and home delivery of medicines.
- Our F&B outlets built their take-away business and pivoted towards contactless delivery and contactless self-collect services. They also collaborated with delivery aggregators such as Food Panda and Grab.

Outlook

By the end of year 2021, 79.2% of Malaysians had been vaccinated against COVID-19, including 97.6% of all adults. In line with herd immunity, the government is expected to relax all economic and social restrictions. This will lead to 'normalisation' of market conditions for all our key businesses.

FOCUS ON HEALTH & WELL-BEING

As populations are ageing, the incidence of non-communicable diseases such as diabetes, heart disease and cancer – is on the rise. Along with increasing knowledge and wealth, more and more people are seeking treatment for these and other ailments. Although healthcare focus has been trained on COVID-19 since its outbreak, the incidence of NCDs has not abated. If anything, the pandemic has served as a reminder of the importance of health and well-being.

Impact

- Demand for healthcare services will continue to increase steadily in the long term
- Demand for aged care will also increase sharply

Our Response

- We continuously increase the capacity of our healthcare service, by expanding the capacity of existing hospitals and developing new hospitals
- We offer healthcare service to rural areas through our six mobile clinics
- We provide elderly care via five senior assisted living care centres
- We offer healthcare training at KPJ Healthcare University College (KPJUC)

Outlook

The number of Malaysians aged 65 and above is expected to triple from two million today to over six million in 2040, while the population of those aged 80 and above is expected to increase even more sharply in the same 18-year period – by almost five times from 0.3 million to nearly 1.4 million. This is clear indication of increased demand for elderly care and the treatment of NCDs/other age-related diseases in the foreseeable future.

DIGITALISATION

According to EY's 2022 Business Pulse survey, 77% of Malaysian companies are prioritising digitalisation to adjust to the post-pandemic norm. Among the key reasons are: 1) Digital platforms enhance all business operations from procurement to finance to HR management; 2) Data analysis enables companies to strategise and make decisions more effectively; and 3) Companies are able to communicate more efficiently internally and externally on digital platforms.

Impact

- As more companies adopt digital technologies, those that do not will lag in terms of operational efficiency and strategic planning
- Stakeholders, especially customers, seek instant information and the ability to communicate with service providers online – hence will prefer to engage with companies that have advanced their online channels
- Young talent are digitally savvy and will seek employment in organisations that cater to their preference to work and communicate online

Our Response

- JCorp as a group is accelerating our digital journey via a digital transformation strategy under which we are putting in place a comprehensive digital infrastructure encompassing artificial intelligence (AI), blockchain and machine learning.
- Launched a digital dashboard in January 2021.
- All our businesses are adopting digital technologies as part of their transformation journeys.

Outlook

The pace and extent of digitalisation around us is so intense, it is being heralded as nothing less than the Industrial Revolution 4.0 (IR4.0). This is clear indication that digitalisation will no longer be something that is merely good to do; it will be a defining factor in determining the sustainability of all organisations.

EMPHASIS ON ESG

Environmental, social and governance (ESG) issues are gaining greater prominence as it is becoming evident that: 1) the world will not be able to sustain itself if people do not change the way we live; and 2) there are grave social inequities indicating that basic rights of many people are not being respected. Because of the enormity of these issues, governments on their own are unable to manage and mitigate them. Corporations also need to play our part.

Impact

- There has been increasing regulations related to ESG issues, eg environmental regulations, minimum wages and corporate governance requirements, among others
- Investors are monitoring the performance of companies along ESG parameters
- Talent are looking for employment in organisations that have the same ESG values as them

Our Response

- JCorp has established a Board Sustainability Committee and outlined an ESG framework
- We have delivered more than 3,000 units of affordable homes and treated 1.8 million patients through our investee companies
- We have disbursed RM1.3 million in micro-credit to more than 450 entrepreneurs
- Yayasan JCorp focuses on uplifting lives through educational, community, cultural and environmental programmes

Outlook

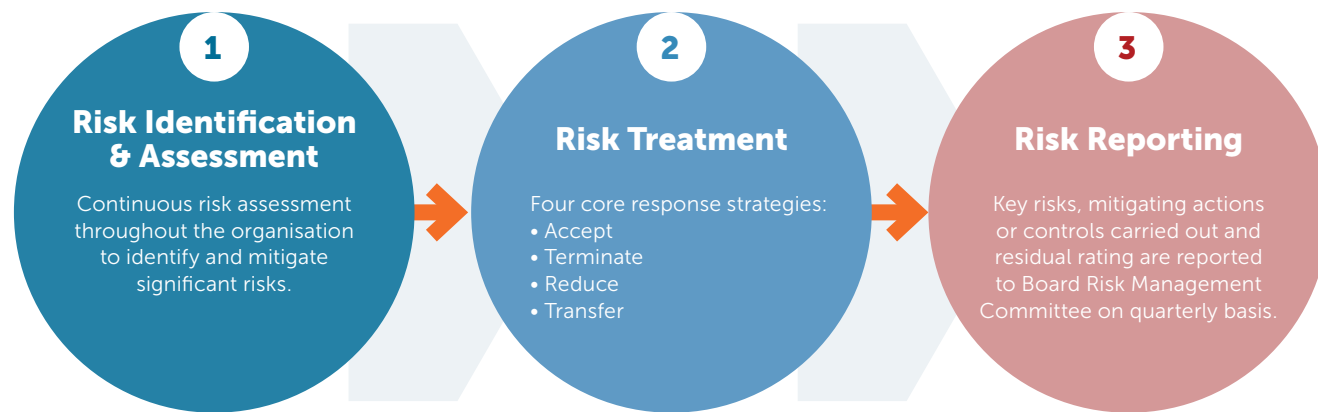
Pressure from stakeholders on ESG related issues will continue to mount for as long as social and environmental issues remain unresolved. ESG will therefore become integral to business performance, and not viewed as an add-on, with good governance ensuring that companies' good intentions are carried out as planned.

KEY RISKS AND MITIGATION

Effective risk management is an integral component of our value creation strategy. With the dynamic landscape of the modern world, it is essential for JCorp to stay ahead of existing and emerging risks that may impact our ability to deliver sustainable value to our stakeholders. We acknowledge that our operations inherently carry varying levels of risk, but we remain dedicated to managing and monitoring them and mitigating their potential impact on our business. Identifying and evaluating emerging risks early enables us to make more informed decisions and to turn potentially negative events into opportunities.

Through our Enterprise Risk Management (ERM) Framework, we embed effective risk mitigation and management across our entire value creation process. Utmost priority is given to prevent risks from detracting from our business goals, and to ensure our ability to continue to create sustainable value for our stakeholders.

Snapshot of the Enterprise Risk Management Process Flow



UNDER PERFORMING INVESTMENT

Potential exposure towards investment risk, arising from inability to generate sufficient shareholder return and dividend income.

Mitigation Strategies

- Developed Stewardship and Monitoring Policy, to ensure investee companies alignment with JCorp's objectives and performance.
- Capital restructuring including divestment and monetization of assets.
- Incorporation of Business Sustainability Plan encompassing integration of ESG values and operational resiliency at JCorp and investee companies.
- Embarked on digital transformation initiatives to strengthen operational efficiency and accountability.

COMPLIANCE WITH REGULATORY AND ACCREDITATION REQUIREMENTS

As a statutory body established by enactment, the Group business are governed by relevant laws, and regulations and standards.

Mitigation Strategies

- Consulting with authority, regulatory and standard bodies to ensure compliance.
- Ensure compliance with accreditation bodies requirements for best practices.
- Group governance meetings to monitor compliance issues within the Group.

ADVERSE FINANCIAL PERFORMANCE

Financial conditions that would limit its capacity to invest in and carry out its strategic goals, arising from changes in financial policy and interest market.

Mitigation Strategies

- Capital restructuring including divestment and monetization of assets.
- Enhancing governance and financial framework including creation of committees to monitor execution of debt management program.
- Reviewed and consolidate debt management resulting in costs savings, better liquidity and reduce high interest bearing financial instrument.
- Made voluntary repayment to optimise level of borrowing and financing costs.

PANDEMIC/NATURAL DISASTER

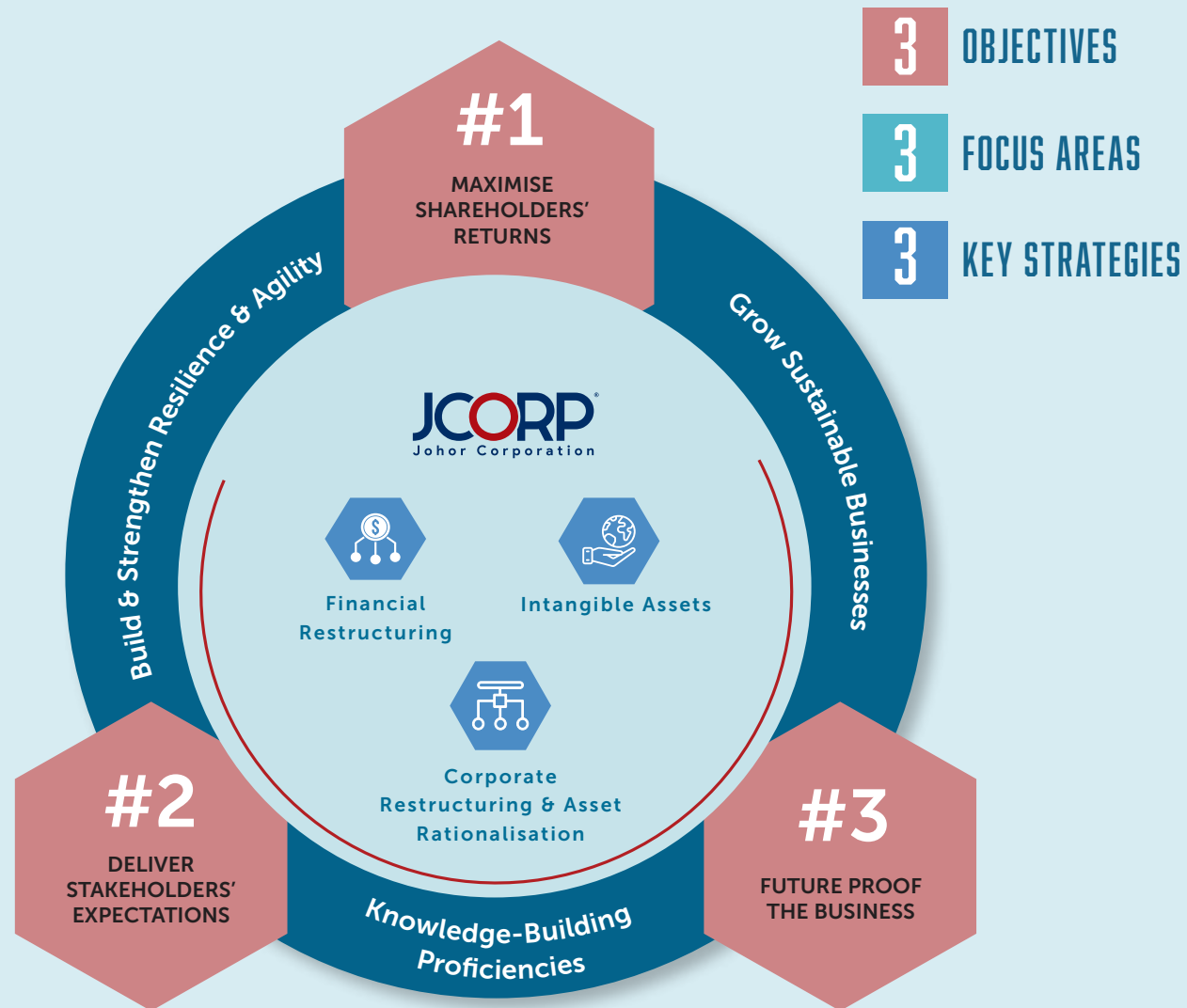
The emerging of COVID-19 pandemic, and associated economic exposure disrupted JCorp's Group performance, including operational, supply chain and financial performance.

Mitigation Strategies

- Stringent adherence to Ministry of Health and SOP at the workplace to prevent transmission of disease.
- Implemented Business Continuity Plan to reduce disruption to operations.
- Proactive risk management practices to adapt to changing business environments.
- Using technology to improve supply chain visibility, diversify suppliers base and joint cooperation with other companies.

STRATEGIC REVIEW:
OUR STRATEGY

In 2020, in response to Covid-19, we drew up a new strategic blueprint – JCorp 3.0 – to ensure the Group’s relevance and sustainability in the long term. Through this strategy we seek not only to manage the disruptions brought about by the pandemic but to reinvent JCorp and drive our transformation into an investment holding company focused on increasing the value of our four core sectors, ie Agribusiness, Wellness & Healthcare, Food & Restaurants, and Real Estate & Infrastructure.



Build & Strengthen Resilience & Agility

- Strengthen resilience to survive the **pandemic**, able to move fast to deliver execution strategies and grow in challenging times

Grow Sustainable Businesses

- Build a **portfolio of champions**: #1 or #2 in what we do. Drive a robust transformation across the group, defining “non-negotiable targets” towards unlocking value and sustainability

Knowledge-Building Proficiencies

- JCorp as a knowledge based and **learning organisation**

STRATEGIC ACHIEVEMENTS IN 2021

	Achievements in 2021	Focus for 2022
<p>BUSINESS REINVENTION</p>	<ul style="list-style-type: none"> • Disposal of 75% share in Rajaudang Aquaculture Group • Agreement to dispose of 100% shares in SPMB Holdings Sdn Bhd (SPMB) Group to MAJU • Agreement to dispose of 100% equity in Virtualflex Sdn Bhd (VFSB) to TCR Affinity Sdn Bhd • Cessation of operations of N2W Corporation Sdn Bhd (N2W) 	<ul style="list-style-type: none"> • Completion of SPMB disposal • Completion of VFSB disposal • Ongoing preparations for IPOs of Kulim, KFC, Pizza Hut and Damansara Holdings Berhad (DHB)
<p>ESG AS A FOCUS</p>	<ul style="list-style-type: none"> • Appointment of a consultant to develop ESG framework and policy. 	<ul style="list-style-type: none"> • Launch of the ESG framework and policy • The establishment of a board of sustainability
<p>STRENGTHEN INTANGIBLE ASSETS</p>	<ul style="list-style-type: none"> • Internal audit conducted on all intangible assets developed, owned or controlled by JCorp. These have been determined as: industry expertise, software, data, approvals & certifications, content, relationships, the JCorp brand, and confidential information. 	<ul style="list-style-type: none"> • Appointment of a consultant to assess JCorp’s intangible assets and recommend strategy to unlock the value/monetise these assets
<p>DIGITALISATION AS ENABLER</p>	<ul style="list-style-type: none"> • Launched Digital Transformation Strategy • Migrated all our digital systems onto the cloud • Launched a Digital Dashboard 	<ul style="list-style-type: none"> • Enhancing our capabilities in analytics, cloud computing, automation and big data

BUSINESS REVIEW

AGRIBUSINESS

KULIM

WHAT WE DO

Through Kulim (Malaysia) Berhad (Kulim), we are principally involved in upstream and midstream oil palm operations. Kulim has a total of 63,158 hectares (ha) of planted oil palm plantations in Malaysia and Indonesia, as well as five mills. This is supplemented by agro farming, livestock and trading & services. Kulim also has a presence in the oil and gas industry, but this has never been a significant part of its business and the Group is in the process of divesting the companies involved to focus on agriculture. With an 89-year history, Kulim is today working towards a re-listing on Bursa Malaysia.

KEY FOCUS AREAS

Our Agribusiness can broadly be categorised into the following:

- Oil palm plantations and milling
- Agro farming - intensive farming, mono-crop farming and pineapple
- Livestock
- Agricultural research and development

BUSINESS OVERVIEW

The year 2021 was one of extremes for our Agribusiness – while being operationally very challenging it was financially rewarding for palm oil producers. Production was impacted by various factors, including inclement weather, decreased use of fertilisers in preceding years and, most pertinently, a continued and acute labour shortage in Malaysia. Combined with increased demand for Crude Palm Oil (CPO) from China and India, the price of CPO and Palm Kernel (PK) hit historic highs. This more than compensated for the production shortfall in Kulim, leading to a significant increase in revenue and turnaround profit.

OPERATIONAL HIGHLIGHTS

Oil Palm, Malaysia

- Fresh Fruit Bunches (FFB) production decreased by 9.58% YoY from 1,145,090 Metric Tonnes (MT) to 1,035,342 MT.
- Yield Per Hectare (YPH) decreased marginally to 20.11 MT/ha; however exceeded the industry average in Johor and Peninsular Malaysia, at 17.73 MT/ha and 16.24 MT/ha, respectively.
- CPO production decreased 6.43% from 316,066 MT to 295,747 MT.
- PK production decreased by 4.82% from 79,711 MT to 75,867 MT.
- Oil Extraction Rate (OER) decreased to 20.83%, yet remained higher than the industry average of 19.68% for Peninsular Malaysia and 19.92% for Malaysia as a whole.

Oil Palm, Indonesia

- FFB production increased by 80.43% from 14,499 MT to 26,160 MT due to harvesting area expanded to 3,516 ha from 3,430 ha in 2020.
- YPH increased from 5.24 MT/ha to 7.53 MT/ha as a result of improved road accessibility and harvesting bridge and extensive rehabilitation programs in 2018 which improved crop recovery.

Agro Farming

- Pineapple production decreased by 34% from 2,316 MT to 1,527 MT.
- Kulim harvested a total of 3,763 kg of local cucumber.
- Planted 100.20 ha of different coconut varieties at Balau Coconut Farm. Coconut varieties, namely Pandan, Deejay Sampoorna, Vietnam Green, and Vietnam Brown palms.
- Planted 7.35 ha of different durian varieties, at Selai Durian Farm namely Musang King, Black Thorn, IOI and Kop Kecil.

Livestock

- Cattle population increased by 22.50% to 7,491 heads.
- Purchased 220 Santa Ines sheep for a pilot sheep breeding project in Basir Ismail Estate.

BUSINESS REVIEW: AGRIBUSINESS

PERFORMANCE REVIEW

Plantation - estate and mill operations		
Strategic Objectives	Key Initiatives	Outcomes
Overcome labour shortage in Malaysia	<ul style="list-style-type: none"> Mobilised as many local workers as possible while providing incentives for foreign workers to stay 	<ul style="list-style-type: none"> Attracted more local workers 1,743 foreign workers opted for the cash incentive scheme in 2021 Brought in 148 stranded workers through MyTravel Pass Programme
Increase productivity in estates	<ul style="list-style-type: none"> Introduced Mechanical Buffalo with mini tractors and scissor lifts/grabbers for in-field evacuation in suitable terrain Used BIN System instead of manual loading of FFB for speedy evacuation to mills In Indonesia, improved infrastructure for better accessibility to aid harvesting and manuring 	<ul style="list-style-type: none"> Coverage of mini tractors and grabbers with/without scissor lifts increased by 68% to 13,988 ha at end of 2021 BIN system coverage increased by 42% to 23,198 ha in 2021 Completed 299 km of laterite roads, 82 reinforced concrete bridges, 2,955 harvesting footbridges and a workshop, fertiliser store, main office and 12 units of staff houses
Enhanced efficiencies through digitalisation	<ul style="list-style-type: none"> Migration from In-Field Data Execution and Analytics System (IDEAS) and GIS/GPS Integrated Estate Management System (GEMS) to integrated Kulim Plantation Management System (K-Plant) 	<ul style="list-style-type: none"> Enhanced efficiencies by recording important data such as workers' daily attendance, bunch count and loose fruit collected, among others
Increase palm oil mill productivity	<ul style="list-style-type: none"> Upgrade capacity of Sindora Palm Oil Mill (POM) Five-year programme to increase the capacity of 28 digesters from 4,000 litres to 5,000 litres 	<ul style="list-style-type: none"> Sindora POM capacity to increase from 45 TPH to 60 TPH by mid-2023 The project for Pasir Panjang POM was completed in 2020; one unit was installed for Sedenak POM in 2021; and the rest of the mills will be converted by 2022/2023. This is expected to reduce oil losses by 0.1% to FFB
Enhance quality of palm oil	<ul style="list-style-type: none"> Upgrade Sindora POM from Mass balance to Identity Preserved (IP) mill 	<ul style="list-style-type: none"> Sindora POM to be recognised as IP by Q2 2022 which will earn additional premium income from CSPO and CSPK by RM3 million/year
Capture and use biogas to reduce carbon footprint	<ul style="list-style-type: none"> Upgrade of biogas plant in Sedenak POM Installation of bio-CNG plants at Tereh and Sindora POMs 	<ul style="list-style-type: none"> Once commissioned by Q3 2022, the plant will produce an estimated 250,000 MMBtu of biomethane gas per annum The plants are expected to be commissioned in 2023

FINANCIAL PERFORMANCE

- Kulim's revenue increased 48.65% from RM1.11 billion to RM1.65 billion
- Turned around loss before tax and zakat of RM316.45 million in 2020 to a profit before tax and zakat of RM433.81 million

KEY ACHIEVEMENTS

- Kulim realised an average CPO selling price of RM4,422 per MT, which was RM21 per MT higher than the Malaysian Palm Oil Board average of RM4,401 per MT
- Fifth biogas plant was commissioned in Tereh POM on 21 September 2021, contributing to a 48% increase in total biogas production
- Obtained the ISO 37001:2016 Anti-Bribery Management System certification
- Kulim's Integrated Report 2020 received Silver in the National Annual Corporate Report Awards (NACRA) 2021 for the Best Annual Report among Non-Listed Organisations

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Potential of labour shortage impacting productivity in Malaysia	<ul style="list-style-type: none"> Collaborated with the Labour Department in Peninsular Malaysia to organise job fairs; and recruited Malaysian workers from nearby villages Offered RM1,200 cash incentive per foreign worker to postpone their return for minimum of one year; and engaged with Konsulat Jenderal Republik Indonesia (KJRI), Johor Bahru to advise Indonesian workers to postpone their planned return home Extended the work permits of skilled foreign workers who have been working for more than 10 years Offered overtime, including for harvesting on Saturdays depending on needs and voluntary basis
High risk of fire in Indonesia	<ul style="list-style-type: none"> Refresher training conducted for Fire Emergency Response Team (TKTD) members Collaborated with villagers to carry out fire patrols during dry seasons Built 88 water catchment units Set up fire monitoring towers for every 500 ha of plantation and a station for TKTD Ensure compliance with regulations with regards to fire extinguishing equipment under Agricultural Ministry of Indonesia Deploy TKTD to extinguish fires within five km of estate's perimeter Fix and replace "Burning Prohibited" banners every six months
Prolonged monsoons and dry periods affecting yield/potentially damaging plantations in Indonesia	<ul style="list-style-type: none"> Built weirs in strategic locations to maintain optimum water level in peat soil Pumped out excess water using two 160 Kilovolt AMP gensets and eight units of 30-horse power water pumps

OUTLOOK

Along with mass vaccinations and a gradual economic recovery, national borders are expected to open in 2022. This means the resumption of labour movement, which would be especially significant for plantation operators in Malaysia. The ability to operate with a full workforce would greatly enhance Kulim's performance, especially during the harvest periods.

Overall, however, the supply of CPO is expected to continue to lag behind demand thus contributing to steadily buoyed prices averaging about RM4,000 per MT for the year. This will help to cushion the concomitant increase in price of fertilisers.

While leveraging opportunities in the oil palm segment, Kulim will also forge ahead with its transformation programme to grow its non-oil palm agribusinesses including livestock. In this manner, it will support JCorp's Agrofood Strategic Plan to establish an affordable and sustainable food marketplace that is able to guarantee food security for Johoreans and Malaysians.



WHAT WE DO

Through KPJ Healthcare Bhd (KPJ), which was listed on Bursa Malaysia Berhad in [year], we are one of the leading private healthcare providers in the region, with a network of 32 hospitals in Malaysia, Indonesia, Thailand and Bangladesh. Our Wellness & Healthcare business also includes two ambulatory centres, 17 Klinik Waqf An-Nur, five senior assisted living care centres (including one in Australia) and six mobile clinics. Supporting KPJ hospitals, clinics and wellness centres are a group of service providers. In addition, KPJ provides tertiary education to nurture a skilled manpower for the wellness and healthcare industry.

KEY FOCUS AREAS

KPJ's operations can broadly be categorised into the following:

- Clinical and hospital operations, including health tourism
- Ambulatory care and wellness
- Ancillary services

BUSINESS OVERVIEW

The year 2021 continued to be challenging for the healthcare and wellness industry due to dual impacts of the pandemic – firstly, increased demand for COVID-19 related services such as vaccinations, screening and hospital care; and secondly, reduced hospitalisation and procedures among non-COVID patients. Widespread concern about contracting the virus, as well as movement restrictions and border closures, deterred local and foreign patients from seeking treatments at hospitals.

In Malaysia, to help alleviate the pressure on government hospitals, the private sector stepped in to decant both COVID and non-COVID patients. Driven by its Care for Life philosophy, KPJ collaborated with the Ministry of Health and agreed on very affordable fees for no less than 100 packages designed for patients off-loaded from over-stretched public hospitals.

Despite taking over some patients from the public sector, KPJ's inpatient numbers declined year on year (YoY). However, by way of partial compensation, the number of outpatients increased. KPJ also made the most of the downtime to roll out a transformation programme, called Re-energising KPJ.

OPERATIONAL HIGHLIGHTS

- The Group's total inpatient number dropped by 5% YoY from 246,529 to 234,206
- The Group's average bed occupancy rate (BOR) dropped from 47% to 43%
- The number of outpatients increased by 7% from 2,629,909 to 2,821,701
- Total number of inpatients in Malaysia decreased by 7% from 237,132 to 221,525
- Total number of outpatients in Malaysia increased by 7% YoY from 2,451,405 to 2,618,497

BUSINESS REVIEW

WELLNESS & HEALTHCARE

BUSINESS REVIEW:
WELLNESS & HEALTHCARE

PERFORMANCE REVIEW

Healthcare Services – Hospitals, Clinics & Ambulatory Care		
Strategic Objectives	Key Initiatives	Outcomes
<p>Re-energising KPJ transformation programme</p>	<ul style="list-style-type: none"> Organisational restructuring Embracing digitalisation & technology Strengthen business and operational excellence Refresh branding and marketing efforts 	<ul style="list-style-type: none"> Malaysian hospitals are now divided into seven regional groupings, each with its own CEO Ran Talent Validation Programme and Talent Development Programme, opening more channels for employee career progression Created synergies by breaking down silos between medical and non-medical staff; and established new clinical and service quality targets Installed new core IT system, while a new state-of-the-art Hospital Information System (HIS) is being developed to improve the patient experience and boost overall efficiency Ultimately, all KPJ hospitals' data will be integrated on a single platform, creating a smart hospital environment Centralised various functions such as procurement, credit management and facilities management, enabling cost savings from economies of scale Set up project management committee to ensure timely delivery of all projects Adopting more social media platforms, eg Facebook, to connect with the public
<p>Strengthening partnership with the government</p>	<ul style="list-style-type: none"> Supported the National Immunisation Programme (NIP) Decanted patients to relieve pressure on public hospitals 	<ul style="list-style-type: none"> KPJ was the largest private healthcare provider supporting the NIP, with 22 out of 28 hospitals in Malaysia used as Vaccination Administration Centres (PPV) 13 Klinik Waqaf An-Nur (KWAN) and four mobile clinics were deployed to assist with the registration of vaccine recipients KWAN mobile clinics provided vaccinations, focusing on the elderly and physically disabled in B40 residential areas in Johor Patient visits increased to 3,055,907 in 2021 from 2,876,438 in 2020. Group hospitals also performed 87,051 surgery cases and 15,802 delivery cases in 2021, an increase of 7% and 31% respectively in comparison to 2020.

PERFORMANCE REVIEW

Healthcare Services – Hospitals, Clinics & Ambulatory Care		
Strategic Objectives	Key Initiatives	Outcomes
<p>Enhanced network of healthcare service centres</p>	<ul style="list-style-type: none"> Opened a second Ambulatory Care Centre (ACC) in Bandar Kinrara, Puchong 	<ul style="list-style-type: none"> Increased KPJ's bed capacity by 4.5% to 3,376 as compared to 3,230 at end 2020
<p>Strengthen financing for further growth</p>	<ul style="list-style-type: none"> Launched RM3.0 bil Sukuk Wakalah, KPJ's first sukuk offering in more than 10 years 	<ul style="list-style-type: none"> The programme was oversubscribed by 10.3 times, with an order book value of RM6.7 billion. Given the overwhelming response, the initial offering was increased from RM500 mil to RM650 million
<p>Establish KPJ as a sustainability-conscious group</p>	<ul style="list-style-type: none"> Integrate ESG considerations into operations 	<ul style="list-style-type: none"> Damansara Specialist Hospital 2 (DSH2), to be opened in 2022, will be GBI certified Leveraging digital systems to reduce paper consumption, hence our carbon footprint Exploring the use of cleaner energy such as LNG, and renewable energy such as solar Launched a responsible sourcing initiative to encourage suppliers to be more environmentally-conscious

Ancillary Services

Ancillary Services provides a range of services to support the Group's hospitals including technical consultancy, healthcare engineering, hospital catering, laundry services, wholesale pharmaceutical and medical products, retail pharmacies, sterilisation services, and education.

Highlights of the year:

- Total Meal Services, KPJ's food services arm, saw its EBITDA increase by 65% due to more efficient material management and staff allocation
- Laundry operations offered by Fabricare Laundry Sdn Bhd shifted into a new facility with bigger capacity, enabling the company to expand its customer base
- Retail pharmacies – KPJ Healthshoppe Sdn Bhd and JX Pharmacy Sdn Bhd – launched aggressive digital marketing campaigns which helped to increase sales; and engaged new last-mile delivery partners to strengthen their delivery service
- KPJ Healthcare University College (KPJUC) saw its first batch of five Occupational Therapists graduate with Bachelor's degrees
- KPJUC achieved the MyRA1 Star rating for research capabilities; and approval for accreditation of its Post Basic Perioperative in Nursing programme (Nilai)

BUSINESS REVIEW:
WELLNESS & HEALTHCARE



FINANCIAL PERFORMANCE

- KPJ Group revenue increased by 10% YoY from RM2.4 billion to RM2.6 billion
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased by 2% from RM538.9 million to RM529.5 million
- Profit before tax (PBT) decreased by 23% from RM150.8 million to RM115.6 million due to an increase in material costs – having to comply with COVID-19 SOPs and the use of personal protective equipment (PPE) by employees

KEY ACHIEVEMENTS

- Industry Excellence Awards – MSWG-ASEAN Corporate Governance Award 2020
- Platinum (Most Trusted Brand in Healthcare) – Reader’s Digest Trusted Brands Awards 2021
- Best Hospital of the Year in Malaysia – GlobalHealth Asia-Pacific Healthcare and Hospital Awards 2021
- Marketing Initiative of the Year – Healthcare Asia Awards 2021
- Excellence in CSR – Bumiputera Excellence Awards (BBEA) 2021
- Most Preferred Employer to Work For – Graduates’ Choice Awards 2022

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Reduced hospitalisation of non-COVID patients	<ul style="list-style-type: none"> • Adopted a hybrid hospital approach – converting hospitals to cater for both COVID and non-COVID patients (with designated wards for COVID patients)
Fear among patients of going to the hospital	<ul style="list-style-type: none"> • Leveraged online consultation and home delivery of medicines • Set up drive through COVID-19 testing
Risk of personnel contracting the virus in hospital	<ul style="list-style-type: none"> • Reviewed the flow of people into and within hospitals to maintain physical distance • Introduced Acute Respiratory Illness/Influenza-Like Illness (ARI/ILI) transit wards for those who may be carriers • Carried out COVID-19 Surveillance Test Programme by providing free kits to all KPJ employees for fortnightly self-tests • Adherence to social distancing and mask-wearing SOPs, adoption of virtual meetings, and 50:50 split team approach, with the teams taking turns to work in our premises and from home

OUTLOOK

As pandemic-related restrictions are relaxing across the region in 2022, the healthcare sector is expected to benefit from a return-to-normal of patient numbers, including foreign patients seeking treatment under health tourism. While this in itself stands our Health & Wellness business in good stead, various other factors point to enhanced performance from 2022 onwards.

Among others, we expect the Centres of Excellence (COEs) for our hub hospitals, and the opening of DSH2 with its high technology medical equipment to increase the quality of the Group’s service offerings. The development of a new HIS and continuous improvements to our virtual healthcare will further enhance the customer experience and strengthen KPJ’s branding.

Supporting quality service, KPJ will continue to intensify its marketing initiatives on various social media as well as through the efforts of its Service & Partners Management (SPM) Division. Specifically, SPM will be looking to increase KPJ hospitals’ visibility among corporate clients, especially those that provide healthcare benefits to their employees.

While growing its business, KPJ will also continue to lend full support to the government in its ongoing battle against the pandemic. Wherever possible, KPJ’s facilities will be opened to the public so as to alleviate stresses and pressure on public healthcare services, ensuring all Malaysians have access to quality care.



BUSINESS REVIEW

FOOD & RESTAURANTS



WHAT WE DO

QSR Brands is involved in the entire farm-to-fork value chain of the food industry, from producing feed to breeding, rearing and processing poultry for our outlets and third parties; as well as operating a total of 1,354 KFC and Pizza Hut restaurants in Malaysia, Singapore and Brunei by year ended 2021.

KEY FOCUS AREAS

Our Food & Restaurants division focuses on the following:

- Upstream: feed manufacturing; breeding, rearing and processing poultry; manufacturing sauces, bakery and commissary items (eg coleslaw)
- Midstream: sales, marketing and trading of QSR Brands and third-party products domestically and to overseas markets
- Downstream: Operating KFC outlets in Malaysia, Singapore, Brunei and Cambodia; and Pizza Hut outlets in Malaysia and Singapore

BUSINESS OVERVIEW

The year 2021 continued to be challenging as three of our markets – Malaysia, Singapore and Brunei – experienced a second year of pandemic restrictions; while Cambodia went into its first year of lockdowns. The most significant impact was a reduction in number of dine-in customers, accompanied by an increase in demand for delivery and takeaways. Supply chain disruptions led to an increase in cost of raw ingredients and other materials; movement restrictions affected the availability of labour; and the incidence of COVID-19 clusters meant that certain production plants were required to shut down.



BUSINESS REVIEW: FOOD & RESTAURANTS

KFC

OPERATIONAL HIGHLIGHTS

- Same store sales growth increased 5.1% YoY in Malaysia
- Takeaways/delivery in Singapore grew to 44% vs 34% pre-COVID
- KFC Brunei managed to provide uninterrupted service via drive thru, delivery and takeaway services
- There was minimal supply disruption in Cambodia due to sufficient buffer stock.

PERFORMANCE REVIEW

KFC Malaysia		
Strategic Objectives	Key Initiatives	Outcomes
Innovate to satisfy consumer tastes	<ul style="list-style-type: none"> • Excited customers with limited time only (LTO) offerings such as burger P. Ramlee and Nasi Lemak Kari Atuk • Burger LTO launches included Zero Chicken Burger, Original Burger, Burger Banjir and Cheezila double down 	<ul style="list-style-type: none"> • Enhanced system sales by 5.2% YoY • Burger portfolio grew by 1.5% YoY
Offer value for money	<ul style="list-style-type: none"> • Launched promos such as Sneak Jimat during non-peak hours (2pm – 4pm) • Launched Buy 1 Free 1 snack plate offer in support of the national vaccination programme 	<ul style="list-style-type: none"> • The promo contributed to 17% of sales from 2-5pm, with a 30% increase in transactions during this period • The campaign saw a 90% redemption rate with 70% increase in e-commerce transactions during the redemption period
Grow brand affinity	<ul style="list-style-type: none"> • Engaged celebrities Awal Ashaari and Scha Alyahya as brand ambassadors 	<ul style="list-style-type: none"> • 66% of customers liked the way the ambassadors portrayed modern families

FINANCIAL PERFORMANCE

KFC Malaysia saw its revenue increase by 6.0% from RM2.6 billion in 2020 to RM2.76 billion in 2021 with same store sales growing 5.1%. This was supported by a strategic pivot to focus on sales from delivery, digital and takeaway channels, which compensated for the loss in dine-in revenue due to COVID-19 restrictions and lockdowns.

PERFORMANCE REVIEW

KFC Singapore

With 82 restaurants, KFC Singapore is the largest chicken restaurant chain in the country.

Strategic Objectives	Key Initiatives	Outcomes
Cater to changing consumer tastes	<ul style="list-style-type: none"> • KFC Singapore reverted to classic flavours, eg Original Recipe chicken and Hot & Spicy chicken • Introduced several successful comeback flavours and products, eg Goldspice Chicken, Cheesy Double Down, Cereal Chicken, Cheesy and BBQ pockets • Launched exciting new products like the Zingerito and BBQ Crunch Chicken (first co-branded product with Lays) 	<ul style="list-style-type: none"> • Menu mix of core COB remained at above 75% despite the many LTO COB promotions • These LTOs contributed to 10%-25% of the sales mix • Zingerito was sold out in 18 days instead of 28 days as targeted
Ensure good customer value	<ul style="list-style-type: none"> • Introduced value promotions: Chicken Tuesday 5 for SGD8, 2 meals for SGD10, and 1 for 1 Burgers • Launched a Clucking Good Sale campaign with attractive coupon deals 	<ul style="list-style-type: none"> • These value campaigns drove positive same store sales and contributed good sales mix of up to 35% • Campaign increased same store sales by 17%
Create brand buzz	<ul style="list-style-type: none"> • KFC ran its popular "International Fried Chicken Day, Virtual Eat Together" event • Collaborated with designer Amos Ananda to produce special edition T-shirts, shirts, hoodies, jackets, bucket hats, sport pants, shorts and tote bags in conjunction with Singapore's birthday 	<ul style="list-style-type: none"> • Hit SGD569,000 in sales, 6% higher than in 2020 • Recognised by Senior Minister of State, Ministry of Foreign Affairs and National Development for supporting local designers

FINANCIAL PERFORMANCE

The entire F&B industry in Singapore experienced the impact of inflation and supply disruption, which greatly affected revenue. This led to KFC Singapore's same store sales dipping by 6.7% year on year, resulting in total sales of SGD166 million.

BUSINESS REVIEW: FOOD & RESTAURANTS

PERFORMANCE REVIEW

KFC Brunei
KFC Brunei operates a chain of 18 restaurants in the kingdom.

Strategic Objectives	Key Initiatives	Outcomes
Cost optimisation to mitigate various restrictions	<ul style="list-style-type: none"> Rental negotiation with landlords to reduce operating cost 	<ul style="list-style-type: none"> Achieved BND171,000 in savings from rental reduction

FINANCIAL PERFORMANCE

Despite the no-dine-in policy enforced in Brunei for most of 2021, KFC Brunei experienced only a marginal decline in revenue from 2020 to BND13.7 million. This was due to driving sales via alternative channels such as drive thru, delivery and takeaway.

KFC Cambodia
KFC Cambodia has a network of 12 restaurants across the country, with eight in capital Phnom Penh by year ended 2021.

Strategic Objectives	Key Initiatives	Outcomes
Focus on delivery channel	<ul style="list-style-type: none"> Joint promotion with food aggregators to increase sales 	<ul style="list-style-type: none"> Sales from food aggregators increased from 23.5% to 50% of the total
Cater to customer needs	<ul style="list-style-type: none"> Improved delivery menu, and adjusted in-store as well as delivery prices 	<ul style="list-style-type: none"> Maintained gross profit at 68.61% despite reduced sales
Cost optimisation	<ul style="list-style-type: none"> Negotiated rentals with landlords to address one of the highest operating costs 	<ul style="list-style-type: none"> Achieved USD47,000 in savings from rental reduction

FINANCIAL PERFORMANCE

2021 marked the first year of lockdowns in Cambodia, which impacted all sectors including F&B. Added to this, Aeon Mall was closed in July 2021. These factors contributed to KFC Cambodia seeing its same store sales decrease by 21.8% year-on-year to record USD4.7 million in total revenue and USD777,000 in PBT.

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Malaysia <ul style="list-style-type: none"> Changing MCO regulations disrupted business hours and dine-in operations Impact of global supply chain disruption felt towards end 2021 	<ul style="list-style-type: none"> Clear store operating procedures put in place for varied restrictions which minimised disruptions Widened pool of vendors for key ingredients to reduce reliance on single suppliers
Singapore <ul style="list-style-type: none"> Issues regarding food quality 	<ul style="list-style-type: none"> Regained customers' trust with Colonel's Guarantee Programme offering free replacements to dissatisfied customers Intensive retraining and re-certification of cooks Ran KFC Cook Challenge to identify the best cooks who served as role models
Brunei <ul style="list-style-type: none"> Shorter business hours and closure of restaurants impacted sales Movement restrictions led to inconsistent availability of manpower 	<ul style="list-style-type: none"> Offered promos to boost delivery segment Restructured labour scheduling to maximise productivity and address manpower needs
Cambodia <ul style="list-style-type: none"> Movement restrictions led to inconsistent availability of manpower 	<ul style="list-style-type: none"> Restructured labour scheduling to maximise productivity and address manpower needs

KEY ACHIEVEMENTS

- KFC Malaysia won a Gold in the Putra Brand Awards 2021 (Restaurant & Fast Food Category).
- KFC Singapore remained the #2 fast food brand in Singapore with a brand share of 21%.
- KFC Singapore was awarded the Enabling Mark Award by SG Enable for best practices and outcomes in disability and inclusive hiring.

OUTLOOK

With high vaccination rates and the gradual relaxation of restrictions, the year 2022 is expected to be more conducive for F&B outlets in general. Nevertheless, certain challenges will persist, including supply chain disruptions and the increasing cost of raw materials. These will require our country operations to onboard more vendors while managing costs without compromising on affordable prices and quality – all the while keeping the brand Relevant, Easy and Distinctive.

Digitalisation of processes will continue to be prioritised, both for operational efficiencies and superior customer engagement. Using data, our teams will also be able to enhance their ability to forecast trends and demand.

BUSINESS REVIEW: FOOD & RESTAURANTS

PIZZA HUT

OPERATIONAL HIGHLIGHTS

- Pizza Hut Malaysia delivered 13.1% total sales growth YoY.
- Pizza Hut Singapore's sales value decreased 6.48% from SGD108 million in 2020 to SGD101 million in 2021.

PERFORMANCE REVIEW

Pizza Hut Malaysia		
Strategic Objectives	Key Initiatives	Outcomes
Pivot towards home meal replacement (HMR)	<ul style="list-style-type: none"> • Launched Entry Value (50% off for delivery by Pizza Hut); on-boarded GrabFood (in addition to Foodpanda) and offered Driver Assisted Service • Enhanced Delivery and Takeaway value, customising price and menu offers to appeal to different customer segments • Introduced exciting LTO for home delivery, eg Kari Raya Pizza and Cheesy Poppers • Increase awareness of app and enhance targeted marketing 	<ul style="list-style-type: none"> • Total business grew 12.7% YoY with delivery channel driving growth at 48% • Huts Meal menu targeting families grew 78%, while MyBox menu targeting young adults grew by 14% • Delivered 40% growth YoY • e-Commerce channel grew 17% YoY, with the app driving the growth at 20%
Drive brand awareness and affinity with young adults	<ul style="list-style-type: none"> • Launched hand crafted sour dough-based pizza • Leveraged Tik Tok for engaging campaigns eg for Cheesy Poppers Pull, Dip, Dip & Pop TikTok Challenge 	<ul style="list-style-type: none"> • Achieved 13% increase in sales during the campaign period vs same period a year ago. • 16 million views

PERFORMANCE REVIEW

Pizza Hut Singapore

Pizza Hut is the largest pizza restaurant company in Singapore, with 78 restaurants across the island.

Strategic Objectives	Key Initiatives	Outcomes
Dominate the pizza delivery market	<ul style="list-style-type: none"> • Focused on developing delivery, especially small boxes • Limited dine-in and express openings • Ensured all new sites have good visibility and accessibility 	<ul style="list-style-type: none"> • Number of delivery units increased from 37 in 2018 to 42 in 2021 • Zero new dine-in or express outlets • All sites since 2019 have good visibility and accessibility
Become Singapore's favourite pizza brand	<ul style="list-style-type: none"> • Increased advertising engagement • Improved e-commerce and digital experience • Offered exciting promotions 	<ul style="list-style-type: none"> • Blended new global approach into our 'Your Slice of Simple' • New holistic digital platform in the works (target end-2023) • LTOs contributed to 15% of total sales during promotion periods
Increase takeaway contribution to Pizza Hut's global benchmark	<ul style="list-style-type: none"> • Drove greater takeaway value with 50% off any takeaway pizza (for minimum two pizzas); and promoted MyBox 	<ul style="list-style-type: none"> • Takeaway accounted for 89% of sales vs 73% in 2019, with MyBox making up 10% of HMR sales

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Malaysia <ul style="list-style-type: none"> • 35% longer periods of lockdowns under MCO compared to year 2020 	<ul style="list-style-type: none"> • Pizza Hut Malaysia invested more into its HMR and takeaway channels • Expanded delivery service coverage by listing Pizza Hut on Grab Food as well as service expansion of Dine-In only restaurants • Clear store operating procedures implemented to minimise operations disruption
<ul style="list-style-type: none"> • Changing MCO regulations and stricter SOPs throughout the year 	

BUSINESS REVIEW: FOOD & RESTAURANTS

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Singapore <ul style="list-style-type: none"> Increasing competition in the pizza industry 	<ul style="list-style-type: none"> Open four new units a year, continue current marketing, and dial up value tactically Increase number of delivery riders
<ul style="list-style-type: none"> Tight labour market meant the network of outlets operated at only 60% of ideal manpower 	<ul style="list-style-type: none"> Salary benchmarking and adjustment Expanding core recruitment focused on locals, while fully utilising foreign hire quota Recruiting differently abled persons
<ul style="list-style-type: none"> Supply chain disruption 	<ul style="list-style-type: none"> Appointment of alternative suppliers where previously there was only one

KEY ACHIEVEMENTS

- Pizza Hut Malaysia won the Bronze in Putra Brand Awards in the Restaurants and Fast Food category.
- So Light, So Tasty campaign won YouTube Malaysia's Advertisement of the Year 2021, Best Collaboration Brand & Creator Award, Best Long Form Storytelling Award & Gold award at APPIES Malaysia.
- Pizza Hut Singapore received a Silver Enabling Mark Award in 2021, in recognition of best practices and outcomes in disability-inclusive employment.
- One of Pizza Hut Singapore's riders won the Safer Rider Award from Singapore Road Safety Council.

FINANCIAL PERFORMANCE

Pizza Hut Malaysia closed the year with a sales revenue of RM701.8 million, marking 13.1% growth compared to 2020. Combined with lower operating costs, PBT grew by 129% to RM9.8 million for the year.

Pizza Hut Singapore sales declined by SGD8.3 million (or 7.6%) compared to 2020 as lower dine-in sales overshadowed the one-off surge in delivery sales during the Circuit Breaker period. However, in comparison to pre-COVID 2019, sales grew by SGD8.0 million (or 8.6%). Although labour costs were lower in 2021 due to the manpower shortage, PBT came in at SGD10.4 million, SGD1.3 million less than in 2020 mainly due to a decrease in COVID grants.

OUTLOOK

Both our Malaysian and Singaporean operations seek to drive further growth in HMR. In Malaysia, the team will be promoting greater use of its app while also enhancing the customer experience using digital technologies. It will also seek to acquire new users in partnership with food aggregators as it targets different customer segments with strategic offerings.

UPSTREAM & MIDSTREAM

INTEGRATED POULTRY OPERATIONS

JCorp operates a feed mill in Port Klang, a hatchery, four breeder farms, one broiler farm and a contract farming scheme within Peninsular Malaysia under Ayamas Integrated Poultry Industry Sdn Bhd (AIPI). Meanwhile, Ayamas Food Corporation Sdn Bhd (AFCSB) operates three plants in Port Klang, Bandar Tenggara and Bukit Mertajam where poultry is slaughtered before being processed under Halal conditions. The primary product from our processing plants, nine-piece cut chicken, is supplied to KFC. In addition, AFCSB manufactures nuggets, sausages and toppings.

OPERATIONAL HIGHLIGHTS

- Produced 126,846 metric tonnes (mt) of feed
- Produced 47,991,360 hatching eggs and 37,780,724 day-old chicks (DOCs), achieving a hatchability rate of 78.7%
- Number of birds to plant (BTP): 34,973,342

PERFORMANCE REVIEW

Integrated Poultry Operations		
Strategic Objectives	Key Initiatives	Outcomes
Manage costs to balance increase in raw material prices	<ul style="list-style-type: none"> Feed was reformulated, while optimising the use of live birds from internal supply 	<ul style="list-style-type: none"> Mitigated the rising input price of raw materials to maintain the cost of fee
Leverage automation to enhance meat yield and output	<ul style="list-style-type: none"> Automated deboning process Completed rehab at one nugget plant, while the process is ongoing in the other plants Optimised machine uptime at processing plants Full implementation of a computerised maintenance management system Technical upskilling for all Ayamas technicians 	<ul style="list-style-type: none"> Total output increased by 2.5%, although output from sausage plant decreased by 12% due to machine downtime

BUSINESS REVIEW: FOOD & RESTAURANTS

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Shortage of manpower/staff due to quarantine of close contact cases	<ul style="list-style-type: none"> Sourcing for part-time workers on a temporary basis
Low morale and mental health issues	<ul style="list-style-type: none"> Moral support/counselling provided by HR Department
Delay in supplies/tools for operations and maintenance due to supply chain issues	<ul style="list-style-type: none"> Sourcing items from local suppliers or short-term fixes
Domino-effect shutdowns due to COVID-19 clusters	<ul style="list-style-type: none"> Maintained high level of cleanliness, personnel hygiene and social distancing and required all employees to complete full vaccination plus booster

FINANCIAL PERFORMANCE

Integrated Poultry Segments registered a 3.3% decrease in revenue from RM1.31 billion in 2020 to RM1.26 billion mainly arising from plant closure for a few weeks during pandemic and less number of stores supply to KFC restaurants.

OUTLOOK

API's feedmill will continue to manage costs through optimal formulations without any compromise on nutritional value. Its farms, meanwhile, will be looking to increase productivity in 2022 with a focus on hatchability and the production of hatching eggs, with a target of 50 million eggs per year. Productivity will also be a key focus area at AFCSB, and will be boosted by the ongoing rehab programme involving both the topping plant and nugget plants. It also looks forward to receiving foreign workers again in the second half of the year, thus resolving the current manpower issue.

ANCILLARY OPERATIONS

Ancillary Operations comprises Region Food Industries Sdn Bhd (RFI), QSR Manufacturing Sdn Bhd (QSRM) and Tepak Marketing Sdn Bhd (Tepak). RFI is one of Malaysia's leading producers of quality sauces, cold dressings and cooking paste. QSRM produces and supplies bakery and commissary products such as buns, pizza dough, coleslaw, sanitised vegetables and dairy products. Both supply KFC and Pizza Hut as well as third-party F&B outlets. Meanwhile, Tepak provides contract packing of tea and tea blending services.

Demand for RFI products was dampened during the year due to decreased dine-in, while operating costs increased due to supplies disruption and higher operating costs which includes sanitising and implementation of hostel ACT446. Productivity at both companies was affected by restrictions on the the number of workers allowed on site.

OPERATIONAL HIGHLIGHTS

- RFI is upgrading its mayonnaise production capacity and is current undertaking a site acceptance test.
- RFI is installing three more sachet machines to fulfil demand for KFC – two units have been commissioned and one is under the final acceptance test.
- During the year, RFI started supplying four products to Taco Bell, namely Hot sauce, Fire Sauce, Sambal Sauce and Mayo.
- QSRM is renovating its coleslaw and garlic bread lines; and upgrading other facilities to increase capacity to meet demand.
- Tepak delivered 2,183mt of pot tea bags, which was only 3% lower than targeted, despite workforce constraints and an unscheduled plant shutdown due to a COVID-19 cluster.
- Tepak received FSSC 22000, version 5.1 certification indicating compliance with the latest Global Food Safety Initiative (GFSI) and Certification Body (CB) requirements.

SALES, MARKETING & TRADING

QSR Trading Sdn Bhd (QSRT) undertakes the sales, marketing and trade of a range of halal food products manufactured by QSR Brands as well as external parties, targeting both the domestic and international market. Food brands under QSR Brands include Ayamas, Ayamas Kitchen, Life, Bakers' Street, Fatboi Noodles, and Lactima.

QSRT reported a 4.7% decrease in revenue from RM360.5 million in 2020 to RM343.5 million. Nevertheless, due to a significant reduction in operating expenses, its EBITDA increased by a marginal 0.1% to RM22.5 million.

OPERATIONAL HIGHLIGHTS

- QSRT launched its own e-commerce platform to facilitate online B2C and B2B sales, while continuing to leverage established platforms such as Lazada and Shopee.
- QSRT also implemented a new digital Distributor Management System (DMS).



BUSINESS REVIEW

REAL ESTATE & INFRASTRUCTURE



WHAT WE DO

Our Real Estate & Infrastructure Division, led by JLand Group Sdn Bhd (JLG), is established as a real estate strategic investor to provide end-to-end real estate solutions for a smarter and more sustainable future, by building digital-first and sustainable ecosystem for the industry.

Its portfolio spans across diversified real estate activities and investments, including integrated parks, industrial, logistics and data centers, and operated through its 6 main entities namely Johor Land Berhad (JLAND), TPM Technopark Sdn Bhd, Damansara Holdings Berhad, Damansara Asset Sdn Bhd, Damansara REIT Managers Sdn Bhd (DRMSB) and Tanjung Langsat Port Terminal Sdn Bhd (TLPT).

KEY FOCUS AREAS

JLG focuses on 4 core businesses:

- Real Estate Development – industrial, commercial and residential;
- Asset Lifecycle Management – integrated facilities management, project development, township & park management;
- Real Estate Investment – Fund Under Management (FUM) and Asset Under Management;
- Infrastructure & Utilities – integrated port services in warehousing & logistics, township fiberisation, industrial water.

BUSINESS OVERVIEW

The real estate and infrastructure industry has evolved tremendously during the pandemic. Realising the need to evolve at warp speed, a major transformation exercise has been structured for JLG to become the leader in sustainable and digital real estate and infrastructure with core competencies to own, build, operate & monetise across the value chain.



OPERATIONAL HIGHLIGHTS

REAL ESTATE DEVELOPMENT

INDUSTRIAL

- 34 industrial parks with 16,800 acres land developed

RESIDENTIAL & COMMERCIAL

- 6 townships developed
- Menara JLAND – 1st and only Grade A building in Johor

ASSETS LIFECYCLE MANAGEMENT

- Leading carpark management services provider with regional presence across Malaysia, Singapore & Philippines

REAL ESTATE INVESTMENT

- Total market capitalisation of RM1.14 billion and asset under management of RM3 billion
- Al-'Aqar is the first listed Islamic REIT in the world

INFRASTRUCTURE & UTILITIES

- Liquid jetty – 12m MT average throughput per annum
- Bulk & break-bulk jetty – 500k MT average throughput per annum

BUSINESS REVIEW: REAL ESTATE & INFRASTRUCTURE

PERFORMANCE REVIEW

Strategic Objectives	Key Initiatives	Outcomes
Digital transformation	<ul style="list-style-type: none"> Adopted augmented reality (AR) and virtual reality (VR) as marketing tools for prospective investors and buyers to view property through virtual gallery Revamped corporate websites with more interactivity and multilingual capabilities to attract foreign investors and clients Exploring the use of data analytics and artificial intelligence to gain market insights, and the development of property technology solutions related to smart township, smart factory or smart port applications 	<ul style="list-style-type: none"> The division's digital transformation framework is undergoing external validation to ensure it is implementable and will result in best-in-class applications for all the business segments.
Develop ESG platform	<ul style="list-style-type: none"> Completed the group's sustainability policy framework and targets encompassing global standards including the United Nations' Sustainable Development Goals, FTSE4Good and Global Real Estate Sustainability Benchmark (GRESB) Committed to the development of 7,064 units of affordable homes for B40 income group in cities and rural areas 	<ul style="list-style-type: none"> Plans to develop sustainable industrial parks that utilise green technology and renewable energy, rainwater harvesting, etc. Incorporation of green features in the design of new buildings and industrial parks, including waste management, urban farming and renewable energy generation and management. As at 2021, JLand had completed and handed over 2,106 affordable homes in Taman Seroja, Bandar Tiram 1, Bandar Dato' Onn and Kg Dato' Ajib, Mersing.

FINANCIAL PERFORMANCE

The division recorded a combined revenue of RM765 million for companies under REID. This was driven mainly by Property Development and the Infrastructure segment. Despite the overhang, Property Development recorded healthy sales of residential unit while Infrastructure benefitted from a strong rebound in cargo handling and revenue following the increase in port activity at TLP Terminal.

The Property Management segment remained the hardest hit by pandemic restrictions with tenants and clients suffering a continued slump in business operations. The occupancy rate of retail spaces remained low due to tenancy termination.

CHALLENGES & MITIGATION

Challenge/Risk	Mitigation Actions
Movement and social restrictions during MCO prevented potential buyers from visiting showrooms and property sites	<ul style="list-style-type: none"> Adoption of user-friendly interactive AR and VR to capture customers' imagination and maintain healthy sales Transformed website to be multilingual to capture a wider pool of buyers/investors
Increasing competition in the property market, with significant overhang	<ul style="list-style-type: none"> Use of data analytics and artificial intelligence to gain market insights and develop products that are relevant Adopt property technology solutions to offer smart townships, smart factories and smart port applications

OUTLOOK

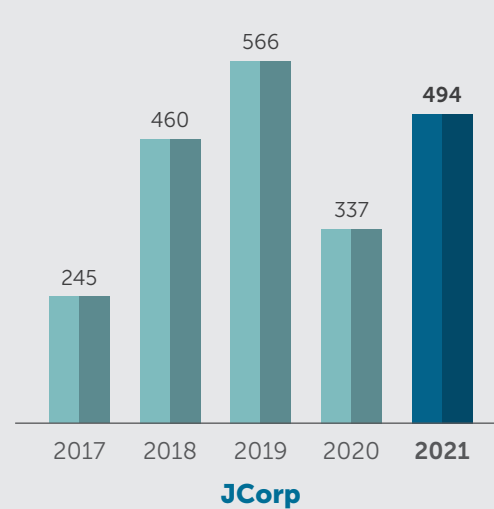
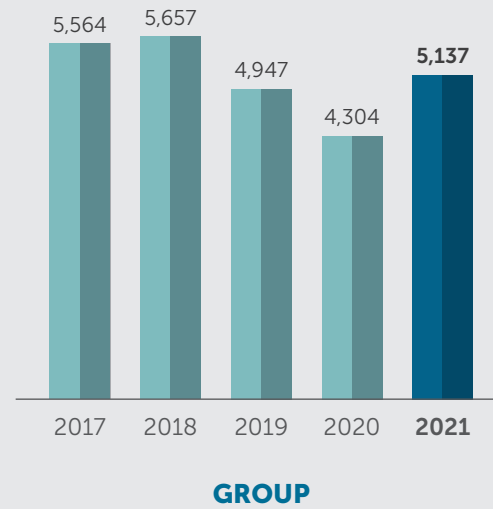
REID's transformation will set the stage for closer collaboration between companies within the group, enabling opportunities to leverage the division's potential and diversity. The focus going forward will be on new and innovative product offerings such as asset life-cycle management services, and township and park management services. The division will also explore new avenues of recurring income, for example through the fiberisation of townships, renewable energy generation and property technologies and solutions.

REID companies are also preparing to go beyond Johor, with its maiden foray in Australia expected to be announced in 2022. This forms part of its objective to become a more prominent player in the real estate industry with a keen focus on sustainability.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

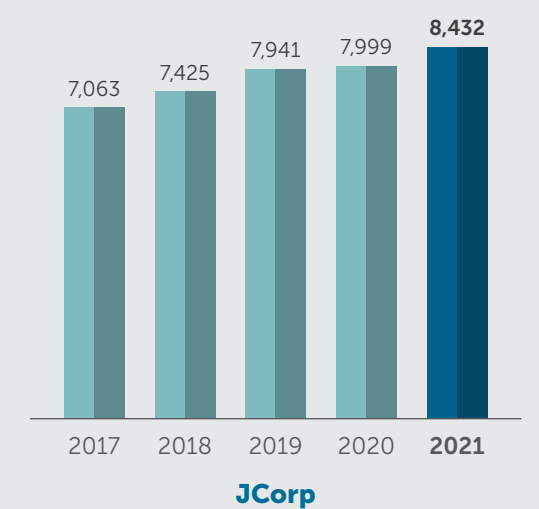
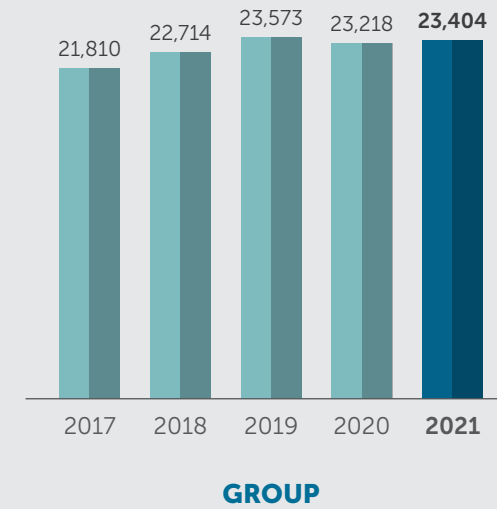
REVENUE

RM (MILLION)
RM 5,137
million



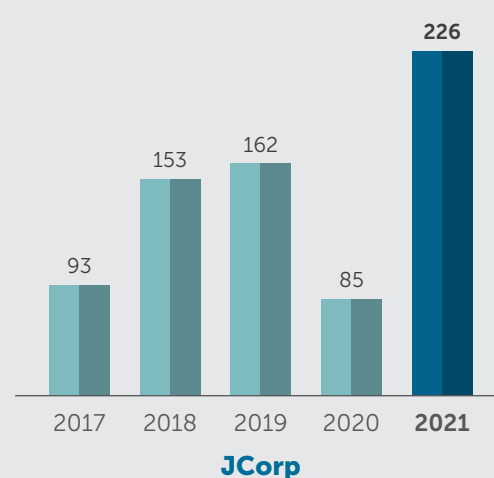
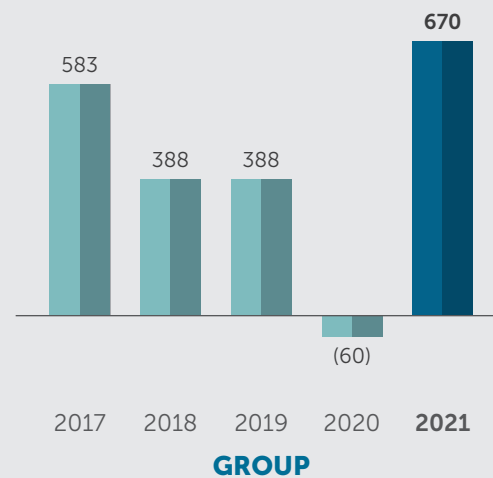
TOTAL ASSETS

RM (MILLION)
RM 23,404
million



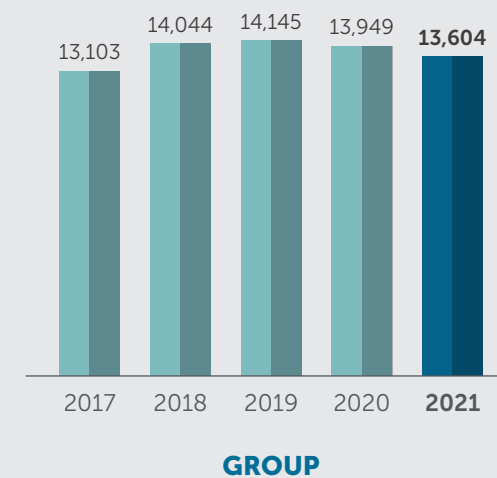
PROFIT BEFORE TAX

RM (MILLION)
RM 670
million



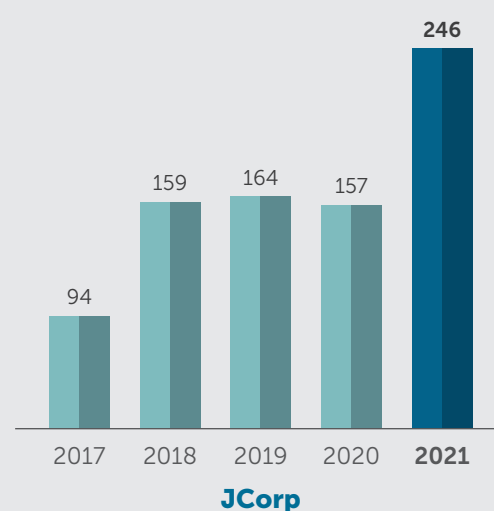
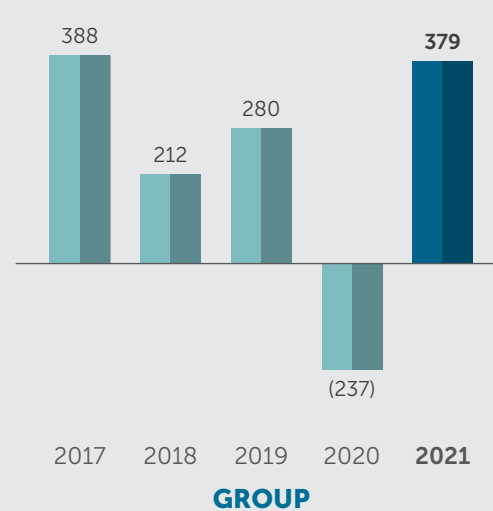
TOTAL LIABILITIES

RM (MILLION)
RM 13,604
million



PROFIT AFTER TAX

RM (MILLION)
RM 379
million



TOTAL EQUITY

RM (MILLION)
RM 9,800
million



GROUP 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)

	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)

GROUP 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

	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

GROUP 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		-	(1)	(4)	53	(6)	43	28	71
Accretion of interest in subsidiaries		-	-	-	-	(12)	(13)	53	40
Reserve attributable to disposal group asset held for sale		-	-	-	-	(4)	(4)	-	(4)
Distribution to State Government		-	-	-	-	(16)	(16)	-	(16)
Total other comprehensive (loss)/income for the financial year		-	(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

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		-	-	-	-	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		-	-	-	-	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
Total other comprehensive income/(loss) for the financial year		-	-	-	-	61	61	(103)	(42)
Closing balance at 31 December 2020		391	200	1	(100)	6,281	6,773	2,496	9,269

GROUP STATEMENT OF CASH FLOW

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

	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 from investing activities	(322)	(578)

GROUP STATEMENT OF CASH FLOW

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

	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 the 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

FOR THE FINANCIAL YEAR ENDED 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

	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		–	–	641	641
At January 2020 (restated)		55	–	2,875	2,930
Loss net of tax		–	–	(8)	(8)
Prior year adjustment		–	–	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 assets 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 FLOW

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)

STATEMENT OF CASH FLOW

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

	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



04

LEADERSHIP

PROFILE OF BOARD OF DIRECTORS



YAB DATUK ONN HAFIZ BIN GHAZI

Menteri Besar of Johor
Chairman

He was appointed Chairman of the Board of Johor Corporation beginning 15 March 2022 in his capacity as the Menteri Besar of Johor. He holds a Bachelor of Accounting from the University of Hertfordshire, United Kingdom.



TAN SRI DR. ISMAIL BIN BAKAR

Deputy Chairman
Johor Corporation

He was appointed as the Deputy Chairman of the Board of Johor Corporation beginning 1 April 2022. He graduated with a Bachelor of Economics, B. Econs (Hons) in Applied Economics, from the University of Malaya, Kuala Lumpur in 1983 and obtained a Diploma in Public Administration (DPA) from the National Institute of Public Administration (INTAN), Kuala Lumpur, Malaysia in 1985. He has a Master of Business Administration (MBA) from the University of Hull, United Kingdom in 1995 and a Ph.D. from the University of Hull, United Kingdom in 2004. He is a Member of Chartered Institute of Purchasing and Supply (CIS) UK as well as an Adjunct Professor, School of Engineering and Entrepreneurship, Universiti Malaysia Perlis (UNIMAP). He was also appointed as Chairman of Kulim (Malaysia) Berhad beginning 10 May 2022.



DATUK SYED MOHAMED BIN SYED IBRAHIM

President & Chief Executive
Johor Corporation

He was appointed to the post of President and Chief Executive, as well as the Board Member of Johor Corporation beginning 9 January 2020. He holds a Bachelor of Economics in Analytical Economics (Hons) from the University of Malaya. He then attended the Senior Management Development programme in Public Enterprises at Harvard University. He is also a Board Member of the Sultan Ibrahim Johor Foundation and the Tunku Laksamana Johor Cancer Foundation. In 2021, he was appointed as an Eminent Industry Fellow by Universiti Sains Malaysia via the School of Management as well as an Adjunct Professor of the Faculty of Built Environment and Surveying (FABU) of Universiti Teknologi Malaysia.



TAN SRI DATO' DR HAJI AZMI BIN ROHANI

State Secretary of Johor

He was appointed as a Board Member of Johor Corporation effective 1 January 2017 based on his capacity as the Johor State Secretary. He graduated with a Master's Degree in Human Resource Development from Universiti Teknologi Malaysia in 2004 and a Bachelor of Science in Economic Development & Management (Hons) from Universiti Kebangsaan Malaysia in 1990. He has a Ph.D. from Universiti Teknologi Malaysia in 2022.

PROFILE OF BOARD OF DIRECTORS



DATO' AMIR BIN NASRUDDIN

State Legal Advisor of Johor

He was appointed as a Member of the Board of Johor Corporation on 1 January 2020 in his current capacity as the State Legal Advisor of Johor. He holds a Diploma in Law and an Advanced Diploma in Law (LLB Honors) from Universiti Teknologi MARA.



DATO' SALEHUDDIN BIN HASSAN

State Financial Officer of Johor

His appointment to the Board of Directors of Johor Corporation began on 25 January 2021. He holds a Bachelor of Business Management (Hons) from Universiti Utara Malaysia and a Diploma in Banking from Institut Teknologi MARA. He is currently the State Financial Officer of Johor.



DATUK JOHAN MAHMOOD MERICAN

Secretary General of Treasury
Ministry of Finance

His appointment to the Board of Directors of Johor Corporation began on 1 May 2023. He holds a Bachelor Degree of Economics (First Class) from University of Cambridge, United Kingdom. He is currently the Secretary General of Treasury, Ministry of Finance.



DATO' NOR AZMIE BIN DIRON

Secretary General
Ministry of Economy

His appointment to Johor Corporation's Board of Directors happened on 6 February 2023. He holds a Master's Degree in Information Technology from Universiti Kebangsaan Malaysia. Currently, he is the Secretary General of the Ministry of Economy, and prior to that, he was the State Secretary of Selangor.

PROFILE OF BOARD OF DIRECTORS



DATUK SERI ISHAM BIN ISHAK

Secretary General
Ministry of International Trade and Industry

He is appointed member of the Johor Corporation's Board of Directors since 6 February 2023. He graduated from the Claremont Graduate University, United States of America with a Master's Degree in Strategic Management in 2013. He is currently the Secretary General of the Ministry of International Trade & Industry.



DATUK NOR AZRI BIN ZULFAKAR

Board of Director

He is appointed member of the Johor Corporation's Board of Directors since 8 March 2020. He graduated from the Massachusetts Institute of Technology (MIT), Cambridge, the United States of America with a Master's Degree in Business Administration (Business Management). He was also appointed as Non-Independent Non-Executive Chairman of Damansara Holdings Berhad beginning 9 November 2021.



DATO' SR. HISHAM BIN JAFREY

Board of Director

His appointment to the Board of Johor Corporation began on 1 May 2020. He holds a Bachelor's Degree in Quantity Surveying from Leeds Metropolitan University, United Kingdom, and is a Fellow of the Royal Institution of Surveyors Malaysia, as well as a Member of the Royal Institute of Chartered Surveyors, United Kingdom. In addition, he also sits as a Member of the Industry Advisory Panel at SEGI University, besides being a Board Member of Kulim (Malaysia) Berhad beginning 1 March 2020.

BOARD OF DIRECTORS SECRETARIES



MOHD NORDIN JAMALUDIN

Secretary Johor Corporation

His appointment as the Secretary of Johor Corporation took effect on 2 February 2020, which was also the date he started his service in the organisation. He earned his Bachelor's Degree in Law from the University of West London, United Kingdom. At present, he holds the position of Chief Corporate Services Officer, Johor Corporation.



NURALIZA BINTI ABDUL RAHMAN

Assistant Secretary Johor Corporation

Appointed as Assistant Secretary of Johor Corporation beginning 1 March 2020, she possesses a professional qualification from the Institute of Chartered Secretaries and Administrators (ICSA) (UK). Having joined Johor Corporation on 1 October 1997, she currently holds the post of Head of the Group Company Secretarial Department, Johor Corporation.

PROFILE OF SENIOR LEADERSHIP



DATUK SYED MOHAMED SYED IBRAHIM

President and Chief Executive

Date of Appointment:

9 January 2020

Academic Qualification:

- Bachelor of Economics (Analytical Economics), University of Malaya



MOHD NORDIN JAMALUDIN

Chief Corporate Services Officer

Date of Appointment:

2 February 2020

Academic Qualification:

- Bachelor of Laws, University of West London, United Kingdom



ROZAINI MOHD SANI

Chief Financial Officer

Date of Appointment:

8 March 2020

Academic Qualification:

- Fellow of Chartered Accountants Australia & New Zealand (CAANZ)



MOHD AZMI HITAM

Chief Governance Officer

Date of Appointment:

2 February 2020

Academic Qualification:

- Master of Business Administration, Washington State University, United States of America



DATUK SR AKMAL AHMAD

Director, Real Estate & Infrastructure Division

Date of Appointment:

3 August 2020

Academic Qualification:

- Bachelor of Science in Quantity Surveying, Universiti Teknologi MARA



SHAMSUL ANUAR ABD MAJID

Chief Investment Officer

Date of Appointment:

2 February 2020

Academic Qualification:

- Chartered Financial Analyst (CFA) Finance and Investment, CFA Institute, Charlottesville, Virginia, United States of America



AHMAD YUSRI MOHAMED

Chief Digital Officer

Date of Appointment:

15 October 2020

Academic/Professional Qualification/Membership(s):

- Bachelor of Science in Electrical Engineering, Washington University in St. Louis, United States of America

CORPORATE GOVERNANCE OVERVIEW STATEMENT

As a Johor State Government Corporation, Johor Corporation ("JCorp") is subjected to its articles of association, namely the Johor Corporation Enactment No.4/1968 and Amendments; Enactment No.5/1995, and Corporations (State Legislatures Competence) Act 1962 (Act 380).

JCorp inculcates a culture of transparency, accountability and integrity in ensuring its commitment towards positioning itself as state institution of governance practices. With this commitment and in line with the Group's regional aspirations, the Board aims to enhance business prosperity and foster a culture of ethical values, whilst continuously delivering the Group's value propositions for the benefit of its stakeholders locally and internationally.

1. GOVERNANCE

The Board of Directors ("Board") provides an oversight of the group's operations and is accountable for JCorp's overall governance matters which includes both overall group performance and compliance. The Chief Minister of Johor is the Chairman of the Board and its members consist of qualified and experienced individuals with diverse professional exposure, backgrounds and expertise.

This Corporate Governance Statement seeks to furnish insights into the corporate governance practices of the Group to its stakeholders.

2. BOARD MEMBERS ("MEMBERS") OF JOHOR CORPORATION

BOARD COMPOSITION & BALANCE

As stipulated in **Enactment No. 4 of 1968**, the Board Members ("Members") of JCorp consists of the following:

Members	Position(s)	Title
1. Chairman	Chief Minister of Johor	Non-Executive Director
2. Deputy Chairman	Appointed by the Sultan	Non-Executive Director
3. Johor State Civil Servants (3)	<ul style="list-style-type: none"> State Secretary State Legal Advisor State Financial Officer 	Non-Executive Directors
4. Director of Corporation	President & Chief Executive (Appointment under "Section 12")	Executive Director
5. Federal Government (3)	Federal Representatives	Non-Executive Directors
6. *Independent Directors (3)	Appointed by the Sultan	Non-Executive Directors

Table 1. Board Composition & Balance

Note:-

- *Independent Directors appointed by the Sultan shall have qualifications, experience, and expertise in matters relating to banking, manufacturing, housing, business, finance as well as professional or administrative fields.

05

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

All Members of JCorp are Non-Executive Directors except for the Director of the Corporation who is also known as the "President & Chief Executive Officer".

Each Director provides wealth of knowledge, experience, and leadership skills in the areas of Governance, Integrity, Legal, Finance and Risk Management. Members of JCorp continues to demonstrate good governance in its deliberation on key issues by proactively engage with senior management and relevant parties such as the external/internal auditors as well as the group's Compliance and Risk units, to ensure that the various concerns and issues relevant to the management and oversight of the business and operations of JCorp and the Group are properly addressed.

BOARD DUTIES AND RESPONSIBILITIES

Members of JCorp are responsible for JCorp's overall performance by setting the Group's objectives and determining its long-term strategic plan, aside from ensuring that JCorp fulfils its key role, namely as a leader in Johor's economic development through business entities that have been built in an efficient and effective manner. These businesses have to be impelled as well in order to dominate the market and be competitive, besides contributing to the wellbeing of the people via the execution of its corporate responsibilities.

The business and affairs of JCorp and the Group are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of the Group. Further, the Board also sets the Group's core values, adopts proper standards to ensure that JCorp operates with integrity and complies with the relevant rules and regulations.

CONFLICT OF INTEREST

It has been the practice of JCorp to require that members of the Board make a declaration at the Board meeting in the event that they have interests (if any) in proposals being considered by the Board of JCorp, including where such interest arises through close family members, in line with various regulatory and statutory requirements on the declaration and disclosure of Director's interest. The minutes of meeting would subsequently also reflect such conditions to ensure that Board Integrity, transparency & good practice remains intact.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2021, Members of JCorp had met three times. The following are the attendance details of JCorp Members:

No	Name	Position	Member (Independent/ Non-Independent)	Date of Appointment	Attendance
1.	YAB Dato' Haji Hasni Bin Mohammad	Menteri Besar Johor/ Pengerusi Johor Corporation	Ahli Bukan Bebas	01/03/2020	3/3
2.	YBhg Tan Sri Dr Ali Bin Hamsa	Timbalan Pengerusi, Johor Corporation	Ahli Bebas	15/06/2020	3/3
3.	YBhg Datuk Syed Mohamed Bin Syed Ibrahim	Presiden & Ketua Eksekutif Johor Corporation	Ahli Bukan Bebas	09/01/2020	3/3
4.	YB Tan Sri Dato' Dr. Haji Azmi Bin Rohani	Setiausaha Kerajaan Negeri Johor	Ahli Bukan Bebas	01/01/2017	2/3
5.	YB Dato' Amir Bin Nasruddin	Penasihat Undang-Undang Negeri Johor	Ahli Bukan Bebas	01/01/2020	3/3
6.	YB Dato' Haji A. Rahim Bin Haji Nin	Pegawai Kewangan Negeri Johor	Ahli Bukan Bebas	20/10/2017	0/3 (Resigned on 25/01/2021)
7.	YBhg Datuk Seri Asri Bin Hamidon	Ketua Setiausaha Perbendaharaan Kementerian Kewangan Malaysia	Ahli Bukan Bebas	15/06/2020	3/3
8.	YBhg Datuk Seri Saiful Anuar Bin Lebai Hussen	Ketua Pengarah Unit Perancang Ekonomi Jabatan Perdana Menteri	Ahli Bukan Bebas	01/10/2019	2/3
9.	YBhg Datuk Nor Azri Bin Zulfakar	Ketua Pengarah Unit Penyelarasan Pelaksanaan, Jabatan Perdana Menteri (Retired on 05/10/2021)	Ahli Bebas	08/03/2020	3/3
10.	YBhg Dato' Sr. Hisham Bin Jafrey	Pengarah Urusan ARH Jurukur Bahan Sdn Bhd	Ahli Bebas	01/05/2020	3/3
11.	YB Dato' Haji Salehuddin Bin Hassan	State Financial Officer of Johor	Ahli Bukan Bebas	25/01/2021	3/3

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMMITTEE

In discharging their duties, JCorp Members are assisted and supported by five main Committees, namely the Board Tender Committee (“BTC”), Board Audit and Risk Committee (“BARC”), Executive Board Committee (“EXCO”, Board Nomination & Remuneration Committee (“BNRC”) and Board Sustainability Committee (“BSC”) of Johor Corporation.

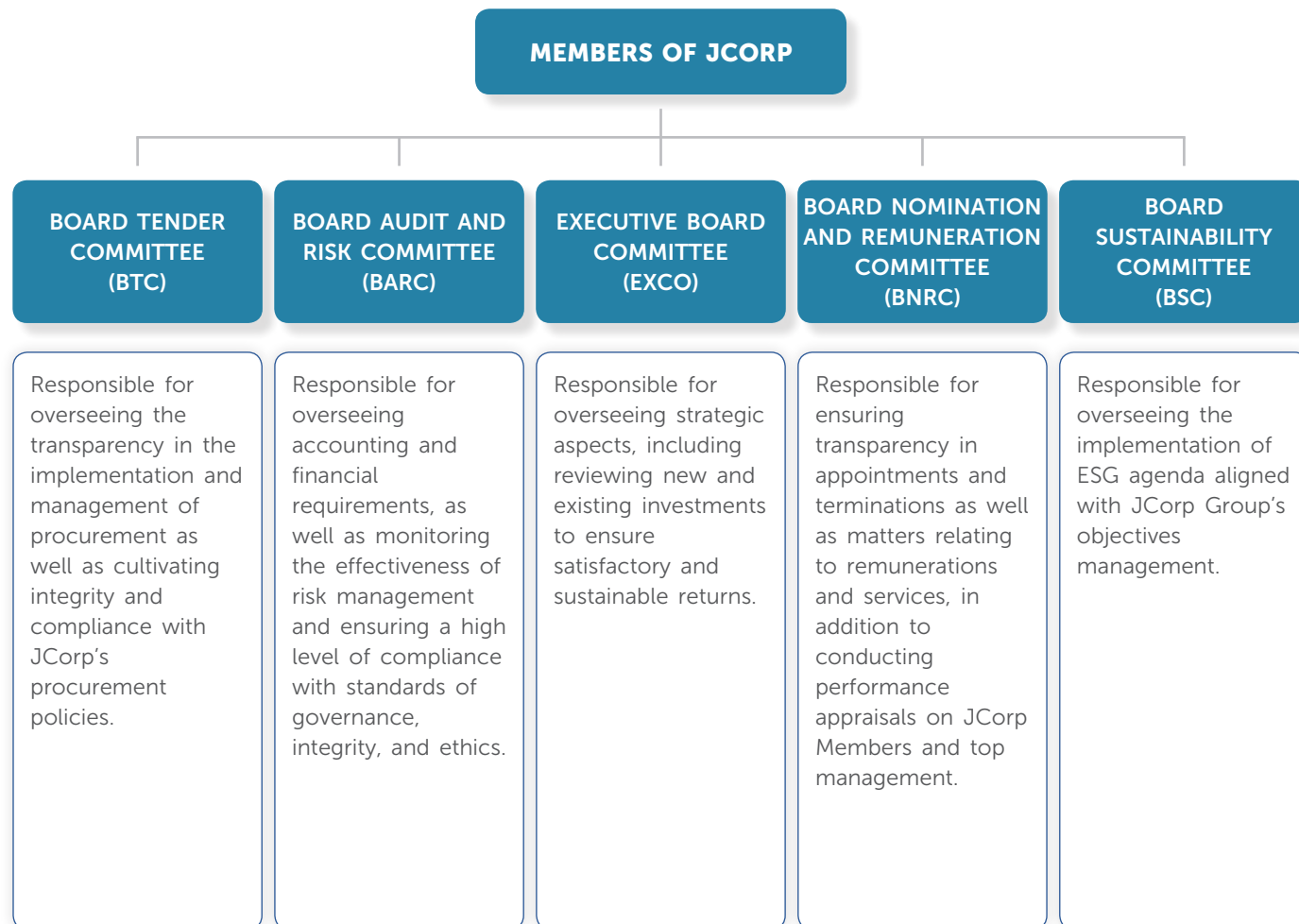


Chart 1. Board Committees

GOVERNANCE COMMITTEE

At the management level, all operational and Investment related matters are overseen by Management Committee (MC), Group Management Committee (GMC) Management Tender Committee (MTC), Group Risk Management Committee (GRMC), Enterprise Risk Management Committee (ERMC).

CORPORATE GOVERNANCE FOR LISTED ENTITIES IN THE JCORP GROUP

JCorp also plays an important role in supporting the best corporate governance practices of each of its public listed entities within the Group which are governed by BURSA Malaysia. There are Four (4) public listed entities/ subsidiaries within JCorp's purview:

- KPJ Healthcare Berhad,
- EA Technique (M) Berhad,
- Al-`Aqar Healthcare REIT,
- Al-Salām REIT.

In addition, the four listed companies also comply with the statutory requirements, best practices, and guidelines set by the Securities Commission, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Bursa Malaysia Corporate Governance Guide and the Malaysian Code on Corporate Governance (“MCCG”). The said entities also possess their own respective Board of Directors and Audit Committees that independently ensure that all governance and compliance matters are addressed accordingly.

3. STRENGTHENING JCORP'S GOVERNANCE AND RISK MANAGEMENT

In JCorp's efforts to further strengthen its corporate governance practices and accountabilities, JCorp supports and contributes to prevalent initiatives and best practices that drive towards sound governance, risk management & business resilience as well as long-term sustainability at the institutional and group levels. Among the initiatives are as follows:

a) INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) AGENDA AS PART OF SUSTAINABILITY STRATEGIES

In line with JCorp's aspirations to adopt good sustainability practices, the organisational structure has been revised to drive the implementation of

JCorp's strategies in ESG and sustainability plans as well as operational requirements to ensure JCorp remains resilient towards climate and economic challenges and impacts of the COVID-19 pandemic.

Policies and roles with defined responsibilities for procurement and investment have been established to align with JCorp's goals towards increasing the value of investments, cost optimisation initiatives and strategies to ensure its participation in preserving the environment and social responsibilities in the Sustainability eco-system.

b) BUSINESS CONTINUITY & RESILIENCE STRATEGIES

To balance its obligations as a state development agent, executor of business activities, and social inclusion, JCorp needs to respond and act accordingly. Hence, business continuity function is guided by the Business Continuity Management Committee (“BCMC”) and Crisis Management Committee (“CMT”) to continuously review and implement plans to anticipate, address, and mitigate the effects of business interruptions. To further strengthen JCorp's resilience, JCorp integrating elements of risk management and internal control in the business plan evaluation and development processes.

Business continuity is an important part of JCorp processes in preserving and maintaining critical functions in the event of a major disruption in its business operations and Supply Chain for the duration of a disaster. JCorp's Business Continuity Plan (“BCP”) considers various unpredictable events, such as natural disasters, fires, disease outbreaks, cyberattacks and other external threats and put in place necessary and sufficient action plans/resources to ensure the continuity of essential functions.

c) LIMITS OF AUTHORITY (“LOA”)

JCorp operates based on the updated and approved 'Limits of Authority' (“LOA”) to further strengthen the culture of transparency and accountability in JCorp.

This document will be reviewed on an on-going basis to ensure its effectiveness and to remain relevant during the financial year. The Members of JCorp is responsible for approving the LOA which are recommended by GGRD and BARC on the respective

CORPORATE GOVERNANCE OVERVIEW STATEMENT

scopes particularly on General and Corporate Matters, Audit Matters, Legal and Secretarial, Finance and Accounts, Human Resource, Procurement and Contract Administration, Investment and Fixed Assets.

JCorp's approval authority policies entail that no person is authorised to approve his/her own expenses or claims made to JCorp, to ensure transparent accountability, authority and integrity of the Board and Management in limits of authority.

d) DIGITAL TRANSFORMATION

JCorp also expresses support for strengthening governance by reinforcing cyber security aspects as well as implementing the Digital Transformation initiatives which includes the digitalisation of Governance Framework, effective control and governance of data management, accessibility management, mitigation and prevention of cyber threats, analyse trends and make better business decisions.

e) ENCULTURATION OF INTEGRITY VALUES

JCorp has always emphasised the practice of a superior work culture based on strong moral and ethical values. It will thus be able to mitigate area of exposure in corruption, abuse of power, and malpractice. In conformity with Service Circular No. 6, 2013, the Group Integrity Unit is continuously performing three main core functions, namely detection and verification, governance, and strengthening of integrity.

JCorp and the Group have also implemented several initiatives to maintain a healthy corporate culture through the enculturation of integrity. JCorp's Management together with the Group Integrity Unit conducts awareness programs on the importance of integrity at the Group level as well as at the consultant and supplier levels of JCorp and the Group, whereby, it is in accordance with the enforcement of Section 17A of the MACC 2009. Awareness and receptiveness programs on integrity practices are also boosted with the use of electronic media as a communication platform in the enculturation of integrity on an on-going basis.

Statement of Anti-Rasuah

JCorp reinforces its commitment to a high level of accountability and transparency by committing to an integrity pledge through establishment of the Anti-Bribery Policy which was approved by the Members of JCorp on 8 August 2021. The Policy applies to JCorp's directors, and all employees and it provides a formal avenue for any person to disclose in good faith any Improper Conduct by the JCorp's employees.

This statement signifies to the public that the Group supports and upholds Anti-Corruption Principles as a state government entity as well as working towards creating a business environment that is high value of integrity in the conduct of its business and in its interactions with its business partners and the Government.

f) INCORPORATION OF GOVERNANCE PRACTICES

JCorp remains committed to promoting better and more meaningful governance practices. Therefore, policies and procedures are also reviewed so that they remain relevant and in line with the best governance practices. The new approach by prioritising the concept of explanation, understanding, and internalisation of the spirit and intent behind the production of policies and procedures has been used to inculcate a culture of accountability, transparency, and harmonious engagement of JCorp employees and the Group as a whole and stimulate excellence in business performance.

g) RISK MANAGEMENT AND INTERNAL CONTROL

In response to the Government's call to strengthen governance, JCorp has implemented several initiatives leading to the establishment of a culture of transparency and understanding as well as the implementation of internal control as detailed in the Johor Corporation's Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2021, on page 105.

4. STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

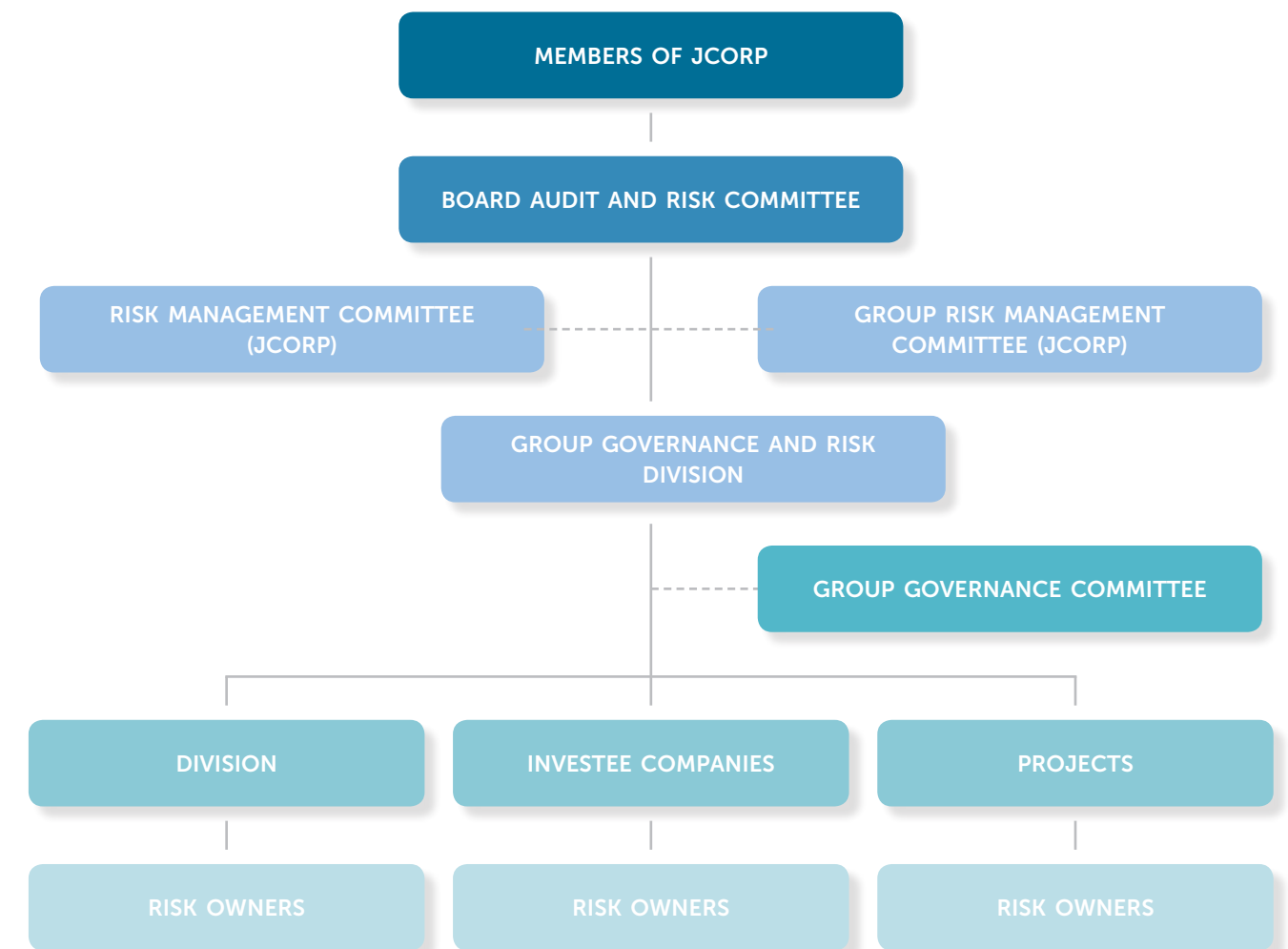
The year 2021 has been another challenging year for Johor Corporation (JCorp) as it observes the various changes in the country's political landscape as well as the outbreak of the coronavirus (COVID-19) pandemic. All these challenges have exposed JCorp to vulnerabilities and result in uncertainty of managing its risks as an investment entity.

Organisational strategies are formulated by the Management and approved by JCorp Board Members. The Management is fully responsible for implementing planning, identifying risks, and ensuring that appropriate control measures are in place accordingly. This goal can be achieved through an organisational structure that clearly details the responsibilities, terms of reference, and reporting procedures.

Rooted in its preparedness measures, JCorp continues to strive in bolstering existing risk management processes so that they remain sustainable in dealing with any form of uncertainty, while ensuring the effectiveness of risk management and internal controls that cover the following aspects:

a) RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

JCorp's Risk Management and Internal Control reporting structure is as follows:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Each of the respective committees illustrated above has its own accountabilities & responsibilities. The following are the responsibilities of the respective committees:

Committee	Duties & Responsibilities
Members of JCorp	Fully accountable for ensuring and reviewing a sound system of internal control at JCorp. The control structure encompasses the process of identifying, evaluating, monitoring, managing and responding to significant risks encountered by JCorp.
Board Audit and Risk Committee (BARC)	Representing JCorp Members, the BARC is responsible for overseeing the effectiveness of risk management processes, internal controls, governance as well as reviewing the implementation status of mitigation actions and action plans by management.
Enterprise Risk Management Committee & Group Risk Management Committee (ERMC & GRMC)	Accountable to evaluate, review and making decisions in relation to risk management that impacts key strategic and operational aspects at the JCorp and Group levels.
Governance and Risk Division (GRD)	Implements initiatives to strengthen governance, risk management and internal control as well as assist JCorp in performing sentinel & "Third line of Defense" functions.
Group Governance Committee (GCC)	Assists the Group Governance and Risk Division in implementing and coordinating initiatives to strengthen governance, risk management and internal control at the JCorp and Group levels.
Risk Owner (RO) – Head of Division/ Subsidiary/Project	<ul style="list-style-type: none"> • Ensure that risk management initiatives are well initiated to evaluate and making decisions related to key strategies and operations. • Ensure that risk assessment review exercise is conducted prudently and extensively. • Ensure action plans are identified, implemented and addressed at the division/subsidiary/project level. • Review and approve the 'Risk Register' of each division/subsidiary/project. • Collaborate with the Group Governance and Risk Division (GGRD) on enterprise risk management (ERM) initiatives.
Risk Champion (RC)	<ul style="list-style-type: none"> • Making engagement sessions and discussions with the respective Person-In-Charge on action plans to discuss progress, risk profile status and actions to be reported to GGRD. • Complete, update, maintain and archive all relevant 'Risk Registers' of division/subsidiary/projects in a consistent manner. • Assist GGRD and RO in coordinating & fostering risk awareness and training activities at the divisional and subsidiary levels.

b) RISK MANAGEMENT FRAMEWORK

JCorp's Risk Management Framework which has been approved at the 188th JCorp Members Meeting dated 28 September 2020 sets out guidelines for all employees on how to manage and control exposures to significant risks that could impede the achievements of the organisation's overall vision and mission. In accordance with the International Standards for risk management **ISO 31000: 2018**, the primary objectives of this risk management framework is to support JCorp's overall vision and mission of transformation by:

1. Preparing policies and formalised organisational structure to establish good risk management, for adoption by JCorp and the Group.
2. Defining roles and accountabilities in risk management and procedures to mitigate risk effectively with appropriate mitigation actions/plans.
3. Ensuring effectiveness in communicating and in conveying information to JCorp Members, Board Audit and Risk Committee, Risk Management Committee, Group Risk Management Committee, Group Governance Committee, risk owners, and employees directly involved in risk management activities.
4. Ensuring robustness, adequacy, and consistency in risk management lifecycle and assessments.
5. Implementing and executing the approved risk assessment methodology.
6. Ensuring risk management information is monitored and reported in a stipulated timely manner.

c) POLICIES AND PROCEDURES

JCorp's internal Policies and procedures are comprehensively documented and reviewed periodically to ensure appropriateness and compliance with current laws and regulatory requirements. Policies and procedures assist in ensuring that the organisation adopts appropriate 'limits of authority', business activities are conducted in accordance with prescribed standards, whereas appropriate mitigation actions and internal control activities are taken to address and minimise risks and thereupon, ensure a smooth operations and continuity of businesses in the event of disruptions.

JCorp operates based on the best practice guidelines to achieve optimum levels in terms of operational efficiency, service effectiveness as well as projected financial results. Specific controls have been established to ensure that financial management is conducted prudently and able to mitigate assets and financial loss.

5. ACCOUNTABILITIES AND AUDIT FINANCIAL REPORTING

The Board has a fiduciary responsibility to present to its stakeholders and the public at large, a clear, balanced, and meaningful evaluation of the Group's financial position, financial performance and prospects.

The Board is assisted by the Board Audit and Risk Committee (BARC) in overseeing the financial reporting process and the quality of the Group's and the financial statements. Detailed budget information is prepared by each investee company and presented to JCorp. The presentation session is chaired by the President and Chief Executive Officer of JCorp and staffed by all JCorp Division Heads.

For FY2021, JCorp's Sustainability Plan and Budget have been presented and approved by JCorp Members, while the detailed budget for each company is approved at the Board level of the respective company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INVESTMENT EVALUATION

JCorp has prepared a clear policy in relation to investment approvals and other forms of capital expenditure. Planned expenses are stated in the approved annual budget. Approval for Capital Expenditure (CAPEX) is made in accordance with the 'limits of authority' set by the Members of JCorp.

All major investment proposals are subject to the scrutiny & challenges of the Board Executive Committee (EXCO) before being tabled at the JCorp Members' meeting for approval.

MONITORING INTERNAL CONTROL

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls, governance and risk management to ensure that stakeholder interests and the Group's assets are safeguarded.

The effectiveness of the financial internal control system and its operating procedures are monitored by management and audited by internal auditors. The internal auditors adopt a risk-based audit plan, i.e., an approach that requires the auditor to focus on the factors that influence the achievement of the organisations and its operational objectives. The internal auditors then report the findings and status of effectiveness of the internal controls to the Board Audit and Risk Committee (BARC) and provide independent recommendations for areas of improvements.

All issues and rectification actions are monitored by the Management Audit and Compliance Committee at the JCorp level. Coordination by the Monitoring Committee is also carried out at the JCorp Group level.

RISK MANAGEMENT AND INTERNAL CONTROL ACTIVITIES

Throughout 2021, JCorp Members along with the Management had carried out various activities and initiatives to fortify and enhance risk management and internal controls, which among others include:

1. Developing and establishing Whistleblowing Policy.
2. Review the existing policies including Investment Policy, Financial Policy, Group Procurement Policy, Risk Management Policy, Business Continuity Management Policy, and Compliance Management Policy.
3. Review the existing Board Committee and subsequently proposed for the establishment of the Board Sustainability Committee and Whistleblowing Committee to JCorp Board for approval.
4. Review and establish committees at the management level to assist board committees in implementing and managing the effectiveness of risk management and internal controls. Subsequently, Group Corporate Communications has been established to monitor uniformed communications initiatives at Group level.
5. Review and outline the Terms of Reference ("TOR") of all committees, to ensure that the monitoring of internal controls is carried out fairly.
6. Review and revise 'Limits of Authority' manual in accordance with the latest reporting and monitoring structure.
7. Review Critical Business functions ("CBF") and establish detailed business continuity plans at the JCorp and Group levels and implemented related activities including Business Impact Analysis and preparation for Business Continuity strategies documents to ensure relevancy.
8. Continuing the Compliance Verification Audit ("CVA") and Self-Compliance Assessment ("CSA") at JCorp and Group level.
9. Conduct ESG studies with appointed external consultants, as well as implementation of ESG initiatives within JCorp Group.

RELATIONSHIP WITH THE AUDITORS

The Members of JCorp are assisted by the Board Audit and Risk Committee in their efforts to maintain a transparent relationship with the internal and external auditors.

(i) Internal Auditors

The Group Internal Audit ("GIA") reports functionally to the Board Audit and Risk Committee of JCorp and has unrestricted access to the Audit Committee members. Its function is independent of the activities or operations of other operating units and entities/ investee companies. The Group Audit regularly evaluates the effectiveness of the risk management process, reviewing the effectiveness of the internal controls system and compliance control across the Group. The minutes of the Board Audit and Risk Committee meetings are subsequently tabled and disseminated to the Board for information and serve as useful references particularly when there are pertinent issues to be highlighted and needs clarifications by any of the Board.

(ii) External Auditors

The Board Audit and Risk Committee of JCorp place great emphasis on the objectivity and independence of external auditors in providing relevant and transparent reports to its stakeholders. To ensure full disclosure of matters, JCorp Auditors are regularly invited to attend the Audit Committee meetings to obtain relevant inputs (if any) to ensure all information & audit findings are transparent and precise.

WHISTLEBLOWING POLICY

The Board is satisfied that an adequate framework on whistleblowing initiatives in place. All employees can raise their concerns regarding any misconduct or wrongdoing including but not limited to unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with the Group.

These channels protect employees who contemplate "blowing the whistle" against any negative repercussions. Confidentiality of all matters raised and the identity of the whistle-blower are protected under the Policy.

PERSONAL DATA PROTECTION ACT 2010

The Personal Data Protection Act 2010 (PDPA) came into force on 15 November 2013. The PDPA is a legislation that regulates the collection, storing, processing, disclosure and use of personal data which is any data or information that relates directly or indirectly to an individual ("data subject") and includes expression of opinion about the data subject. JCorp has taken steps to comply with the requirements of the PDPA.

BOARD AUDIT AND RISK COMMITTEE REPORT

During the financial year ended 31 December 2021, the Board Audit and Risk Committee consist of three members and was chaired as per following:-

- (i) Dato Sr. Hisham Jafrey, a Member of JCorp (Independent Director).
- (ii) YB Dato' Salehuddin Bin Hassan, State Financial Officer and is a Member of JCorp.
- (iii) Puan Zainah Mustafa is an Independent Member of the Committee and is a Fellow Member of Association of Chartered Certified Accountants (FCCA) United Kingdom.

MEETING ATTENDANCE

Based on the terms of reference approved by the Members of JCorp, this committee shall meet at least four times a year. During the financial year ended 31 December 2021, the Committee met four times (including one special meetings), as evidenced below:

	DATE OF MEETINGS			
	2 March	15 March (Special Meeting)	18 July	19 November
YBhg Dato' Sr. Hisham Jafrey	✓	✓	✓	✓
YB Dato' Salehuddin Hassan	✓	✓	✓	✓
Puan Zainah Mustafa	✓	✓	✓	✓

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The discussions and decisions concluded during the meeting covered audit issues, risk management, compliance matters, JCorp's financial performance, operational and administrative affairs of the committee as well as other matters that require the approval of the committee and JCorp Members. The President and Chief Executive, Senior Management who are responsible for related areas, as well as representatives of the external auditors attend meetings by invitation.

FINANCIAL STATEMENTS

- Review, consider and advise JCorp Members on JCorp's financial performance on a regular basis with a focus on:
 - a) Any changes in financial policies and practices.
 - b) Major adjustments ensuing audit work.
 - c) Assumption of consistency.
 - d) Compliance with accounting standards and other legal requirements.

EXTERNAL AUDIT

- Review with the external auditors and thereafter bring to the attention of the Members of JCorp concerning:
 - a) Appointment and termination of services of external auditors, service fees, and appropriate recommendations.
 - b) Scope and planning of audit work, as well as coordination involving the external auditors of JCorp and the Group.
 - c) Any findings identified by the external auditors and feedback from management.
 - d) Issues or observations arising from the audit work.
- Monitor performance and ensure a transparent and independent level of audit by the external auditors.
- Recommends for the consideration and approval of JCorp Members regarding the Financial Statements of JCorp.

INTERNAL AUDIT

- Review the effectiveness and capability of JCorp's internal control systems.
- Review, acknowledge and certify the annual internal audit activity plan which covers the scope of work, membership, and organisational structure of the internal audit function.
- Review finalised audit reports and observations as well as monitor follow-up actions and areas of improvements that are required.

RISK MANAGEMENT

- Review and certify that the appropriate financial risk management process is thorough and comprehensive at the JCorp and Group levels.
- Review and ensure risk management strategies remain relevant and adhere to the risk management framework.
- Review and discuss the key risks identified based on the risk profiles & categories and its financial impacts and providing appropriate recommendations to address them.
- Monitor and evaluate the appropriateness, adequacy and effectiveness of mitigation actions taken by the management.

COMPLIANCE

- Oversees the management, operations, and business activities of JCorp to ensure that it meets the relevant legal requirements, acts, guidelines, policies, and procedures of the relevant institutions.

ETHICS AND INTEGRITY

- Uphold and foster high ethical standards and practices of integrity among JCorp Members and employees.
- Oversees, reviews, and advises on matters relating to the Code of Business Ethics and integrity of JCorp's management, operations, and transactions.

OTHER RESPONSIBILITIES

- Catalyse the institution's commitment towards a sound and effective internal control.
- Continuously monitor policies related to audit, risk management, ethics and integrity, alignment of compliance with regulatory requirements, conflicts of interest, and fraud prevention.
- Monitor & follow-up the current status of legal/litigation matters and actions involving JCorp and the Group.

SUMMARY OF ACTIVITIES

During the financial year 31 December 2021, the Board Audit and Risk Committee elaborated, discussed and endorsed the following:-

- Establishment of Whistleblowing Policy and Whistleblowing Committee and subsequently presented to the Members of JCorp for approval.
- Revision of JCorp's Limits of Authority.
- Report of the Enterprise Risk Management Committee meeting held on 9 February, 9 June and 7 October 2021.
- Report of the Group Governance Committee meetings held on 21 January, 12 April, 27 May, 30 August, 29 September, 11 November 2021.
- Audit reports and findings performed by the internal auditors as well as the status of improvement actions taken by the Management which are monitored by the Management Audit and Compliance Committee.
- Audit reports issued by Auditor's General on Commercial Land and Industrial Land.
- Key risks that have been updated throughout 2021, the adequacy of internal controls, and the effectiveness of mitigation measures.
- Compliance of necessary Acts and guidelines by JCorp, compliance status as well as rectification and mitigation actions.
- Completion of the integrity related matters that have been implemented by the Group Integrity Unit throughout 2021.
- Current status of legal/litigation actions and Capital Structure Review involving JCorp and the Group.
- Business Continuity Management initiatives including identified Critical Business functions ("CBF") and detailed business continuity plans at the JCorp.
- Quarterly Financial performance of JCorp and Group.
- The audit results of the annual financial statements for 2020 by the external auditors as well as findings and other matters of concern.
- Adequacy of internal audit scope, planning, and resource requirements to propel the enhancement of relevant and dynamic governance and internal controls.



SUSTAINABILITY STATEMENT

Johor Corporation (JCorp) has made a strong commitment to strive towards sustainability agenda. As Johor state economic developer and statutory body, JCorp has the responsibility and opportunity to improve environmental sustainability, human wellbeing, and to positively influence our investee companies, business partners, supply chain, and industry in general.

JCorp aims to create long-term value for its stakeholders by adopting sustainable practices across its business operations and value chain. We recognise that sustainability is a key driver for future growth and competitiveness and is committed to playing its part in addressing global challenges such as climate change, social inequality, and strong governance.

As a result, our commitment to our sustainability is consistent with our corporate goal of *Membina & Membela* by incorporating ESG considerations such as stakeholders' interest, creation and distribution of wealth, socially responsible investment and strong governance into investment processes and decision-making. This has helped to reaffirm our processes, advance our strategic plan, and reinforce the formulation of overarching Sustainability Framework for JCorp's group.

OUR SUSTAINABILITY ROADMAP

Sustainability agenda has been a part of JCorp since 2018 with initiatives taken by investee companies and JCorp. In 2021, JCorp embarked on its Sustainability Roadmap to formulate overarching approach for the Group. In collaboration with our stakeholders and via engagements with our investee companies, we outline our strategy in support for the United Nations Sustainable Development Goals, leading us towards a positive direction.

While 2021 presented many challenges, we remained focused on environmental sustainability, social responsibility, leveraging on digital solutions, good governance practices in the way we operate our business, to realise the sustainable future that we envisage. Going forward, JCorp is committed to be part of this global agenda to support sustainability thereby ensuring that the social and environmental implications of our investments will not compromise the sustainability of our overall growth and development.

E

"To achieve net zero by 2050 and align with internationally recognised environmental standards"

S

"To uplift wellbeing of the community enterprises and human capital"

G

"To continually refine corporate governance practices in alignment with industry recognised standards"

OUR FOCUS AREAS

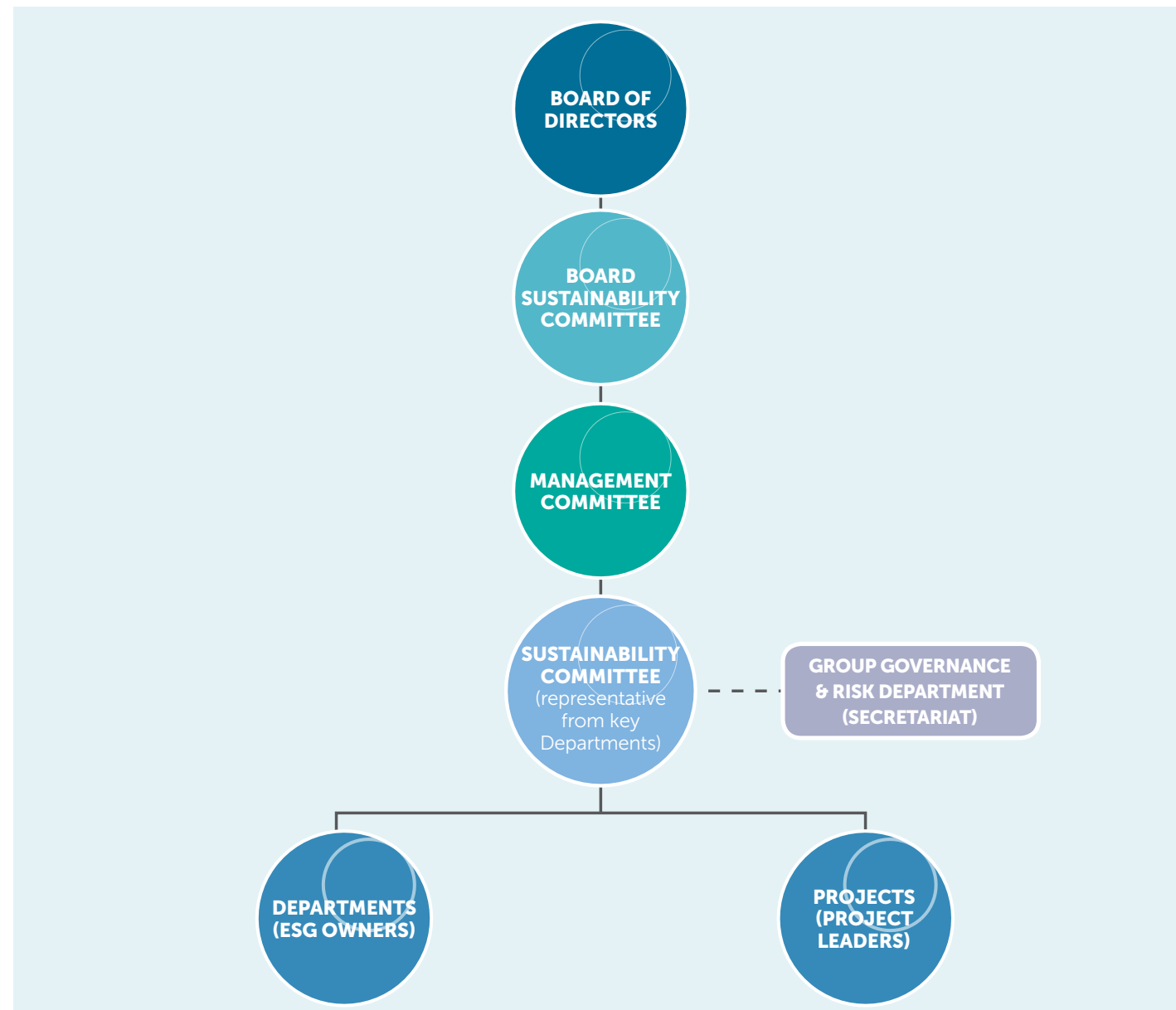
- Decarbonisation
- Natural Capital Conservation
- Community Empowerment
- Fostering Our People
- Governance and Accountability
- Digital Transformation

SUSTAINABILITY GOVERNANCE

In strengthening governance, JCorp has implemented comprehensive group wide governance and harmonisation framework, enhancing the group Enterprise Risk Management and Integrity, continuous compliance exercise and standardisation of Procurement Policy and Framework.

Additionally, JCorp established Board Sustainability Committee (BSC) to assist the Board of Directors in governing overall sustainability formulation of the JCorp's strategy.

The establishment of the Group Sustainability Committee extends sustainability governance from the Board Sustainability Committee (BSC) to the Management. The establishment of these committees reaffirms our commitment to driving JCorp's sustainability agenda from the top down. It has provided us with a strong structure that allows us to continue to integrate sustainability into our business practises.



A robust governance structure anchors sustainability within the Organisation (diagram above), with key governance roles and responsibilities listed in the table below.

ROLES AND RESPONSIBILITIES WITHIN JCORP'S SUSTAINABILITY GOVERNANCE STRUCTURE

Designated Party	Role and Responsibilities
<p>Board of Directors</p>	<ul style="list-style-type: none"> Oversees a Sustainability Framework that aligns with purpose and strategy. Seeks information about ESG risks and opportunities and how it is managed. Reviews the Sustainability Framework on a periodic basis.
<p>Board of Sustainability Committee</p>	<ul style="list-style-type: none"> Oversees sustainability strategy and performance. Ensures strategy aligns with Sustainability Framework. Monitors performance against established targets. Provides feedback to management.
<p>Management Committee</p>	<ul style="list-style-type: none"> Validates ESG risks and opportunities to inform corporate planning and strategy; monitors Sustainability initiatives and actions. Reviews progress reports on Sustainability initiatives from the Sustainability Committee.
<p>Sustainability Committee (SC)</p>	<ul style="list-style-type: none"> Identifies ESG risks and opportunities to inform corporate planning and strategy. Facilitates implementation sustainability initiatives and actions. Monitors and reports on sustainability initiatives and actions.
<p>Group Governance & Risk Division (Secretariat)</p>	<ul style="list-style-type: none"> Provide facilitation and coordination of sustainability related strategies. Reports progress to the SC. Collects, manage and monitors sustainability data. Recommend and implements sustainability initiatives. Manage the Sustainability disclosures and reports.
<p>ESG Owners</p>	<ul style="list-style-type: none"> Accountable for identifying and managing sustainability related issues and initiatives within their department and escalating to the Sustainability Committee as required.
<p>Sustainability Project Lead</p>	<ul style="list-style-type: none"> Develop and execute initiatives within their respective Investee Companies to contribute to the overall achievement of the focus area targets. Report progress of initiatives to the relevant Champion.

INCLUSIVENESS

Upholding the principle of inclusiveness, JCorp cares about many different types of people and treats them all fairly and equally. Across the Group, we strive to improve the well-being of individuals and society through community welfare and healthcare, the environment, business opportunities, and access to crowdfunding and socially responsible investments.

SUSTAINABILITY PERFORMANCE OF OUR INVESTEE COMPANIES

JCorp through its group of companies is involved in four core businesses encompassing agribusiness, wellness & healthcare, real estate & infrastructure, and food & restaurant services across the country. Being a good steward means focusing on the long term, integrating overarching sustainability principles into our investments and operations, and collaborating with industry players, community partners and all relevant stakeholders.

KULIM (MALAYSIA) BERHAD



Driven by its commitment to sustainability, Kulim (Malaysia) Berhad (Kulim) is among the first plantation companies in the world to join the Roundtable on Sustainable Palm Oil (RSPO) in 2004. Kulim has since received RSPO as well as Malaysian Sustainable Palm Oil (MSPO) certification for all its mills; while all five of its mills have been accorded International Sustainability and Carbon Certification (ISCC).

Managing carbon emissions and respecting human rights are two key areas that drive Kulim's sustainability agenda, as stipulated in its Sustainability Policy - "No Deforestation; Protection of Peat Areas; and No Exploitation of People and Communities".

ESG HIGHLIGHTS

Carbon emissions	Human rights and labour practices	Transparency and traceability	Occupational Safety and Health
<ul style="list-style-type: none"> Committed to reducing carbon footprint by 50% by 2025 from its 2012 baseline, which translates to achieving an emissions density of 0.88 MT CO₂e per MT CPO/PK. Five biogas plants help to siphon off 90% of total methane emissions. Setting up a biomethane plant at Sedenak palm oil mill (POM) which is expected to be commissioned by third quarter of 2022. Installation of bio-CNG at Tereh POM and Sindora POM which are expected to be commissioned in 2023. 	<ul style="list-style-type: none"> Provide two or three-bedroom good condition houses to workers in estates. Provide nurseries, community halls, shops for necessities. Set up clinics to care for physical health of workers and their dependents. Provide school uniforms for workers' children. Commitment not to coerce anyone to work for Kulim and not to employ anyone below the age of 16. 	<ul style="list-style-type: none"> Crude Palm Oil (CPO) from Tereh, Pasir Panjang and Palong Cocoa Palm Oil Meals (POMs) are Identity Preserved (IP), i.e can be traced to their certified source. CPO from the other two mills is sold under the Mass Balance (MB) mechanism where Certified Sustainable Palm Oil (CSPO) is mixed with conventionally produced CPO and tracked throughout the supply chain. 	<ul style="list-style-type: none"> Have in place an Occupational Safety and Health (OSH) Policy. Each estate and mill has a dedicated OSH committee and an OSH officer.

KPJ HEALTHCARE BERHAD



As Malaysia's largest private healthcare provider, KPJ Healthcare Berhad (KPJ) has its focus set on providing access to quality and inclusive healthcare while simultaneously ensuring sustainable business growth.

KPJ's agenda of sustainability is built upon its four sustainability values that serve as guiding tenets. These values are embedded into the entire organisation which includes hospitals, retirement and aged care centres, and university college, among others. The values drive its sustainability initiatives throughout its business operations.

ESG HIGHLIGHTS

Capacity building	Enriched customer relationship	Technology and Innovation
<ul style="list-style-type: none"> Added 146 licensed beds, and recruited 33 new resident consultants. Private and public partnership with the Ministry of Health on decanting non-COVID-19 cases. A total of 6,344 decanted cases were received from MOH hospitals with a total value of RM50 million. Allocated resources and dedicated wards and ICU beds for COVID-19 positive cases. Treated a total of 2,661 COVID-19 patients. 	<ul style="list-style-type: none"> Surpassed target of 90% in Customer Satisfaction Index. Recruitment of KPJ Care members increased by 30%. Enhanced KPJ Care loyalty in acquiring new KPJ Care members. 	<ul style="list-style-type: none"> Implementation of Telemedicine and Medication Delivery (TMD). Gained significant market reach via social media. Increased utilisation of digital platforms to enhance brand loyalty and ensure greater market reach, resulting in better overall performance.
Human capital	Energy, water and waste	
<ul style="list-style-type: none"> Communication of anti-corruption policy/ABMS to all employees with 91% of employees taking up the e-pledge. Invested RM3.93 million in training and development programmes for employees. Identified top talent via the Talent Validation Programme and Talent Development Programme. 	<ul style="list-style-type: none"> Maintained an average consumption within the target of not more than 27.69 kWh per square foot for four consecutive years. Water consumption per employee was 99 m³ which was below target of not more than 111 m³ per employee. Amount of clinical waste generated per patient was 0.48 kg which was below target of 0.5 kg per patient. 	

QSR BRANDS (M) HOLDINGS BHD



Building its values on the foundation of passion for its customers, employees, and communities, QSR Brands (M) Holdings Bhd (QSR Brands) is focused on the sustainability of its people, communities, customers and planet.

Diversity and equal job opportunities are important elements in QSR Brands. Its contribution towards community resilience includes various philanthropic activities and actions aspiration to achieve Zero Hunger aspiration. As early as 2015, QSR Brands established the first KFC Green Outlet, becoming the first restaurant in Malaysia to receive Green Restaurant Certification. To reduce its environmental footprint, it has been using more eco-friendly building materials and more efficient equipment, such as LED lighting.

ESG HIGHLIGHTS

Diversity and inclusion

- 38% of Board composition are female members.
- 47% of 20,000 employees are females, filling roles from restaurant managers to senior management.

Equal opportunity

- To date, 164 employees with special needs (disabilities) have been hired across its 74 restaurants.
- Three Community Care Outlets operated entirely by hearing-impaired employees.

Local communities

- Donated more than 200,000 packs of food to deserving communities.
- Worked with local mosques, councils, and Jawi Food Bank to provide community provision, which had impacted more than 4,000 lives in Malaysia.
- Contributed RM200,000 of our Add Hope Programme Fund to local NGOs and the World Food Programme to achieve Zero Hunger in our community.

Technology and Innovation

- Enhanced digital platform to enable contactless deliveries and takeaway services.

Carbon footprint

- Recycled 2,672 MT of Used Cooking Oil (UCO) into biofuel.
- Green building initiatives at KFC Green Outlet further the sustainability efforts via water and energy conservation, sustainable materials and resources, and indoor environmental quality.

JOHOR LAND BERHAD



Johor Land Berhad (JLand) is one of the investee companies under JCorp's Real Estate & Infrastructure (REID) business. JLand has been at the forefront of property development in Johor for over four decades. As a property developer, JLand is conscious of the environmental impact, including carbon footprint and greenhouse gas emissions from its operations. JLand's carbon offset efforts include contributions to the Infaq Warisan, Leaf and Life programme, which planted 19,000 new trees.

Menara JLand received the Green Building Index (GBI) Gold certification for incorporating green building practises. Its developments fully support the Johor Sustainable Development Plan by providing ample affordable housing units and investing in urbanisation, community infrastructure, and green spaces.

ESG HIGHLIGHTS

Carbon emissions

- Total greenhouse gas emissions reduced by 22% from previous year.

Human capital development

- A total of 12,481 hours of employee training delivered.
- Achieved average 34.2 hours of training per employee, exceeding target of 28 hours per employee.
- 100% of staff received performance appraisals.

Occupational safety and health

- Zero lost-time injuries, zero fatalities recorded.

Waste management

- Collected 2,000 kg of recyclable waste, exceeding target of 1,000 kg.

Ethics and compliance

- Zero non-compliance with relevant laws and regulations.
- 100% of staff to receive training on the Anti-Bribery and Corruption Policy.

Sustainable procurement

- 90% of procurement budget spent locally in Johor.

TLP TERMINAL SDN BHD



As one of Johor's leading bulk cargo ports appointed as operator for Tanjung Langsat Port, TLP Terminal Sdn Bhd (TLPT) adopts sustainable business practices. Following this, TLPT has translated its vision for sustainable growth into initiatives that are incorporated into its corporate strategies.

ESG HIGHLIGHTS

Stakeholder engagement	Waste management	Ethics and compliance
<ul style="list-style-type: none"> 79.3% in Customer Satisfaction Index, surpassing the 70% target. 	<ul style="list-style-type: none"> Achieved 1892.3 kg in scheduled waste generation. 	<ul style="list-style-type: none"> No recorded incidents of non-compliance with ISPS Code. All employees attended online training organised by JCorp Integrity Unit.

YAYASAN JCORP and WAQAF AN-NUR



Through the continuous efforts of Yayasan Johor Corporation (Yayasan JCorp) as a dedicated entity to carry out the corporate social responsibility (CSR) activities of JCorp and its group of companies, we have been able to advance our efforts mainly on social and also environmental sustainability.

Yayasan JCorp focuses on four key areas identified as key in elevating the quality of life of our communities, namely education; arts, culture and heritage; environmental programmes; and the community & well-being.

Waqaf An-Nur Corporation Berhad (WANCorp) in its roles to manage JCorp's assets and shares endowed for waqaf, oversees six mosques, the Waqaf An-Nur Hospital (HWAN) and Waqaf An-Nur clinics (KWAN), Waqaf Dana Niaga, Waqaf Brigade and Waqaf Community Centres. It also undertakes fundraising campaigns to support various social causes.

ESG HIGHLIGHTS

- Yayasan JCorp channelled a total of RM3.77 million towards CSR initiatives; comprising Ihsan Johor 3.0 economic stimulus package (RM1.403 million); disaster relief (RM1.28 million); special projects (RM650,000); education (RM231,000); Welfare (RM38,000); and Health (RM170,000).
- WANCorp distributed a total of RM1,071,430 under its General Welfare Fund. This excludes RM1,205,506 in executive emoluments to Imams and Bilals serving the An-Nur Mosque
- WANCorp's Waqaf Brigade, comprising JCorp volunteers who help in the event of any disaster within the local community recorded 1,137 registered members.

REINVENTING JCORP FOR SUSTAINABLE SUCCESS

Guided by JCorp's vision of MEMBINA & MEMBELA, we are determined to improve the quality of life for stakeholders across our footprint. With the aims of creating viable business entities, contributing to state and national economic growth, and enhancing the well-being of society, we will continue to embed ESG values in fulfilling our role as a leading state economic development agency in Malaysia.

By understanding and managing our material matters, we can take a long-term and holistic view to create value for our stakeholders. In drawing up our Sustainability Framework that will guide us in our sustainability journey, we considered stakeholder concerns, organisational environment as well as existing or emerging risks and opportunities.

We will strengthen how ESG is embedded across our organisation to be aligned with our aspirations and commitments. Moving forward, we aim to better understand these risks and opportunities more meaningfully and holistically. These ongoing engagements will contribute to the confidence and support in the commitments we make. We shall remain steadfast in our sustainability commitments among which are the move towards net-zero by 2050 and towards fostering our people and empowering our community.

In the coming year, we will continue to implement the sustainability framework to guide our actions in reinventing JCorp for sustainable success.

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