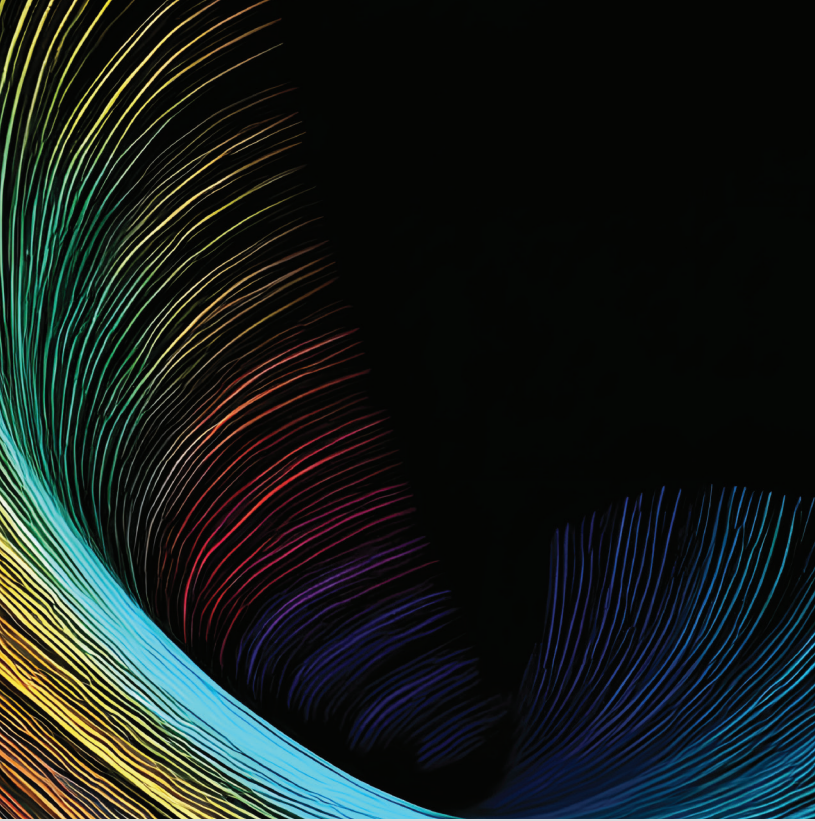


JCORP[®]
Johor Corporation

CULTIVATING EXPONENTIAL GROWTH

FINANCIAL STATEMENTS

2023



OUR FINANCIAL STATEMENTS

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TRANSPARENCY and Accountability



**CERTIFICATE OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
JOHOR CORPORATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

Certificate on the Audit of the Financial Statements

Opinion

I have authorised a private audit firm pursuant to Subsection 7(3) of the Audit Act 1957 [Act 62] to undertake an audit of the Financial Statements of the Johor Corporation. The financial statements comprise the Statements of Financial Position as at 31 December 2023 of the Group and of the Johor Corporation and the Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows of the Group and of the Johor Corporation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 149.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Johor Corporation as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Johor Corporation Enactment No. 4 of 1968 (as amended by the Enactment No. 5 of 1995) requirements.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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

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

Responsibilities of the Board for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- a. identify and assess the risks of material misstatement of the Financial Statements of the Group and of the Johor Corporation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- b. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Johor Corporation's internal control;
- c. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- d. conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Johor Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Certificate to the related disclosures in the Financial Statements of the Group and of the Johor Corporation or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of Auditor's Certificate. However, future events or conditions may cause the Group or the Johor Corporation to cease to continue as a going concern;
- e. evaluate the overall presentation, structure and content of the Financial Statements of the Group and of the Johor Corporation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- f. obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Financial Statements of the Group. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

Report on Other Legal and Regulatory Requirements


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

Other Matters

The Johor Corporation shall pay attention to the following:

- a. Monitor the performance of its subsidiaries, especially the four subsidiaries that have recorded losses consecutively since the year 2021. Continuous monitoring also needs to be done on the sustainability of the subsidiaries' financial performances so that they are more competitive and give the best returns to the Johor Corporation.
- b. Improving financial performance of the Johor Corporation by enhancing cash flow to reduce financial commitments through sukuk issuance.

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


(DATUK WAN SURAYA BINTI WAN MOHD RADZI)
AUDITOR GENERAL
MALAYSIA

PUTRAJAYA
13 JUNE 2024



DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Corporation for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

Johor Corporation was incorporated under the Johor Corporation Enactment, 1968 (as amended by the Johor Corporation Enactment, 1995) as a development agency and public enterprise. The Corporation is principally engaged in property development and management, and investment holding. The principal activities of the Group consist mainly of agribusiness, wellness and healthcare services, real estate and infrastructure, quick service restaurants and investment holding.

FINANCIAL RESULTS

	Group RM Million	Corporation RM Million
Profit from continuing operations, net of tax	360	343
Profit from discontinued operations, net of tax	18	–
Profit net of tax	378	343
Profit attributable to:		
Owner of the Corporation	159	343
Non-controlling interests	219	–
	378	343

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS

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

YAB Dato Onn Hafiz Bin Ghazi

YBhg Tan Sri Dato' Sri Dr. Ismail Bin Haji Bakar

YBhg Datuk Syed Mohamed Bin Syed Ibrahim

YB Tan Sri Dato' Dr. Haji Azmi Bin Rohani

YB Dato' Amir Bin Nasruddin

YBhg Dato' Sr. Hisham Bin Jafrey

YBhg Datuk Nor Azri Bin Zulfakar

DIRECTORS' REPORT

DIRECTORS (CONTINUED)

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

YBhg Dato' Nor Azmie Bin Diron	(Appointed on 6 February 2023)
YBhg Datuk Seri Isham Bin Ishak	(Appointed on 6 February 2023, resigned on 1 December 2023)
YBhg Datuk Johan Bin Mahmood Merican	(Appointed on 1 May 2023)
YBhg Datuk Hairil Bin Yaacob	(Appointed on 1 December 2023)
YB Dato' Haji Mohamed Ridha Bin Dato' Haji Kadir	(Appointed on 9 January 2024)
YB Dato' Salehuddin Bin Hassan	(Resigned on 8 January 2024)
YBhg Datuk Haji Ruji Bin Haji Ubi	(Resigned on 6 February 2023)
YBhg Datuk Lokman Hakim Bin Ali	(Resigned on 6 February 2023)
YBhg Datuk Seri Asri Bin Hamidon	(Resigned on 4 January 2023)

DIRECTORS' REMUNERATION

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

OTHER INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the financial statements of the Group and of the Corporation were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including values of current assets as shown in the accounting records of the Group and of the Corporation had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the financial statements of the Group and of the Corporation inadequate to any substantial extent; or
 - (ii) that would render the values attributed to the current assets in the financial statements of the Group and of the Corporation misleading; or
 - (iii) which have arisen and would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Corporation misleading or inappropriate.

DIRECTORS' REPORT

OTHER INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

- (c) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Corporation, which would render any amount stated in the financial statements misleading.
- (d) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Corporation which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Corporation which have arisen since the end of the financial year.
- (e) In the opinion of the Directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Corporation to meet their obligations when they fall due; and
 - (ii) there has not arisen in the interval between the end of the year and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Corporation for the financial year in which this report is made.

Signed on behalf of the Board of Directors:



DATUK ONN HAFIZ BIN GHAZI
Chairman



DATUK SYED MOHAMED BIN SYED IBRAHIM
President & Chief Executive

Johor Bahru
26 May 2024

STATEMENTS BY CHAIRMAN AND ONE OF THE DIRECTORS OF JOHOR CORPORATION

We, Dato' Onn Hafiz Bin Ghazi and Datuk Syed Mohamed Bin Syed Ibrahim, being the Chairman and one of the Directors of Johor Corporation respectively, do hereby state that, in the opinion of the Directors, the accompanying financial statements as stated in the Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows set out together with the notes to the financial statements are drawn up in accordance to Malaysian Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Corporation as at 31 December 2023 and of their results and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors:



DATUK ONN HAFIZ BIN GHAZI
Chairman



DATUK SYED MOHAMED BIN SYED IBRAHIM
President & Chief Executive

Johor Bahru
26 May 2024

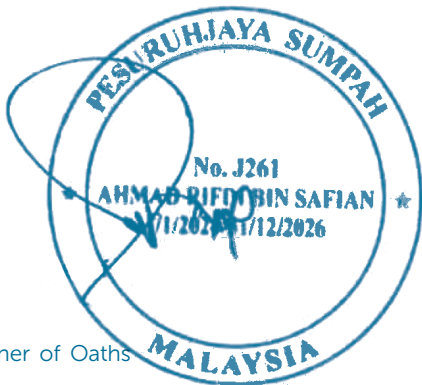
DECLARATION MADE BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF JOHOR CORPORATION

I, Rozaini Bin Mohd Sanl, MIA Membership No: 43588, the officer primarily responsible for the financial management and accounting records of the Group and the Corporation, do solemnly and sincerely declare that the financial statements shown In the Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows set out together with the notes to the financial statements are in my knowledge and opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed
at Johor Bahru on 26 May 2024



Before me,



Commissioner of Oaths

No. 29-01, Jalan Padi Emas 3/1
Bandar Baru Uda,
81200 Johor Bahru.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Note	2023	2022
Continuing operations			
Revenue	4	6,200	5,756
Cost of sales		(3,725)	(3,485)
Gross profit		2,475	2,271
Other items of income			
Other income	5	269	411
Other items of expense			
Selling & distribution expenses		(16)	(21)
General & administrative expenses		(1,360)	(1,149)
Net loss on impairment of financial instruments		(12)	(33)
Other expenses	6	(184)	(192)
Finance costs	7	(566)	(451)
Share of results of associates, net of tax		51	17
Share of results of joint ventures, net of tax		(52)	(10)
Profit before tax from continuing operations	8	605	843
Taxation	11	(245)	(66)
Profit from continuing operations, net of tax		360	777
Discontinued operations			
Profit from discontinued operations, net of tax	12	18	31
Profit after tax		378	808
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation of foreign operations		10	8
Other comprehensive income, not to be reclassified to profit or loss in subsequent periods:			
Fair value adjustment for financial assets at FVOCI		2	4
Revaluation surplus on property, plant and equipment		50	31
Deferred tax on revaluation surplus		–	(6)
Surplus on transfer of property, plant and equipment/right-of-use to investment property		–	23
Other comprehensive income, for the financial year, net of tax		62	60
Total comprehensive income for the financial year		440	868
Profit attributable to:			
Owner of the Corporation		159	640
Non-controlling interests		219	168
		378	808
Total comprehensive income attributable to:			
Owner of the Corporation		221	684
Non-controlling interests		219	184
		440	868

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	13	7,921	7,863
Right-of-use assets	14	2,466	2,498
Inventories	15	663	567
Investment properties	16	5,455	5,487
Intangible assets	18	210	248
Investment in associates	20	313	242
Investment in joint ventures	21	1,634	1,742
Deferred tax assets	22	184	282
Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")	23(a)	11	11
Financial assets at Fair Value through Profit or Loss ("FVTPL")	23(b)	1	1
Trade and other receivables	25	22	17
		18,880	18,958
Current assets			
Inventories	15	1,126	1,536
Biological assets	17	62	52
Contract costs	24	10	4
Trade and other receivables	25	1,402	1,231
Contract assets	26	301	181
Financial assets at Fair Value through Profit or Loss ("FVTPL")	23(b)	29	4
Tax recoverable		208	172
Cash and bank balances	27	2,165	1,237
		5,303	4,417
Assets of disposal group classified as held for sale	28	874	1,059
		6,177	5,476
Total assets		25,057	24,434

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Note	2023	2022
EQUITY AND LIABILITIES			
Current liabilities			
Tax payable		71	36
Lease liabilities	29	48	62
Loans and borrowings	30	1,527	2,591
Trade and other payables	31	1,906	1,914
Contract liabilities	26	187	184
		3,739	4,787
Liabilities directly associated with disposal group classified as held for sale	28	276	378
		4,015	5,165
Net current assets			
		2,162	311
Non-current liabilities			
Trade and other payables	31	148	98
Other long term liabilities	32	1,072	1,183
Deferred tax liabilities	22	703	771
Loans and borrowings	30	7,761	6,235
Lease liabilities	29	476	488
		10,160	8,775
Total liabilities			
		14,175	13,940
Net assets			
		10,882	10,494
Equity			
Capital reserves	33(a)	416	433
Asset revaluation reserve	33(b)	387	364
Currency fluctuation reserve	33(c)	24	14
FVOCI reserve	33(d)	(42)	(44)
Revenue reserve	33(e)	7,319	7,152
		8,104	7,919
Non-controlling interests		2,778	2,575
Total equity			
		10,882	10,494
Total equity and liabilities			
		25,057	24,434

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

2023	Capital reserves	Asset revaluation reserve	Currency fluctuation reserve	FVOCI reserve	Revenue reserve	Total	Non-controlling interests	Total equity
At 1 January 2023	433	364	14	(44)	7,152	7,919	2,575	10,494
Profit net of tax	-	-	-	-	159	159	219	378
Other comprehensive income								
Revaluation surplus on property, plant and equipment	-	50	-	-	-	50	-	50
Fair value adjustment for financial assets at FVOCI	-	-	-	2	-	2	-	2
Foreign currency translation of foreign operations	-	-	10	-	-	10	-	10
Total other comprehensive income for the financial year	-	50	10	2	-	62	-	62
Total comprehensive income for the financial year	-	50	10	2	159	221	219	440
Transaction with owner								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(9)	(9)
Disposal of subsidiaries	-	(27)	-	-	27	-	16	16
Accretion of interest in subsidiaries	(17)	-	-	-	48	31	(23)	8
Reserve attributable to disposal group asset held for sale	-	-	-	-	3	3	-	3
Distribution to State Government	-	-	-	-	(70)	(70)	-	(70)
	(17)	(27)	-	-	8	(36)	(16)	(52)
At 31 December 2023	416	387	24	(42)	7,319	8,104	2,778	10,882

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023
Amounts in RM Million Unless Otherwise Stated

2022	Capital reserves	Asset revaluation reserve	Currency fluctuation reserve	FVOCI reserve	Revenue reserve	Total	Non-controlling interests	Total equity
At 1 January 2022	391	335	3	(48)	6,626	7,307	2,493	9,800
Profit net of tax	-	-	-	-	640	640	168	808
Other comprehensive income								
Revaluation surplus on property, plant and equipment	-	11	-	-	-	11	20	31
Surplus on transfer of property, plant and equipment/right-of-use to investment properties	-	23	-	-	-	23	-	23
Fair value adjustment for financial assets at FVOCI	-	-	-	4	-	4	-	4
Deferred tax on revaluation surplus	-	(2)	-	-	-	(2)	(4)	(6)
Foreign currency translation of foreign operations	-	-	8	-	-	8	-	8
Total other comprehensive (loss)/income for the financial year	-	32	8	4	-	44	16	60
Total comprehensive (loss)/income for the financial year	-	32	8	4	640	684	184	868
Transaction with owner								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(11)	(11)
Accretion of interest in subsidiaries	42	-	-	-	(90)	(48)	(91)	(139)
Reserve attributable to disposal group asset held for sale	-	(3)	3	-	-	-	-	-
Distribution to State Government	-	-	-	-	(24)	(24)	-	(24)
	42	(3)	3	-	(114)	(72)	(102)	(174)
At 31 December 2022	433	364	14	(44)	7,152	7,919	2,575	10,494

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	2023	2022
OPERATING ACTIVITIES		
Profit before tax:		
Continuing operations	605	843
Discontinued operations	7	31
Adjustments:		
Property, plant and equipment:		
Net gain on disposal	(7)	(5)
Written off	5	–
Depreciation	362	355
Reversal of impairment loss	–	(9)
Right-of-use assets:		
Depreciation	72	50
Impairment loss	7	–
Investment properties:		
Net gain on disposal	(2)	(9)
Changes in fair value	(25)	(163)
Changes in fair value for biological assets	(7)	15
Gain on disposal of subsidiaries	(23)	(6)
Financial assets through profit or loss:		
Changes in fair value	(25)	2
Trade and other receivable:		
Allowance for impairment of receivables	15	5
Reversal of impairment for trade and other receivables	(5)	(9)
Intangible assets:		
Amortisation	18	10
Written off	–	4
Impairment loss	14	–
Dividend income	–	(2)
Loss on exchange differences	9	(2)
Unrealised foreign currency exchange gain	–	–
Amortisation:		
Government grant	(32)	(11)
Land lease rental	(20)	(97)
Waiver from creditor	–	(21)
Interest expense	566	451
Interest income	(48)	(28)
Share of results of associates and joint ventures	1	(7)
Operating profit before changes in working capital	1,487	1,397

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023
Amounts in RM Million Unless Otherwise Stated

	2023	2022
Changes in working capital		
Inventories	326	17
Receivables	109	112
Contract assets	(120)	(53)
Payables	(68)	655
Contract liabilities	3	60
Associates and joint ventures	33	49
Cash generated from operations	1,770	2,237
Tax refunded	–	9
Tax paid	(253)	(366)
Net cash generated from operating activities	1,517	1,880
INVESTING ACTIVITIES		
Dividend received from associates	3	5
Interest received	–	28
Property, plant and equipment:		
Proceeds from disposal	17	19
Purchase	(462)	(394)
Right of use asset:		
Proceed from disposal	8	–
Purchase	(59)	(491)
Investment properties:		
Proceeds from disposal	208	25
Purchase	(207)	(11)
Biological assets:		
Proceeds from disposal	–	10
Purchase	(3)	(7)
Intangible assets		
Addition	(6)	(10)
Government grant received	33	18
(Increase)/decrease in deposits with licensed bank with maturity of more than 3 months	(661)	299
Net cash flows used in investing activities	(1,129)	(509)

CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	2023	2022
FINANCING ACTIVITIES		
Drawdown of term loans and other long-term borrowings	1,990	1,602
Repayment of term loans and other long-term borrowings	(1,527)	(1,677)
Repayment of the lease liabilities	(53)	(51)
Interest paid	(566)	(451)
Dividend paid to non-controlling interests	(9)	(11)
Distribution of fund to State Government	(70)	(25)
Designated accounts	8	(17)
Net cash flows used in financing activities	(227)	(630)
Net change in cash and cash equivalents	161	741
Cash and cash equivalents at 1 January	1,032	292
Effect of exchange rate changes on cash and cash equivalents	–	(1)
Cash and cash equivalents at 31 December	1,193	1,032
CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,229	892
Fixed deposits	936	345
	2,165	1,237
Bank overdrafts	(75)	(78)
Deposit with licensed bank with maturity of more than 3 months	(661)	(18)
Designated accounts	(236)	(109)
	1,193	1,032

STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Note	2023	2022
Revenue	4	706	566
Cost of sales		(86)	(11)
Gross profit		620	555
Other items of income			
Other income	5	160	406
Other items of expense			
Selling and distribution expenses		(5)	–
General and administrative expenses		(91)	(131)
Other expenses	6	(69)	(72)
Finance costs	7	(213)	(160)
Profit before tax from continuing operations	8	402	598
Taxation	11	(59)	103
Profit from continuing operations, net of tax		343	701
Profit after tax		343	701
Other comprehensive income, not to be reclassified to profit or loss in subsequent period:			
Deferred tax on revaluation surplus		–	(2)
Surplus on transfer of right-of-use asset to investment property		–	23
Other comprehensive income, for the financial year, net of tax		–	21
Total comprehensive income for the financial year		343	722

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	13	54	51
Right-of-use assets	14	8	5
Inventories	15	34	34
Investment properties	16	1,867	1,812
Investment in subsidiaries	19	3,838	3,718
Investment in associates	20	4	4
Deferred tax assets	22	124	206
		5,929	5,830
Current assets			
Inventories	15	714	785
Trade and other receivables	25	1,240	651
Contract assets	26	32	–
Financial assets at Fair Value through Profit or Loss ("FVTPL")	23(b)	12	10
Tax recoverable		4	4
Cash and bank balances	27	637	178
		2,639	1,628
Assets of disposal group classified as held for sale	28	923	981
		3,562	2,609
Total assets		9,491	8,439

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Note	2023	2022
EQUITY AND LIABILITIES			
Current liabilities			
Lease liabilities	29	3	4
Loans and borrowings	30	2	403
Trade and other payables	31	1,042	1,274
Contract liabilities	26	75	124
		1,122	1,805
Net current assets		2,440	804
Non-current liabilities			
Other long-term liabilities	32	758	772
Deferred tax liabilities	22	115	138
Loans and borrowings	30	3,065	1,570
Lease liabilities	29	4	-
		3,942	2,480
Total liabilities		5,064	4,285
Net assets		4,427	4,154
Equity			
Capital reserves	33(a)	55	55
Asset revaluation reserves	33(b)	160	160
Revenue reserve	33(e)	4,212	3,939
		4,427	4,154
Total equity		4,427	4,154
Total equity and liabilities		9,491	8,439

STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	Capital reserves	Asset revaluation reserve	Revenue reserve	Total equity
At 1 January 2023	55	160	3,939	4,154
Profit after tax	–	–	343	343
Distribution to State Government	–	–	(70)	(70)
Total comprehensive income for the financial year	55	160	4,212	4,427
At 31 December 2023	55	160	4,212	4,427
At 1 January 2022	55	139	3,262	3,456
Profit after tax	–	–	701	701
Distribution to State Government	–	–	(24)	(24)
Other comprehensive income				
Deferred tax on revaluation surplus	–	(2)	–	(2)
Surplus on transfer of right-of-use assets to investment property	–	23	–	23
Total other comprehensive income for the financial year	–	21	–	21
Total comprehensive income for the financial year	55	160	3,939	4,154
At 31 December 2022	55	160	3,939	4,154

STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023
Amounts in RM Million Unless Otherwise Stated

	2023	2022
OPERATING ACTIVITIES		
Profit before tax from continuing operations	402	598
Adjustments:		
Depreciation of property, plant and equipment	4	16
Depreciation of right-of-use assets	4	10
Investment properties:		
Changes in fair value	(40)	(103)
Net gain of disposal	(2)	–
Asset held for sale:		
Changes in fair value	(11)	–
Gain on disposal	(12)	(51)
Changes in fair value of financial assets through profit or loss	(3)	3
Allowance for impairment:		
Investment in subsidiaries	–	8
Trade and other receivables	37	57
Dividend income	(280)	(436)
Amortisation:		
Government grant	(4)	(143)
Land lease rental	(17)	(14)
Sukuk transaction cost	(4)	–
Reversal of impairment for investment in subsidiaries	(26)	(13)
Reversal of impairment for trade and other receivables	(7)	(60)
Interest expense	213	160
Interest income	(16)	(2)
Operating profit before changes in working capital	238	30
Changes in working capital		
Inventories	64	(72)
Receivables	(611)	813
Contract assets	(32)	–
Payables	(240)	(341)
Contract liabilities	(48)	57
Associates and joint ventures	6	1
Cash flows (used in)/generated from operations/Net cash flows (used in)/generated from operating activities	(623)	488

STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2023

Amounts in RM Million Unless Otherwise Stated

	2023	2022
INVESTING ACTIVITIES		
Acquisition of additional interest in subsidiaries	(26)	(326)
Dividend received from subsidiaries	280	436
Interest received	16	2
Property, plant and equipment:		
Purchase	(7)	(3)
Dividend in-specie	–	(128)
Right-of-use asset:		
Purchase	–	(1)
Dividend in-specie	–	(49)
Proceed from disposal of investment properties	2	–
Government grant received	7	12
Increase with licensed bank with maturity of more than 3 months	(558)	–
Net cash flows generated from/(used in) investing activities	(286)	(57)
FINANCING ACTIVITIES		
Drawdown of term loans and other long-term borrowings	1,500	1,668
Repayment of term loans and other long-term borrowings	(403)	(1,864)
Repayment of the lease liabilities	(4)	(5)
Interest paid	(185)	(113)
Interest paid to subsidiaries	(28)	(45)
Distribution of fund to State Government	(70)	(24)
Net cash flows generated from/(used in) financing activities	810	(383)
Net change in cash and cash equivalents	(99)	48
Cash and cash equivalents at 1 January	178	130
Cash and cash equivalents at 31 December	79	178
CASH AND CASH EQUIVALENTS		
Cash and bank balances	79	58
Fixed deposits	558	120
	637	178
Deposits with licensed bank with maturity of more than 3 months	(558)	–
	79	178

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

1. CORPORATE INFORMATION

Johor Corporation was incorporated under the Johor Corporation Enactment, 1968 (as amended by the Johor Corporation Enactment, 1995).

The address of the principal place of business of the Corporation is as follows:

Level 13, Menara KOMTAR
Johor Bahru City Centre
80000 Johor Bahru
Johor
Malaysia.

The consolidated financial statements of the Corporation as at and for the financial year ended 31 December 2023 consist of the Corporation, its subsidiaries and the Group's interest in associates and joint ventures.

The Corporation is principally engaged in property development and management, and investment holding. The principal activities of the Group consist mainly of agribusiness, wellness and healthcare services, real estate and infrastructure, quick service restaurants and investment holding.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Corporation have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Corporation.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Corporation intend to apply the abovementioned accounting standards, interpretations and amendments, if applicable, when they become effective.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to current period or prior period financial statements of the Group and of the Corporation.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Non-derivative financial instruments at FVTPL	Fair value
Debt and equity securities at FVOCI	Fair value
Investment properties	Fair value
Healthcare properties	Fair value

2.3 Functional and presentation currencies

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Corporation's functional currency. All financial information is presented in RM and has been rounded to the nearest million (RM million), unless otherwise indicated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with the MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, and liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 4	–	Revenue recognition
Note 16	–	Valuation of investment properties
Note 18	–	Measurement of the recoverable amount based on fair value less cost of disposal
Note 19	–	Control assessment in relation to investments in certain subsidiaries
Note 25	–	Measurement of expected credit losses ("ECL")
Note 36	–	Contingencies: key assumptions on the likelihood and magnitude of an outflow of resources

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

3.1 Global Minimum Tax

The Group has adopted Amendments to MFRS 112, Income Taxes – International Tax Reform – Pillar Two Model Rules upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for Top-up Tax, which is effective immediately and requires new disclosures about Pillar Two Exposure (see Note 22).

The temporary mandatory relief applies retrospectively. However, given that the Global Minimum Tax legislation is not yet effective as of 31 December 2023, the retrospective application has no impact on the Group's financial statements for the year ended 31 December 2023.

3.2 Material accounting policy information

The Group also adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

4. REVENUE

	Group		Corporation	
	2023	2022	2023	2022
Revenue from contracts with customers				
Agribusiness	1,342	1,843	–	–
Wellness and healthcare	3,419	2,921	–	–
Real estate and infrastructure	1,189	685	342	24
Others	9	55	–	–
	5,959	5,504	342	24
Revenue from other sources				
Rental income and land lease income	152	162	82	104
Dividend income	2	2	280	436
Rendering of other services	87	88	2	2
	6,200	5,756	706	566

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

4. REVENUE (CONTINUED)

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

Group 2023	Agribusiness	Wellness and healthcare	Real estate and infrastructure	Others	Total
Geographical market:					
Malaysia	1,342	3,390	1,189	9	5,930
Others	–	29	–	–	29
	1,342	3,419	1,189	9	5,959
Timing of revenue recognition:					
At a point in time	1,342	3,378	770	9	5,499
Over time	–	41	419	–	460
	1,342	3,419	1,189	9	5,959

Group 2022	Agribusiness	Wellness and healthcare	Real estate and infrastructure	Others	Total
Geographical market:					
Malaysia	1,825	2,847	685	55	5,412
Indonesia	18	–	–	–	18
Others	–	74	–	–	74
	1,843	2,921	685	55	5,504
Timing of revenue recognition:					
At a point in time	1,843	2,885	428	55	5,211
Over time	–	36	257	–	293
	1,843	2,921	685	55	5,504

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

4. REVENUE (CONTINUED)

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

Corporation	2023	2022
Geographical market:		
Malaysia	342	24
Timing of revenue recognition:		
At a point in time	190	9
Over time	152	15
	342	24

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of revenue recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Agribusiness	Revenue from sales of agriculture produce and goods from these operations is recognised at point in time when the goods are delivered, the legal title has passes and the customers have accepted the goods.	Credit terms of up to 90 days from invoice date.	There would be net of discount and taxes at the point in time when control of the goods has transferred to the customer.	Not applicable.
Wellness and healthcare	Revenue from inpatient, outpatient and vaccine administration are recognised at a point in time as services are rendered or goods delivered. Revenue from wellness packages and aged care are recognised as and when the performance obligations are satisfied. Each service offered has been identified as a separate performance obligation.	Advance payment received are recognised as contract liabilities or deposit received.	Revenue will only be recognised to the extent that if it is highly probable that a significant reversal will not occur, net of discount. A receivable is recognised upon billing net of deposits received.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

4. REVENUE (CONTINUED)

The following information reflects the typical transactions of the Group (continued):

Nature of goods or services	Timing of revenue recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds
Property	Revenue from property development is recognised as and when the control of the asset is transferred to the customer.	Based on agreed milestones as per contract. Based on billing terms as stipulated in sales and purchase agreement.	Rebates are given to purchasers upon signing of the sales and purchase agreements.	Not applicable.
Industrial	(i) Sale of land with construction of earthwork and road works are recognised over time using the input or output method as appropriate. (ii) Sale of land and completed properties are recognised at point in time when the control of the properties has been transferred to the purchaser.	Input method is based on the satisfaction of the performance obligation, by reference to the contract cost incurred up to the end of reporting period as a percentage of the total estimated costs for each contract. Output method is based on the level of completion of the physical proportion of contract work-to-date as certified by professional consultants.	Not applicable.	Not applicable.
Others	(i) Dividend income are received from financial assets measured at FVTPL and at FVOCI. (ii) Rental income and land lease income are accounted for on a straight-line basis over the lease terms. (iii) Interest income are recognised using the effective interest method. (iv) Revenue from retail selling of agriculture, mechanical buffalo, fertilisers and computer hardware are recognised at a point in time when control of the goods has transferred to the customer.	Credit terms of up to 90 days from invoice date.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

4. REVENUE (CONTINUED)

The revenue from contracts with customers of the Company is not subject to warranty.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2023. The disclosure is only providing information for contracts that have a duration of more than one year are as follow:

2023	2024	2025	2026	2027	After 2027	Total
Cleaning services	40	19	2	–	–	61
Facility management services	10	6	5	4	2	27
Project management services	8	6	–	–	–	14
Property development	251	–	–	–	–	251
Construction services	31	–	–	–	–	31
	340	31	7	4	2	384

2022	2023	2024	2025	2026	After 2026	Total
Cleaning services	36	50	17	–	–	103
Facility management services	22	3	1	1	1	28
Project management services	5	–	–	–	–	5
Property development	91	–	–	–	–	91
Construction services	44	–	–	–	–	44
	198	53	18	1	1	271

The Group and the Corporation apply the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that goods or service is one year or less.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

4. REVENUE (CONTINUED)

Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers.

(a) Revenue recognition for consultant fees

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

(b) Revenue recognition for property development activities

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

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

The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and corresponding revenue is recognised over time or at a point in time.

(c) Input method of recognising revenue over time

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

(d) Output method of recognising revenue over time

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

5. OTHER INCOME

The following items have been included in other income:

	Group		Corporation	
	2023	2022	2023	2022
Amortisation of government grant (Note 32)	32	11	4	143
Changes in fair value of:				
Investment properties (Note 16)	25	163	40	103
Biological assets (Note 17)	7	–	–	–
Financial assets at fair value through profit and loss	25	2	5	1
Asset held for sales (Note 28)	–	–	11	–
Gain on disposal of:				
Property, plant and equipment	7	5	–	–
Subsidiaries	46	6	2	–
Investment properties	2	9	2	–
Assets held for sale	–	–	12	51
Interest income	48	28	16	2
Government grant received				
Reversal of allowance for impairment of:	33	18	–	–
Trade and other receivables (Note 25 (a)(ii), (iii) and (d))	1	12	7	60
Investment in subsidiaries (Note 19)	–	–	26	13
Unrealised foreign currency exchange gain	–	2	–	–
Waiver or Write-back of creditor	–	21	–	5
Rental received	–	11	–	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

6. OTHER EXPENSES

The following items have been included in other expenses:

	Group		Corporation	
	2023	2022	2023	2022
Net loss on impairment of financial instruments and contract assets	12	33	–	–
Other expenses:				
Amortisation of intangible assets (Note 18)	18	10	–	–
Assessment tax	–	9	–	–
Changes in fair value of:				
Financial assets at fair value through profit and loss	30	5	2	4
Biological assets (Note 17)	–	15	–	–
Allowances for impairment of:				
Trade and other receivables (Note 25 (a) and (d))	20	6	37	57
Investment in subsidiaries (Note 19)	–	–	–	8
Loss on disposal of subsidiaries	23	3	–	–
Unrealised foreign currency exchange loss	3	1	–	–
Zakat	8	3	–	–

7. FINANCE COSTS

	Group		Corporation	
	2023	2022	2023	2022
Interest expense on:				
Islamic Medium Term Notes ("IMTNs")	177	75	108	72
Term loans	239	256	–	–
Short term borrowings	51	44	13	19
Interest expense on lease liabilities (Note 29)	31	31	–	–
Bank overdraft	5	8	–	–
Federal government loan	6	6	1	1
Amount owing to subsidiaries	–	–	28	45
Others	57	31	63	23
	566	451	213	160
Capitalised into qualifying assets:				
Property, plant and equipment	1	1	–	–
Inventories	–	1	–	1
	1	2	–	1

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

8. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Group		Corporation	
	2023	2022	2023	2022
Auditors' remunerations				
Audit fees:				
KPMG PLT	2	3	–*	–*
Others	5	6	–	–
Non-audit fees:				
KPMG PLT	1	1	–	–
Others	6	6	–	–
Property, plant and equipment:				
Depreciation (Note 13)	362	355	4	16
Written-off	5	–	–	–
Impairment (Note 13)	(1)	–	–	–
Right-of-use assets:				
Depreciation (Note 13)	72	50	4	10
Written-off (Note 14)	7	–	–	–
Amortisation of land lease rental	–	97	17	14
Rental of offices and buildings	8	9	–	–
Employee benefits expense (Note 9)	1,868	1,292	32	51

* Audit fees for the Corporation is RM100,000 (2022: RM250,000)

9. EMPLOYEE BENEFITS EXPENSE (INCLUDING EXECUTIVE DIRECTORS REMUNERATION)

	Group		Corporation	
	2023	2022	2023	2022
Wages, salaries and bonus	1,399	1,144	28	46
Defined contribution retirement plan	153	134	4	5
Other employee benefits	316	14	–	–
	1,868	1,292	32	51

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

10. KEY MANAGEMENT PERSONNEL COMPENSATION

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

The key management personnel compensations are as follows:

	Group		Corporation	
	2023	2022	2023	2022
Executive Directors:				
Fees	143	147	143	147
Remuneration	4,376	3,659	4,376	3,659
Defined contribution retirement plan	822	600	822	600
Other benefits	1	–	1	–
	5,342	4,406	5,342	4,406
Non-executive Directors:				
Fees	1,623	1,618	1,623	1,618
Other key management personnel:				
Fees	9,588	1,734	–	–
Remuneration	25,985	23,187	13,736	11,442
Other employee benefits	173	529	26	20
Defined contribution retirement plan	3,002	2,418	1,873	1,344
	38,748	27,868	15,635	12,806
	45,713	33,892	22,600	18,830

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

11. TAXATION

	Group		Corporation	
	2023	2022	2023	2022
Current income tax for the financial year:				
Malaysia	253	306	–	–
Foreign	2	–	–	–
Over provision in prior financial years	(40)	(14)	–	(3)
	215	292	–	(3)
Deferred tax (Note 22)				
Relating to origination and reversal of temporary differences	5	(225)	42	(76)
Under/(Over) provision in prior years	25	(1)	17	(24)
	30	(226)	59	(100)
Income tax attributable to continuing operations	245	66	59	(103)
Income tax attributable to discontinued operations (Note 12)	(11)	–	–	–
Total tax	234	66	59	(103)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

11. TAXATION (CONTINUED)

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

	Group		Corporation	
	2023	2022	2023	2022
Profit before tax from continuing operations	605	843	402	598
Profit before tax from discontinued operations (Note 12)	7	31	–	–
	612	874	402	598
Tax at Malaysian statutory tax rate of 24%	147	210	96	144
Non-deductible expenses	150	253	49	142
Income not subject to tax	(52)	(381)	(103)	(335)
Unrecognised deferred tax assets	11	87	–	–
Tax recognised at different tax rates	(1)	43	–	–
Share of results of associates	(7)	(6)	–	–
Share of results of joint ventures	12	7	–	–
Reversal of deferred tax liabilities in relation to waiver of Real Property Gain Tax (RPGT)	–	(132)	–	(27)
Under/(Over) provision in prior financial years:				
Income tax	(40)	(14)	–	(3)
Deferred tax	14	(1)	17	(24)
Total tax	234	66	59	(103)

The Corporation and certain of its subsidiaries are exempt from taxes in respect of certain income, which expire over periods ranging from the year 2024 to 2025.

The Corporation applied for exemption from Real Property Gain Tax ("RPGT") and stamp duty for several land and buildings under the Group in conjunction with the internal re-organisation exercise to Ministry of Finance ("MoF"). MoF granted the exemption of RPGT and stamp duty to the said restructuring.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

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

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

	Group	
	2023	2022
Revenue	217	192
Cost of sales	(167)	(127)
Gross profit	50	65
Other income	28	22
Administrative expenses	(60)	(42)
Other expenses	(1)	(6)
Profit from operations	17	39
Finance costs	(10)	(8)
Profit before tax from discontinued operation (Note 11)	7	31
Income tax (Note 11)	11	–
Profit net of tax from discontinued operation	18	31

Kulim (Malaysia) Berhad (“KMB Group”)

(a) Planned disposal of E.A Technique (M) Berhad classified as held for sale

On 10 September 2020, the Board of Directors has approved the Group’s plan to dispose E.A Technique (M) Berhad (“EAT”), which is involved in provision of sea transportation and related services. The decision is in line with the Group’s business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. On 9 May 2021, the Board approved the appointment of the principal advisers for the disposal of EAT and the Group has commenced active discussion with potential buyers.

On 2 November 2022, the Board had accepted an offer from White Knight where the offer was deliberated and accepted in principle to support EAT debt restructuring exercise to uplift EAT from classification as PN17. At 31 December 2022, EAT was classified as discontinued operation and as a disposal group held for sale as its disposal is expected to be completed within a year from the reporting date. On 7 November 2023, the Group entered into subscription agreements with new white knight for the proposed regularisation plan to Bursa Securities Malaysia Berhad (“Bursa Securities”) and target approval by end of April 2024.

As February 2024, the proposed regularisation plan is pending Bursa Securities decision. As at 31 December 2023, EAT current liabilities exceeded its current assets by RM239,029,000 and RM255,263,000 respectively and as of the same date, EAT were continued to be classified as discontinued operation and as a disposal group held for sale as its disposal is expected to be completed in financial year 2024.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

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

Kulim (Malaysia) Berhad ("KMB Group") (continued)

(b) Planned disposal of Danamin Sdn. Bhd.

On 15 August 2021, the Board has approved the Group's plan to dispose Danamin Sdn Bhd ("DANAMIN"), which is involved in providing non-destructive testing services and performing electrical engineering works for oil gas, marine, chemical and construction industries. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. As at 31 December 2022, DANAMIN was classified as a disposal group held for sale as its disposal is expected to be completed within a year. The Group estimated the fair value less costs to sell of DANAMIN was based on the non-binding offer price from the prospective buyer. On 20 December 2023, the company received a letter from buyer requesting for a 6th extension of Conditional Period commencing from 1 January 2024 until 31 March 2024.

(c) Planned disposal of PT Wisesa Inspira Nusantara Group ("SUMSEL")

On 20 October 2021, the Board approved the Group's plan to dispose PT Wisesa Inspira Nusantara Group (collectively referred to as the "SUMSEL") which is involved in oil palm plantations. As at 31 December 2022, SUMSEL was classified as a disposal group held for sale and its disposal is expected to be completed within a year from the reporting date. The Group estimated the fair value less costs to sell of SUMSEL was based on the binding offer price from the prospective buyer. The sales has been completed during the financial year 2023.

(d) Planned disposal of MIT Insurance Brokers Sdn. Bhd.

On 15 August 2021, the Board has approved the Group's plan to dispose MIT Insurance Brokers Sdn. Bhd. ("MIT") which is involved in insurance broking and consultancy. The decision is in line with the Group's business exit strategy for identified companies under its Intrapreneur Ventures segment to maximise returns and mitigate risks. As at 31 December 2022, MIT was classified as a disposal group held for sale and expected to be completed within a year from the reporting date. The Group estimated the fair value less costs to sell of SUMSEL was based on the binding offer price from the prospective buyers. The sales has been completed during the financial year 2023.

KPJ Healthcare Berhad

(e) Planned disposal of Jeta Gardens (Qld) Pty Ltd

On 12 December 2023, Jeta Gardens (Qld) Pty Ltd and its wholly-owned subsidiary, Jeta Gardens Aged Care (Qld) Pty Ltd, entered into a conditional business sale and purchase agreement with DPG Service Pty Ltd to dispose its Aged Care Business (including its selected existing asset and liabilities) (collectively referred as "Aged Care's Operation"). The operation was not a discontinued operation nor classified as held for sale as at 31 December 2022, the comparative consolidated statement of comprehensive income for the financial year ended 2023 has been re-presented to show the discontinued operation separately from continuing operations.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Bearer assets	Buildings	Healthcare properties	*Other assets	Capital work in progress	Total
At cost or valuation							
At 1 January 2022	1,420	1,632	697	3,299	3,645	398	11,091
Additions	1	31	22	–	217	123	394
Disposals	–	–	(4)	–	(44)	–	(48)
Written-off	–	(13)	(3)	–	(22)	(7)	(45)
Reclassification	–	–	112	–	25	(137)	–
Transfer from/(to):							
investment properties (Note 16)	22	–	–	–	–	–	22
assets held for sale (Note 28)	–	(85)	99	(46)	(59)	–	(91)
Adjustments [^]	–	(204)	(58)	–	(81)	–	(343)
Disposal of subsidiaries	–	–	(1)	–	(30)	–	(31)
Revaluation surplus	–	–	–	31	–	–	31
At 31 December 2022/1 January 2023	1,443	1,361	864	3,284	3,651	377	10,980
Additions	6	48	19	(1)	287	103	462
Disposals	–	(1)	(24)	–	(53)	–	(78)
Written-off	–	–	(1)	–	(42)	(1)	(44)
Reclassification	–	–	123	–	63	(186)	–
Transfer to:							
assets held for sale (Note 28)	(33)	–	(45)	–	(9)	(1)	(88)
Adjustments [^]	–	–	(2)	–	(5)	–	(7)
Revaluation surplus	–	–	24	26	–	–	50
At 31 December 2023	1,416	1,408	958	3,309	3,892	292	11,275

[^] The adjustments are related to the transfer of assets arising from the restructuring of the Agribusiness Segment during the year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Bearer assets	Buildings	Healthcare properties	*Other assets	Capital work in progress	Total
Accumulated depreciation:							
At 1 January 2022	–	591	71	290	2,212	–	3,164
Charge for the financial year (Note 8)	–	64	46	30	215	–	355
Disposals	–	–	(2)	–	(20)	–	(22)
Written-off	–	(13)	(3)	–	(29)	–	(45)
Exchange difference	–	–	–	–	(2)	–	(2)
Transfer from/(to):							
assets held for sale (Note 28)	–	(16)	13	–	(37)	–	(40)
Acquisition of subsidiaries	–	–	3	–	14	–	17
Disposal of subsidiaries	–	–	–	–	(22)	–	(22)
Adjustments [^]	–	(204)	(66)	–	(101)	–	(371)
At 31 December 2022/1 January 2023	–	422	62	320	2,230	–	3,034
Charge for the financial year (Note 8)	–	50	48	34	230	–	362
Disposals	–	–	1	–	(68)	–	(67)
Written-off	–	–	–	–	(39)	–	(39)
Transfer to:							
assets held for sale (Note 28)	–	–	(13)	–	(5)	–	(18)
Adjustments [^]	–	–	(3)	–	(1)	–	(4)
At 31 December 2023	–	472	95	354	2,347	–	3,268
Accumulated impairment loss:							
At 1 January 2022	–	1	36	24	31	1	93
Disposals	–	–	–	(7)	–	–	(7)
Adjustments [^]	–	–	4	–	2	–	6
Impairment reversal/recoveries	–	–	(5)	–	(3)	(1)	(9)
At 31 December 2022/1 January 2023	–	1	35	17	30	–	83
Disposals	–	(1)	–	–	–	–	(1)
Adjustments [^]	–	–	–	–	2	1	3
Impairment loss/(reversal)	–	–	5	–	(3)	(1)	1
At 31 December 2023	–	–	40	17	29	–	86

[^] The adjustments are related to the transfer of assets arising from the restructuring of the Agribusiness Segment during the year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land	Bearer assets	Buildings	Healthcare properties	*Other assets	Capital work in progress	Total
Net carrying amount:							
At 31 December 2022	1,443	938	767	2,947	1,391	377	7,863
At 31 December 2023	1,416	936	823	2,938	1,516	292	7,921

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

Group	Plant and machinery	Office equipment	Furniture and fittings	Motor vehicles	Renovations	Total
At cost or valuation:						
At 1 January 2022	2,094	354	380	2	815	3,645
Additions	124	18	17	7	51	217
Disposals	(11)	(21)	(2)	(3)	(7)	(44)
Written-off	(17)	–	(4)	(1)	–	(22)
Reclassification	7	–	–	1	17	25
Adjustments [^]	(65)	–	3	(18)	–	(80)
Transfer to assets held for sale (Note 28)	(33)	–	(13)	–	(13)	(59)
Disposal at subsidiaries	(10)	(7)	(12)	(1)	–	(30)
Revaluation surplus	1	–	–	–	(1)	–
Exchange differences	(1)	–	–	–	–	(1)
At 31 December 2022/1 January 2023	2,089	344	369	(13)	862	3,651
Additions	176	28	40	5	38	287
Disposals	(21)	(13)	(16)	(3)	–	(53)
Written-off	(31)	(5)	(3)	(3)	–	(42)
Reclassification	64	(4)	(1)	–	4	63
Adjustments [^]	(6)	3	(2)	–	–	(5)
Transfer to assets held for sale (Note 28)	(6)	(1)	(1)	–	(1)	(9)
At 31 December 2023	2,265	352	386	(14)	903	3,892

[^] The adjustments are related to the transfer of assets arising from the restructuring of the Agribusiness Segment during the year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Plant and machinery	Office equipment	Furniture and fittings	Motor vehicles	Renovations	Total
Accumulated depreciation:						
At 1 January 2022	1,214	244	311	1	442	2,212
Charge for the financial year (Note 8)	116	27	25	5	42	215
Disposals	(1)	(12)	(2)	(3)	(2)	(20)
Written-off	(17)	(8)	(4)	–	–	(29)
Adjustments [^]	(65)	–	(4)	(18)	–	(87)
Exchange difference	(1)	(1)	–	–	–	(2)
Transfer from/(to):						
assets held for sale (Note 28)	(25)	–	(11)	–	(1)	(37)
Disposal of subsidiaries	(8)	(5)	(8)	(1)	–	(22)
At 31 December 2022/1 January 2023	1,213	245	307	(16)	481	2,230
Charge for the financial year (Note 8)	121	25	23	3	58	230
Disposals	(25)	(11)	(13)	(3)	(16)	(68)
Written-off	(27)	(4)	(5)	(3)	–	(39)
Adjustments [^]	–	1	(1)	–	(1)	(1)
Exchange difference						
Transfer to:						
assets held for sale (Note 28)	(3)	(1)	(1)	–	–	(5)
At 31 December 2023	1,279	255	310	(19)	522	2,347
Accumulated impairment loss:						
At 1 January 2022	30	–	1	–	–	31
Adjustments [^]	–	–	2	–	–	2
Impairment reversal/recoveries	(3)	–	–	–	–	(3)
At 31 December 2022/1 January 2023	27	–	3	–	–	30
Adjustments [^]	(1)	–	3	–	–	2
Impairment reversal/recoveries	1	–	(3)	–	(1)	(3)
At 31 December 2023	27	–	3	–	(1)	29
Net carrying amount:						
At 31 December 2022	849	99	59	3	381	1,391
At 31 December 2023	959	97	73	5	382	1,516

[^] The adjustments are related to the transfer of assets arising from the restructuring of the Agribusiness Segment during the year

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Corporation	Freehold land	Bearer assets	Buildings	*Other assets	Capital work in progress	Total
At cost or valuation:						
At 1 January 2022	–	92	83	64	5	244
Additions	–	126	2	3	–	131
Disposal	–	–	–	(1)	–	(1)
Transfer to asset held for sale	–	(218)	(9)	–	–	(227)
At 31 December 2022/1 January 2023	–	–	76	66	5	147
Additions	–	–	–	2	5	7
At 31 December 2023	–	–	76	68	10	154
Accumulated depreciation:						
At 1 January 2022	–	13	47	50	–	110
Charge for the financial year (Note 8)	–	12	1	3	–	16
Disposal	–	–	–	(1)	–	(1)
Transfer to asset held for sale	–	(25)	(6)	–	–	(31)
At 31 December 2022/1 January 2023	–	–	42	52	–	94
Charge for the financial year (Note 8)	–	–	1	3	–	4
At 31 December 2023	–	–	43	55	–	98
Accumulated impairment losses:						
At 31 December 2022/1 January 2023	–	–	1	1	–	2
At 1 January 2023/31 December 2023	–	–	1	1	–	2
Net carrying amount:						
At 31 December 2022	–	–	33	13	5	51
At 31 December 2023	–	–	32	12	10	54

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Corporation	Plant and machinery	Furniture and fittings	Motor vehicles	Total
At cost:				
At 1 January 2022	28	32	4	64
Additions	1	2	–	3
Disposal	–	(1)	–	(1)
At 31 December 2022/1 January 2023	29	33	4	66
Additions	–	2	–	2
At 31 December 2023	29	35	4	68
Accumulated depreciation:				
At 1 January 2022	19	30	1	50
Charge for the financial year (Note 8)	1	1	1	3
Disposal	–	(1)	–	(1)
At 31 December 2022/1 January 2023	20	30	2	52
Charge for the financial year (Note 8)	2	1	–	3
At 31 December 2023	22	31	2	55
Accumulated impairment losses:				
At 1 January 2022/31 December 2022	1	–	–	1
At 1 January 2023/31 December 2023	1	–	–	1
Net carrying amount:				
At 31 December 2022	8	3	2	13
At 31 December 2023	6	4	2	12

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the financial year, the Group and the Corporation acquired property, plant and equipment with an aggregate cost of RM462 million (2022: RM394 million) and RM7 million (2022: RM131 million), respectively. The acquisition is settled through the following means:

	Group		Corporation	
	2023	2022	2023	2022
Cash payment	461	393	7	3
Dividend in-specie	–	–	–	128
Capitalisation of borrowing cost	1	1	–	–
	462	394	7	131

As at 31 December 2023, property, plant and equipment of the Group with net book value of RM1,050 million (2022: RM1,242 million) are pledged as security for borrowings.

Revaluation of healthcare properties

Healthcare properties have been revalued on 31 December 2023 based on open market valuations carried out by an independent firm of professional valuers to reflect fair value. The book values of the healthcare properties were adjusted to reflect the revaluation and the resultant surpluses were credited to revaluation reserve.

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

	Group	
	2023	2022
Net book value:		
Healthcare properties	1,633	1,739

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

Group		
Description	Valuation technique	Significant unobservable inputs
Healthcare properties	Investment method	Term yield (5.50% - 9.25%) (2022: 5.50% - 9.25%) Reversionary yield (6.00% - 7.75%) (2022: 6.60% - 7.75%) Void rate (5.00% - 10.00%) (2022: 5.00% - 10.00%) Discount rate (5.50% - 9.25%) (2022: 5.50% - 9.25%)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Material accounting policy information

Recognition and measurement

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

All other items of property, plant and equipment are initially recorded at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land has an unlimited useful life, therefore, is not depreciated.

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

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land	15 - 904 years
Bearer assets	20 years from year of maturity
Buildings	4 - 50 years
Healthcare properties	50 - 999 years
Plant and machinery	3 - 25 years
Storage tanks, pipe racks and pipelines	25 years
Jetty and dredging	50 years
Office equipment	5 - 15 years
Furniture and fittings	2 - 20 years
Motor vehicles	3 - 5 years
Renovations	10 years

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

14. RIGHT-OF-USE ASSETS

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

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

Group	Land	Buildings	Plant and machinery	Motor vehicles	Total
At 1 January 2022	2,119	43	1	7	2,170
Additions	52	439	–	–	491
Depreciation	(33)	(16)	(1)	–	(50)
Transfer from/(to):					
investment property (Note 16)	(1)	–	–	–	(1)
assets held for sale (Note 28)	(115)	–	–	–	(115)
inventories	3	–	–	–	3
Acquisition of subsidiaries	–	4	–	–	4
Exchange differences	–	(4)	–	–	(4)
At 31 December 2022/1 January 2023	2,025	466	–	7	2,498
Additions	5	26	25	3	59
Depreciation	(29)	(41)	–	(2)	(72)
Disposal	–	(8)	–	–	(8)
Written-off	(2)	(5)	–	–	(7)
Disposal of subsidiaries	–	(4)	–	–	(4)
At 31 December 2023	1,999	434	25	8	2,466

Corporation	Land	Buildings	Total
At 1 January 2022	256	8	264
Adjustment	49	1	50
Depreciation	(5)	(5)	(10)
Transfer to:			
investment property (Note 16)	(1)	–	(1)
asset held for sale (Note 28)	(298)	–	(298)
At 31 December 2022/1 January 2023	1	4	5
Modification	–	7	7
Depreciation	–	(4)	(4)
At 31 December 2023	1	7	8

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

14. RIGHT-OF-USE ASSETS (CONTINUED)

During the prior financial year, there are transfer of leasehold land with net value of RM298 million subleased to subsidiaries to assets held for sale.

As at 31 December 2023, right-of-use assets of the Group with net value of RM1,355 million (2022: RM1,146 million) are pledged as security for borrowings (Note 30).

Approximately one fifth of the leases for property, plant and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions of right-of-use assets amounting to RM59 million (2022: RM491 million).

Significant judgements and assumptions in relation to leases entered into during the year

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension or a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. After the lease commencement date, the assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment that is within the control of the lessee. The carrying amounts of lease liabilities and the movement during the financial year is disclosed under Note 29.

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

Material accounting policy information

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices.

However, for lease of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

14. RIGHT-OF-USE ASSETS (CONTINUED)

(b) Recognition exemption

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

When the Group and the Corporation is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease clarification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

15. INVENTORIES

	Group		Corporation	
	2023	2022	2023	2022
Inventories included under non-current assets:				
Land held for property development	663	567	34	34
At 31 December	663	567	34	34
Inventories included under current assets:				
Property development projects	870	1,206	709	780
Shop and houses	149	191	5	5
Store and materials	44	77	–	–
Agricultural produce	16	15	–	–
Finished goods	47	47	–	–
At 31 December	1,126	1,536	714	785

	Group		Corporation	
	2023	2022	2023	2022
Carrying amount of inventories pledged as security for borrowings	137	178	–	–
Carrying amount of inventories charged to a bank for banking facilities of a subsidiary	29	31	1	1

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

15. INVENTORIES (CONTINUED)

The cost of inventories recognised as an expense during the financial year in the Group and the Corporation amounted to RM838 million (2022: RM815 million) and RM51 million (2022: RM56 million), respectively. Included in prior year inventories of the Group and the Corporation is borrowing costs capitalised at the end of the financial year of RM1 million and RM1 million respectively.

	Group		Corporation	
	2023	2022	2023	2022
The status of the land titles are as follows:				
Registered in the name of Corporation	253	253	244	244
Registered in the name of certain subsidiaries	81	79	–	–
In the process of being transferred to the name of the Corporation	200	305	200	261
In the process of being transferred to the name of the subsidiaries	258	246	–	–
In the progress of being issued	8	8	–	–

Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

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

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

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

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

(b) Property development projects (current)

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

15. INVENTORIES (CONTINUED)

(c) Other inventories (current)

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

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

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

16. INVESTMENT PROPERTIES

	At fair value			
	Group		Corporation	
	2023	2022	2023	2022
At 1 January	5,487	5,302	1,812	1,648
Additions	207	11	–	–
Disposals	(206)	(16)	–	(7)
Changes in fair value (Note 5)	25	163	40	103
Exchange differences	4	(1)	–	–
Transfer from/(to), net:				
property, plant and equipment (Note 13)	–	(22)	–	–
inventories	15	44	15	44
right-of-use asset (Note 14)	–	1	–	1
assets held for sale	(77)	(18)	–	–
Surplus on transfer from right-of-use asset	–	23	–	23
At 31 December	5,455	5,487	1,867	1,812

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

16. INVESTMENT PROPERTIES (CONTINUED)

	At fair value			
	Group		Corporation	
	2023	2022	2023	2022
Included in the above are:				
Land – Freehold	1,797	1,873	35	35
– Right-of-use	2,385	2,797	1,740	1,684
Buildings	1,273	817	92	93
	5,455	5,487	1,867	1,812

Reconciliation of fair value measurement to valuation report

	Group		Corporation	
	2023	2022	2023	2022
	Fair value of investment property based on valuation report	4,856	4,911	1,252
Add: carrying amount of land lease rentals received in advance	599	576	615	591
	5,455	5,487	1,867	1,812

The land lease rentals received in advance relate to lease income received from third party sub-lessees for the sub-leases of leasehold land for period 30 to 60 years for which the sub-lease arrangements were treated as operating leases at the inception of sub-lease arrangements in compliance with MFRS 16. The sub-leased leasehold interest of 30 to 60 years have not been considered in the valuation as at 31 December 2023 performed by independent firms of professional valuers on the basis that the Corporation is no longer the beneficial/legal owner of the sub-leased leasehold land following the registration under the name of the third party sub-leases.

	Group		Corporation	
	2023	2022	2023	2022
	Amortisation of land lease income received in advance	17	24	17
Rental income	5	153	17	35
	22	177	34	49
Direct operating expenses	22	46	–	–

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

16. INVESTMENT PROPERTIES (CONTINUED)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Group

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable input to fair value
Land	Comparison method	RM30 - RM900 per square foot (2022: RM1 - RM779 per square foot)	The higher the value per square foot, the higher the valuation
	Cost method	RM40 - RM53 per square foot (2022: RM40 - RM52 per square foot)	The estimated fair value would increase/ (decrease) if the unobservable inputs disclosed were higher/(lower)
Buildings	Investment method	Term and reversion yield (5% - 9.25%) (2022: 5% - 9.25%)	The estimated fair value would increase/ (decrease) if terms and reversion yield were higher/(lower)
	Residual method	Average rent price per square foot of RM3 - RM410 (2022: RM3 - RM410)	The estimated fair value would increase/ (decrease) if selling price per square foot were higher/(lower)
	Net income method	Capitalisation rate (6% - 7.8%) (2022: 6% - 7.8%)	The estimated fair value would increase/ (decrease) if the capitalisation decrease/ (increase)
	Comparison method	RM3 - RM11 per square foot (2022: RM3 - RM11 per square foot)	The higher the value per square foot, the higher the valuation
	Cost method	RM2 - RM522 per square foot (2022: RM2 - RM522 per square foot)	The estimated fair value would increase/ (decrease) if the unobservable inputs disclosed were higher/(lower)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

16. INVESTMENT PROPERTIES (CONTINUED)

The fair value hierarchy of these investment properties are disclosed in Note 38(e).

As at 31 December 2023, investment properties of the Group with carrying amount of RM2,269 million (2022: RM2,602 million) are pledged as security for borrowings (Note 30).

Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

Corporation

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable input to fair value
Land	Comparison method	RM8 - RM779 per square foot (2022: RM8 - RM779 per square foot)	The higher the value per square foot, the higher the valuation
	Cost method	RM40 - RM53 per square foot (2022: RM40 - RM52 per square foot)	The estimated fair value would increase/(decrease) if the unobservable inputs disclosed were higher/(lower)
Buildings	Comparison method	RM3 - RM11 per square foot (2022: RM3 - RM11 per square foot)	The higher the value per square foot, the higher the valuation
	Cost method	RM2 - RM522 per square foot (2022: RM2 - RM522 per square foot)	The estimated fair value would increase/(decrease) if the unobservable inputs disclosed were higher/(lower)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

17. BIOLOGICAL ASSETS

Group	Fresh fruit bunches	Livestock	Others	Total
At 1 January 2022	40	20	10	70
Additions	–	3	4	7
Changes in fair value (Note 6)	(17)	4	(2)	(15)
Disposals	–	(2)	(8)	(10)
At 31 December 2022/1 January 2023	23	25	4	52
Additions	–	2	1	3
Changes in fair value (Note 5)	2	(2)	7	7
At 31 December 2023	25	25	12	62

During the financial year, the KMB Group produced approximately 1,034,153 metric tonnes ("MT") (2022: 1,111,524 MT) of fresh fruit bunches ("FFB"), 2,150 MT (2022: 2,366 MT) pineapples and 938 heads (2022: 1,070 heads) of livestock.

As at 31 December 2023, the KMB Group unharvested FFB, pineapples and unsold livestock used in the fair value were 36,721 MT (2022: 33,254 MT), 2,279 MT (2022: 3,213 MT) and 8,176 heads (2022: 8,300 heads) respectively.

Management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, FFB more than 2 weeks before harvesting are excluded from the valuation as their fair values are considered negligible. The fair value of FFB is calculated based on the income approach which considers the net present value of all directly attributable net cashflows including imputed contributory asset charges and the range of FFB prices as at year end of RM764 to RM834 (2022: RM563 to RM711) per MT.

Growing pineapples represent the standing pineapples prior to harvest. The fair value of growing pineapples depends on the age, sucrose content and condition and is calculated based on expected selling prices as at year end of RM1.39/kg (2022: RM2.25/kg).

Fair values of the livestock are based on the KMB Group assessment of the age, average weights and market values of the livestock, which range from RM837 to RM5,500 (2022: RM900 to RM5,800) per livestock.

The fair value measurement of the KMB Group biological assets are categorised within Level 3 of the fair value hierarchy with the exception of livestock which are on Level 2 as the inputs used are indirectly observable. If the selling price of the FFB, pineapples and livestock changed by 5%, the profit or loss of the KMB Group would have increased or decreased by approximately RM1.48 million (2022: RM1.39 million), RM0.57 million (2022: RM0.22 million) and RM1.22 million (2022: RM1.27 million), respectively.

Material accounting policy information

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

18. INTANGIBLE ASSETS

Group	Goodwill	Software expenditure	Software expenditure under development	Others	Total
Cost:					
At 1 January 2022	287	74	2	1	364
Addition	10	–	–	–	10
Written-off	–	(4)	–	–	(4)
At 31 December 2022/1 January 2023	297	70	2	1	370
Addition	–	3	–	3	6
Adjustment	(66)	–	–	–	(66)
Reclassification	–	–	–	11	11
At 31 December 2023	231	73	2	15	321
Accumulated amortisation and impairment:					
At 1 January 2022	66	45	–	1	112
Amortisation (Note 6)	–	10	–	–	10
At 31 December 2022/1 January 2023	66	55	–	1	122
Amortisation (Note 6)	–	11	–	7	18
Impairment	14	–	–	–	14
Adjustment	(43)	–	–	–	(43)
At 31 December 2023	37	66	–	8	111
Net carrying amount:					
At 31 December 2022	231	15	2	–	248
At 31 December 2023	194	7	2	7	210

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

18. INTANGIBLE ASSETS (CONTINUED)

Impairment testing of intangible assets with indefinite useful lives

For the purpose of impairment testing, intangible assets with indefinite useful lives have been allocated to the following Cash-Generating Units ("CGU"):

	Group	
	2023	2022
Healthcare services	189	189
Others	5	42
	194	231

Goodwill – Healthcare services

Recoverable amount based on fair value less cost of disposal

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

The key assumptions used are as follow:

	2023	2022
	%	%
Malaysia		
Revenue ¹	11 - 17	10 - 18
Earnings before interest, tax, depreciation and amortisation ("EBITDA") margin ²	25.4 - 28.1	25.2 - 27.7
Discount rate ³	13	13
Terminal growth rate ⁴	3	3

Assumptions:

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

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

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

Others

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

19. INVESTMENT IN SUBSIDIARIES

	Corporation	
	2023	2022
Shares, at cost:		
Quoted shares in Malaysia	324	299
Unquoted shares in Malaysia	2,688	2,703
Unsecured preference shares*	1,802	1,802
Amount due from subsidiaries	429	368
At 31 December	5,243	5,172
Less: Accumulated impairment		
Accumulated impairment, at 1 January	(1,454)	(1,491)
Reversal of impairment (Note 5)	26	13
Charge for the financial year (Note 6)	–	(8)
Disposal of subsidiaries	36	32
Transfer from trade and other receivables	(13)	–
At 31 December	(1,405)	(1,454)
Investment in subsidiaries	3,838	3,718
Market value for quoted shares	2,254	1,561

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

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

Carrying amounts of shares pledged as security for borrowings of the Corporation and certain subsidiaries for the prior year is amounted to RM1,341 million (Note 30(d)(i) and (i)(iv)).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Summarised financial information of KPJ Healthcare Berhad, Al-'Aqar Healthcare REIT and Al-Salam REIT (a subsidiary of Damansara Assets Sdn. Bhd.) which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before elimination of intercompany balances and transactions. The non-controlling interests of the other subsidiaries are individually not material to the Group.

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

Group	KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Al-Salam REIT	
	2023	2022	2023	2022	2023	2022
NCI percentage of ownership interest	61.97%	61.88%	86.18%	85.67%	42.44%	42.44%
Carrying amount of NCI	1,567	1,457	924	832	275	271
Profit allocated to NCI	184	114	58	50	9	28

* The NCI percentage of voting interest for Al-'Aqar Healthcare REIT is 60% (2022: 61.4%)

(ii) Summarised Statements of Financial Position

	KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Al-Salam REIT	
	2023	2022	2023	2022	2023	2022
Non-current assets	5,577	5,523	1,643	1,721	1,241	1,225
Current assets	1,669	1,471	213	146	75	80
Total assets	7,246	6,994	1,856	1,867	1,316	1,305
Current liabilities	1,402	1,673	88	23	140	473
Non-current liabilities	3,316	2,967	696	873	529	192
Total liabilities	4,718	4,640	784	896	669	665
Net assets	2,528	2,354	1,072	971	647	640
Equity attributable to owners of the subsidiary	2,383	2,227	1,072	971	573	573
Non-controlling interests	145	127	–	–	74	67
Total equity	2,528	2,354	1,072	971	647	640

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(iii) Summarised Statements of Comprehensive Income

	KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Al-Salam REIT	
	2023	2022	2023	2022	2023	2022
Revenue	3,419	2,921	121	110	76	72
Profit for the financial year	270	183	61	60	22	65
Profit attributable to owners of the company	263	167	61	60	–	–
Profit attributable to the non-controlling interests	7	16	–	–	–	–
Other comprehensive income/(loss) attributable to owners of the company	27	2	6	(2)	22	65
Total comprehensive income	297	185	67	58	22	65
Total comprehensive income attributable to owners of the company						
Total comprehensive income attributable to the non-controlling interests	290	169	67	58	22	65
	7	16	–	–	–	–
	297	185	67	58	22	65
Dividend paid to non-controlling interests	90	87	–	–	–	–

(iv) Summarised Statements of Cash Flows

	KPJ Healthcare Berhad		Al-'Aqar Healthcare REIT		Al-Salam REIT	
	2023	2022	2023	2022	2023	2022
Net cash generated from operating activities	658	460	101	89	43	51
Net cash (used in)/generated from investing activities	(95)	32	1	(170)	(2)	–
Net cash (used in)/generated from financing activities	(435)	(281)	(117)	87	(49)	(43)
Net change in cash and cash equivalents	128	211	(15)	6	(8)	8

(v) Summarised Statements of Cash Flows

In the Corporation's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

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

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For The Financial Year Ended 31 December 2023

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Disposal of subsidiaries in 2023

Kulim (Malaysia) Berhad ("KMB")

- (i) During the financial year, Kulim (Malaysia) Berhad entered into Share Sale Agreements ("SSA") with third parties in relation to the disposals of PT Wisesa Inspirasi Nusantara, Kilau Nusantara Sdn. Bhd., and MIT Insurance Brokers Sdn. Bhd., for a purchase consideration of RM18.86 million and RM3.0 million respectively. The decision is in line with the Group's intention to streamline its business activities and assets base by focusing on the Group's strength and expertise in palm oil and its related businesses. The disposals were completed on 6 July 2023 and 31 December 2023 respectively.

The disposal had the following effects on the Kulim's assets and liabilities on the disposal date:

	MIT	SUMSEL	Total
Property plant and equipment	–	54	54
Right-of-use assets	–	39	39
Deferred tax assets	–	1	1
Receivables	3	(30)	(27)
Cash and cash equivalents	1	2	3
Deferred tax liabilities	–	(4)	(4)
Trade and other payables	(3)	(65)	(68)
Other reserve	(2)	41	39
Net assets disposal	(1)	38	37
Proceed from disposal	3	19	22
(Gain)/Loss on disposal to the Group	(4)	19	15
Equity transaction reserve	–	78	78
(Gain)/Loss on disposal other comprehensive income	(4)	97	93
Cash in flow arising on disposal:			
Cash consideration	3	19	22
Cash and cash equivalents disposed	–	(3)	(3)
Net cash inflow on disposal	3	16	19

KPJ Healthcare Berhad ("KPJ")

- (i) On 5 April 2023, the Corporation completed the disposal of its 20% interest in PT Khidmat Perawatan Jasa Medika ("PT KPJ Medika") for cash consideration totaling RM3.35 million.
- (ii) On 24 August 2023, the Corporation entered into a Share Sale Agreement ("SSA") with third party in relation to dispose its 105,000 unit of ordinary share in Teraju Fokus Sdn. Bhd. for a purchase consideration of RM1. The disposal did not have any significant effect on the financial position and results of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Disposal of subsidiaries in 2023 (continued)

KPJ Healthcare Berhad ("KPJ")

- (iii) On 5 April 2023, Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB"), through its wholly-owned subsidiaries, Crossborder Aim (M) Sdn. Bhd. ("CASB") and Crossborder Hall (M) Sdn. Bhd. ("CHSB"), completed the disposals of its entire 100% equity interest in PT Al-Aqar Permata Hijau ("PTAPH") and its 80% equity interest in PT Khidmat Perawatan Jasa Medika ("PH Group") for cash consideration totalling RM22.4 million and settlement of shareholder's loan amounting RM 18.8 million.

	PH Group
Sales proceeds	41
Less: Settlement of shareholders' loan	(19)
Proceeds, net of cash and cash equivalent disposed	22
Less: Carrying amount of equity interest disposed	(18)
(Loss)/Gain on disposals	4
Purchase consideration settled in cash	22
Less: Cash and cash disposed	(12)
Cash inflow of the Group on acquisition	10

- (iv) On 18 September 2023, KPJSB, through its wholly-owned subsidiaries, CASB and CHSB, completed the disposals of its entire 100% equity interest in PT Al-Aqar Bumi Serpong Damai ("PTABSD") and 75% equity interest in PT KPJ Medica ("BSD Group") to PT Nusautama Medicalindo for cash consideration totalling RM13.7 million and settlement of shareholder's loan amounting RM137.5 million.

	BSD Group
Sales proceeds	151
Less: Settlement of shareholders' loan	(137)
Proceeds, net of cash and cash equivalent disposed	14
Less: Carrying amount of equity interest disposed	27
Gain on disposals	41
Purchase consideration settled in cash	14
Less: Cash and cash disposed	(3)
Cash inflow/(outflow) of the Group on acquisition	11

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Increase of interest in subsidiaries

2023

KPJ Healthcare Berhad ("KPJ")

On 1 November 2023, Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB") acquired additional 50,000 new share in Pride Outlet Sdn. Bhd. ("POSB"), representing 25% equity interest in POSB, for a total consideration of RM1. With this acquisition, the Group now holds 100% shareholding in POSB.

JLand Group Sdn Bhd ("JLG")

On 12 May 2023, Damansara Holdings Berhad ("DBHD") completed a capital reduction and repayment of issued share capital pursuant to Section 116 of the Companies Act 2016 amounting to RM43.25 million which represents a cash repayment of RM0.80 per share to the non-controlling shareholders that are not controlled by the holding corporation ("capital reduction and repayment"). Consequently, the Group has increased its ownership in DBHD from 70% to 83.88%.

2022

Kulim (Malaysia) Berhad ("KMB")

In prior financial year, Kulim (Malaysia) Berhad increased its investment in Kulim Safety Training and Services Sdn. Bhd., Danamin (M) Sdn Bhd., Kumpulan Bertam Plantations Bhd and PT Wisesa Inspirasi Nusantara for a total consideration of RM2.17 million. The increase in investment did not have any significant effect on the financial position and results of the Group.

KPJ Healthcare Berhad ("KPJ")

On 29 March 2022, KPJ Healthcare Berhad ("KPJ") acquired additional 120,000 new shares in Ipoh Specialist Hospital Sdn Bhd ("ISH"), representing 1% equity interest in ISH, for a total consideration of RM5,400,000. With this acquisition, the Group now holds 100% shareholding of ISH.

On 17 November 2022, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") acquired additional 30,000 new shares in Total Meals Solutions Sdn Bhd ("TMS"), representing 30% equity interest in TMS, for a total consideration of RM412,000. With this acquisition, the Group now holds 100% shareholding of TMS.

On 23 December 2022, KPJSB acquired additional 16,750,000 new shares in Perlis Specialist Hospital Sdn Bhd ("PER"), representing 20% equity interest in PER, for a total consideration of RM16,750,000. With this acquisition, the Group now holds 80% shareholding of PER.

(c) Transfer of shares in 2022

Kulim (Malaysia) Berhad ("KMB")

On 17 August 2022, KMB subscribed up to 12,500,000 Irredeemable Non-Cumulative Convertible Preference Shares ("ICPS") of KARA Holdings Sdn Bhd ("KARA") for a cash consideration of RM1.00 per share totalling RM12,500,000. Subsequently, on 21 August 2022, KMB acquired 1,000,000 ordinary shares in KARA representing 100% of the issued and paid-up share capital of KARA for a total purchase consideration of RM100,000. Following the acquisition, KARA became a subsidiary of the Group under common control transaction when KARA was also a wholly owned subsidiary of the Company's ultimate holding corporation prior to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

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19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Significant judgement in relation to the control of subsidiaries

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

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

The Group is the major shareholder of KPJ with 38.03% equity interest. The second, third and fourth largest shareholders are Employee Provident Fund ("EPF"), Waqaf An-Nur Corporation Berhad and Retirement Fund (Incorporated), which own 12%, 7% and 5% of the equity shares of KPJ respectively. All other shareholders individually own less than 5% of the equity shares of KPJ. Historically, the other shareholders did not form a group to exercise their votes collectively.

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

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

As at 31 December 2023, the Corporation and its subsidiaries collectively hold 34.51% equity interest in Al-'Aqar.

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

The Directors assessed that the Group has control over Al-'Aqar. Therefore, in accordance with the requirements of MFRS10, Al-'Aqar is a subsidiary of the Corporation.

20. INVESTMENT IN ASSOCIATES

	Group		Corporation	
	2023	2022	2023	2022
Unquoted shares in Malaysia, at cost	156	104	4	4
Unquoted shares outside Malaysia	104	55	–	–
Share of post-acquisition retained profits and reserves less losses	53	83	–	–
	313	242	4	4

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For The Financial Year Ended 31 December 2023

20. INVESTMENT IN ASSOCIATES (CONTINUED)

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

	Country of incorporation	Principal activities	Percentage of ownership interest held by the Group*		Accounting model applied
			2023	2022	
Held by the Corporation:					
Panca Pesona Sdn Bhd	Malaysia	Industrial land and property developer	40.00%	40.00%	Equity method
Held through the subsidiaries:					
Bertam Properties Sdn Bhd	Malaysia	Property developer	20.00%	20.00%	Equity method
Revertex (Malaysia) Sdn Bhd	Malaysia	Processing of rubber and chemicals	30.07%	30.07%	Equity method
Kedah Medical Centre Sdn Bhd	Malaysia	Operating as a specialist hospital	45.65%	45.65%	Equity method
Vejthani Public Company Limited	Thailand	International specialist hospital	23.37%	23.37%	Equity method
DAC Properties Sdn Bhd	Malaysia	Development of building projects for own operation	30.00%	30.00%	Equity method

* Equals to the proportion of voting rights held

These associates have the same reporting period as the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

20. INVESTMENT IN ASSOCIATES (CONTINUED)

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

(i) Summarised Statements of Financial Position

	Vejthani Public Company Limited		Bertam Properties Sdn Bhd		Revertex (Malaysia) Sdn Bhd		DAC Properties Sdn Bhd	
	2023	2022	2023	2022	2023	2022	2023	2022
Non-current assets	429	376	214	209	54	63	97	94
Total current assets	255	168	124	129	284	240	527	457
Total assets	684	544	338	338	338	303	624	551
Non-current liabilities	126	118	86	91	55	71	52	88
Current liabilities	113	89	62	59	63	38	350	296
Total liabilities	239	207	148	150	118	109	402	384
Net assets	445	337	190	188	220	194	222	167

(ii) Summarised Statements of Comprehensive Income

	Vejthani Public Company Limited		Bertam Properties Sdn Bhd		Revertex (Malaysia) Sdn Bhd		DAC Properties Sdn Bhd	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	450	400	108	77	201	276	392	194
Profit/(loss) for the financial year from continuing operations	83	75	15	6	6	–	46	15
Dividend received from the associates during the financial year	–	2	3	3	–	–	–	–

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20. INVESTMENT IN ASSOCIATES (CONTINUED)

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

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

	Vejthani Public Company Limited		Bertam Properties Sdn Bhd		Revertex (Malaysia) Sdn Bhd		DAC Properties Sdn Bhd	
	2023	2022	2023	2022	2023	2022	2023	2022
Net assets as at 1 January	337	267	188	195	215	222	167	152
Profit for the financial year	83	75	15	6	6	–	–	15
Changes in equity	25	5	–	–	–	(7)	7	–
Dividend paid during the financial year	–	(10)	(13)	(13)	–	–	–	–
Net assets as at 31 December	445	337	190	188	221	215	220	167
Interest in associates	23.37%	23.37%	20.00%	20.00%	30.07%	30.07%	30.00%	30.00%
Group share of net assets	104	79	38	38	66	59	66	53

21. INVESTMENT IN JOINT VENTURES

	Group	
	2023	2022
At cost		
Unquoted shares in Malaysia	1,473	1,478
Unquoted shares outside Malaysia	310	310
Share of post-acquisition reserves	113	219
Accumulated impairment	(262)	(265)
	1,634	1,742

The Group has voting rights of its joint ventures ranging from 51% to 68.59% (2022: 51.00% to 65.62%). Under the contractual arrangements, unanimous consent is required from all parties to the agreements for all relevant activities.

The joint arrangements are structured via separate entities and provide the Group with the rights to the net assets of the entities under the arrangements. Therefore these entities are classified as joint ventures of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

21. INVESTMENT IN JOINT VENTURES (CONTINUED)

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

Name	Country of incorporation	Percentage of ownership interest*		Principal activities	Accounting model applied
		2023	2022		
QSR Brands (M) Holdings Bhd	Malaysia	56.00%	56.00%	Note (i)	Equity method
Tepak Marketing Sdn. Bhd.	Malaysia	68.59%	65.62%	Note (ii)	Equity method
Johor Concrete Products Sdn. Bhd.	Malaysia	51.00%	51.00%	Note (iii)	Equity method
PT Padang Industrial Park	Indonesia	55.00%	55.00%	Note (iv)	Equity method
PT Rizki Bukit Barisan Energi	Indonesia	–	60.00%	Note (v)	Equity method

* Equals to the proportion of voting rights held

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

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

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21 INVESTMENT IN JOINT VENTURES (CONTINUED)

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

(i) **Summarised Statements of Financial Position**

	QSR Brands (M) Holdings Bhd		PT Rizki Bukit Barisan Energi	
	2023	2022	2023	2022
Non-current assets	5,961	6,005	–	195
Cash and cash equivalents	310	538	–	–
Other current assets	666	667	–	20
Total current assets	976	1,205	–	20
Total assets	6,937	7,210	–	215
Current liabilities (excluding trade and other payables and provisions)	1,025	766	–	–
Trade and other payables and provisions	908	912	–	–
Total current liabilities	1,933	1,678	–	–
Non-current liabilities (excluding trade and other payables and provisions)	2,202	2,602	–	279
Trade and other payables and provisions	61	–	–	–
Total non-current liabilities	2,263	2,602	–	279
Total liabilities	4,196	4,280	–	279
Net assets/(liabilities)	2,741	2,930	–	(64)

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21. INVESTMENT IN JOINT VENTURES (CONTINUED)

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

(ii) Summarised Statements of Comprehensive Income

	QSR Brands (M) Holdings Bhd		PT Rizki Bukit Barisan Energi	
	2023	2022	2023	2022
Revenue	4,870	4,813	–	–
Depreciation and amortisation	(503)	(498)	–	–
Interest expense	(120)	(115)	–	–
Profit before tax	(66)	50	–	15
Income tax expense	(29)	(72)	–	–
(Loss)/profit after tax	(95)	(22)	–	15
Other comprehensive income	8	10	–	–
Total comprehensive (loss)/income	(87)	(12)	–	15

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

	QSR Brands (M) Holdings Bhd		PT Rizki Bukit Barisan Energi	
	2023	2022	2023	2022
Net assets at 1 January	2,930	2,982	(53)	(66)
(Loss)/profit for the financial year	(95)	(22)	–	15
Foreign currency translation	–	–	–	(2)
Other comprehensive income	8	10	–	–
Disposal	–	–	53	–
Dividend declared by joint venture	(102)	(40)	–	–
Net assets/(liabilities) at 31 December	2,741	2,930	–	(53)
Interest in joint ventures	56.00%	56.00%	–	60.00%
Group's share of net assets/(liabilities)	1,535	1,640	–	(32)

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22. DEFERRED TAX

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

Deferred tax assets and liabilities are attributable to the following:

	Group		Corporation	
	2023	2022	2023	2022
Deferred tax assets:				
Subject to income tax	184	282	124	206
	184	282	124	206
Deferred tax liabilities:				
Subject to income tax	(657)	(731)	(113)	(136)
Subject to Real Property Gain Tax ('RPGT')	(46)	(40)	(2)	(2)
	(703)	(771)	(115)	(138)

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

	Group		Corporation	
	2023	2022	2023	2022
At 1 January	(489)	(715)	68	(30)
Credited/(Charged) to profit or loss:				
Property, plant and equipment	(7)	93	2	33
Investment properties	21	64	21	31
Payables	17	11	–	–
Provisions	10	(21)	–	(2)
Receivables	(5)	12	–	–
Others	(19)	(4)	(40)	40
Leases	5	64	–	–
Unutilised tax losses	(52)	7	(42)	(2)
(Charged)/credited to other comprehensive income:				
Property, plant and equipment	–	–	–	(2)
At 31 December	(519)	(489)	9	68

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

22. DEFERRED TAX (CONTINUED)

	Group		Corporation	
	2023	2022	2023	2022
Deferred tax assets				
Property, plant and equipment	25	16	–	–
Right of use	22	16	–	–
Provisions	28	18	2	2
Investment property	–	5	–	–
Unutilised tax losses	158	213	122	164
Receivables	1	6	–	–
Payables	31	23	–	–
Others	19	38	–	40
Amount before offsetting	284	335	124	206
Offsetting	(100)	(53)	–	–
At 31 December	184	282	124	206
Deferred tax liabilities				
Property, plant and equipment	(321)	(302)	14	12
Leases	(287)	(286)	–	–
Investment properties	(181)	(207)	(127)	(148)
Revaluation reserves	(47)	(50)	(2)	(2)
Others	33	21	–	–
Amount before offsetting	(803)	(824)	(115)	(138)
Offsetting	100	53	–	–
At 31 December	(703)	(771)	(115)	(138)

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

In evaluating whether it is probable that taxable profits will be earned in future accounting periods prior to the expiry of the unutilised tax losses up to 2033, all available evidences are considered, including approved budgets, forecasts and business plans and, in certain cases, analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets. No reasonably possible change in any of the key assumptions would result in a reduction in forecast headroom of taxable profits such that the deferred tax asset would not be realised.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

22. DEFERRED TAX (CONTINUED)

Unrecognised deferred tax assets

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

	Group		Corporation	
	2023	2022	2023	2022
Deductible temporary differences	258	322	–	–
Unabsorbed capital allowance	119	180	–	–
Unutilised reinvestment allowance	110	111	–	–
Unutilised tax losses	1,243	1,051	–	–
	1,730	1,664	–	–
Deferred tax assets at 24%	414	398	–	–
Deferred tax assets at different rate	1	1	–	–

Pursuant to the Finance Act 2021 amendment to Section 44, unutilised tax losses can now be carried forward up to 10 (2022: 10) consecutive years of assessment.

	Group		Corporation	
	2023	2022	2023	2022
Unutilised tax losses expiring in:				
– 2025	215	215	–	–
– 2028	668	557	–	–
– 2029	89	90	–	–
– 2030	37	37	–	–
– 2031	18	19	–	–
– 2032	134	133	–	–
– 2033	82	–	–	–
	1,243	1,051	–	–
Deferred tax assets at 24%	297	251	–	–
Deferred tax assets at different rate	1	1	–	–

Global Minimum Tax

As at 31 December 2023, the Government of Malaysia has enacted the Global Minimum Tax legislation, which will be effective in year 2025. The Group also operates in Australia and Singapore, whose governments have announced the intention to implement Global Minimum Tax in years 2024 and 2025 respectively. Hence, there is no current tax impact for the year ended 31 December 2023. The Group is currently working with tax consultants to assess the impact of the Global Minimum Tax regime on the Group.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

22. DEFERRED TAX (CONTINUED)

Temporary mandatory relief from deferred tax accounting

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Deferred taxation on investment properties

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

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

Group	Unquoted
2023	
Non-current:	
Financial assets at fair value through other comprehensive income	11
2022	
Non-current:	
Financial assets at fair value through other comprehensive income	12

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

Group	Shares in Malaysia		
	Unquoted	Quoted	Total
2023			
Non-Current:			
Financial assets at fair value through profit or loss	1	–	1
Current:			
Financial assets at fair value through other comprehensive income	–	29	29
2022			
Non-Current:			
Financial assets at fair value through profit or loss	1	–	1
Current:			
Financial assets at fair value through other comprehensive income	–	4	4

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

Corporation	Shares in Malaysia	Warrant in Malaysia	Total
	Quoted	Quoted	
2023			
Current:			
Financial assets at fair value through profit or loss	12	–	12
2022			
Current:			
Financial assets at fair value through profit or loss	10	–	10

24. CONTRACT COSTS

	Group	
	2023	2022
Assets recognised from costs incurred to fulfil a contract	10	4

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

25. TRADE AND OTHER RECEIVABLES

	Group		Corporation	
	2023	2022	2023	2022
Non-current				
Other receivables*	79	74	–	–
Less: Allowance for impairment (Note 25(a)(i))	(57)	(57)	–	–
	22	17	–	–
Current				
Trade receivables	17	17	17	17
Less: Allowance for impairment (Note 25(a)(ii))	(20)	(32)	(10)	(3)
	760	783	60	56
Other receivables	553	411	370	309
Less: Allowance for impairment (Note 25(a)(iii))	(19)	(24)	(6)	(6)
	534	387	364	303
Amount due from subsidiaries (Note 25(c))	–	–	1,042	508
Less: Allowance for impairment (Note 25(d))	–	–	(226)	(216)
	–	–	816	292
Amount due from associates	64	18	–	–
Deposits	44	43	–	–
	108	61	–	–
	1,402	1,231	1,240	651
Total trade and other receivables	1,424	1,248	1,240	651

* Included in non-current other receivables is an amount due from PT Graha Sumber Berkah amounting to RM57 million (2022: RM57 million) and has been fully impaired since the previous years.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance

(i) Non-current other receivables using simplified approach

The loss allowance for other receivables as at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	Group		Corporation	
	2023	2022	2023	2022
At 1 January	57	59	–	–
Reversal of unutilised amount	–	(2)	–	–
At 31 December	57	57	–	–

(ii) Current trade receivables using simplified approach

The loss allowance for trade receivables as at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	Group		Corporation	
	2023	2022	2023	2022
At 1 January	32	65	3	11
Changes recognised in profit or loss during the year	15	5	7	1
Receivables written off	(27)	(37)	–	(8)
Reversal of unutilised amount	–	(3)	–	(3)
Reclassification	–	–	–	2
Transfer to asset held for sale	–	2	–	–
At 31 December	20	32	10	3

NOTES TO THE FINANCIAL STATEMENTS

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

(iii) Other receivables using general 3 stage approach

The loss allowance for other receivables as at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

Group	Performing	Under-performing	Non-performing	Total
At 1 January 2022	–	–	30	30
Changes recognised in profit or loss during the year	–	–	(6)	(6)
At 31 December 2022 / At 1 January 2023	–	–	24	24
Reversal of unutilised amount	–	–	(5)	(5)
At 31 December 2023	–	–	19	19

Corporation	Performing	Under-performing	Non-performing	Total
Opening loss allowance as at 1 January 2022	–	–	7	7
Changes recognised in profit or loss during the year	–	–	(1)	(1)
Closing loss allowance as at 31 December 2022/Opening loss allowance as at 1 January 2023	–	–	6	6
Closing loss allowance as at 31 December 2023	–	–	6	6

NOTES TO THE FINANCIAL STATEMENTS

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Maximum exposure to credit risk

Trade receivables using simplified approach

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

Group 31 December 2023	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	0%	0%	3%	7%	
Gross carrying amount – trade receivables	228	232	116	144	720
Loss allowance	–	–	(7)	(13)	(20)
Carrying amount (net of loss allowance)	228	232	109	131	700

Group 31 December 2022	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	1%	6%	4%	9%	
Gross carrying amount – trade receivables	126	67	533	89	815
Loss allowance	(1)	(4)	(19)	(8)	(32)
Carrying amount (net of loss allowance)	125	63	514	81	783

Corporation 31 December 2023	Current	31 to 60 days past due	61 to 90 days past due	More than 91 days past due	Total
Expected loss rate	0%	0%	0%	13%	
Gross carrying amount – trade receivables	47	1	–	22	70
Loss allowance	–	–	–	(10)	(10)
Carrying amount (net of loss allowance)	47	1	–	12	60

Corporation 31 December 2022	Current	31 to 60 days past due	More than 91 days past due	Total
Expected loss rate	0%	0%	27%	
Gross carrying amount – trade receivables	47	1	11	59
Loss allowance	–	–	(3)	(3)
Carrying amount (net of loss allowance)	47	1	8	56

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Offsetting of amount due from subsidiaries

	Corporation	
	2023	2022
Amount before offsetting	1,136	831
Offsetting (amount due to subsidiaries)	(94)	(323)
Amount after offsetting	1,042	508

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

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

Corporation	Trade	
	2023	2022
Opening loss allowance as at 1 January	216	217
Changes recognised in profit or loss during the year	30	56
Reversal of unutilised amount	(7)	(57)
Transfer to investment in subsidiaries	(13)	–
Closing loss allowance as at 31 December	226	216

NOTES TO THE FINANCIAL STATEMENTS

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26. CONTRACT ASSETS AND LIABILITIES

	Group		Corporation	
	2023	2022	2023	2022
Contract assets – Current				
Construction contracts	70	30	32	–
Property development projects	218	140	–	–
Others	13	11	–	–
Total contract assets	301	181	32	–
Contract liabilities - Current				
Construction contracts	94	135	75	124
Customer deposits	34	42	–	–
Others	59	7	–	–
Total contract liabilities	187	184	75	124

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

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

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

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

(i) Contract assets

	Group		Corporation	
	2023	2022	2023	2022
At 1 January	181	128	–	–
Additions from/(Transfers to) contract assets recognised at the beginning of the financial period to receivables	(1)	34	32	–
Increase in revenue recognised in previous period arising from change in measure of progress	39	39	–	–
Billed to customers in current year	82	(20)	–	(6)
At 31 December	301	181	32	–

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26. CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(i) Contract assets (continued)

Maximum exposure to credit risk

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

	Group		Corporation	
	2023	2022	2023	2022
Current:				
Carrying amount – contract assets (net of loss allowance)	301	181	32	–

(ii) Contract liabilities

	Group		Corporation	
	2023	2022	2023	2022
At 1 January	184	124	124	66
Revenue recognised that was included in the contract liabilities balance at the beginning of financial period	(154)	(168)	(124)	(66)
Addition during the year	55	60	75	124
Cash received	102	168	–	–
At 31 December	187	184	75	124

NOTES TO THE FINANCIAL STATEMENTS

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27. CASH AND BANK BALANCES

	Group		Corporation	
	2023	2022	2023	2022
Cash at banks and in hand	1,229	892	79	58
Fixed deposits	936	345	558	120
Cash and bank balances	2,165	1,237	637	178
Less:				
Fixed deposits with licensed bank of more than 3 months	(661)	(18)	(558)	–
Bank overdrafts	(75)	(78)	–	–
Designated accounts	(236)	(109)	–	–
Cash and cash equivalents	1,193	1,032	79	178

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

	Group		Corporation	
	2023	2022	2023	2022
Pledged with licensed banks for bank guarantee facilities provided to subsidiaries/third parties	1	1	–	–
Restricted usage - others	–	9	–	–
	1	10	–	–

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

	Group		Corporation	
	2023	2022	2023	2022
Malaysian Ringgit	2,116	1,206	637	178
Australian Dollar	47	30	–	–
Bangladesh Taka	2	1	–	–
	2,165	1,237	637	178

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For The Financial Year Ended 31 December 2023

27. CASH AND BANK BALANCES (CONTINUED)

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

	Group		Corporation	
	2023	2022	2023	2022
Fixed deposits	3.83%	3.29%	3.99%	4.12%

Deposits of the Group and of the Corporation have an average maturity of 175 days (2022: 139 days) and 184 days (2022: 34 days) respectively.

Included in the cash and bank balances of the Group is an amount of RM50 million (2022: RM21 million) of which the utilisation is subject to the Housing Developers Regulations 2002 (Housing Development Account).

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

	Group		Corporation	
	2023	2022	2023	2022
Assets of disposal group classified as held for sale:				
Property, plant and equipment (Note 28 (a) (i) and (ii), (b) (i), (ii), (iii) and (iv) and (c) (i) and (ii))	453	592	196	196
Inventory (Note 28 (b) (i), (ii) and (iii))	–	3	31	55
Investment properties (Note 28 (a) (i), (b)(v) and (d)(i))	251	214	315	349
Other long-term investments (Note 28)	2	–	–	–
Right-of-use assets (Note 28 (b) (i), (ii), (iii) and (iv))	83	107	381	381
Trade and other receivables (Note 28 (b) (i), (ii), (iii), (iv) and (c) (i) and (ii))	38	58	–	–
Intangible assets (Note 28 (b) (iv))	–	2	–	–
Cash and bank balances (Note 28 (b) (i), (ii), (iii), (iv) and (c) (i) and (ii))	47	83	–	–
	874	1,059	923	981
Liabilities directly associated with disposal group classified as held for sale:				
Loans and borrowings (Note 28 (b) (i))	(135)	(183)	–	–
Trade and other payables (Note 28 (b) (i), (ii), (iii) and (iv))	(148)	(191)	–	–
Deferred tax liabilities (Note 28)	10	–	–	–
Lease liabilities	(3)	(4)	–	–
	(276)	(378)	–	–

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

Below are the significant assets of disposal group classified as held for sale:

(a) Group and Corporation

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

(b) Kulim (Malaysia) Berhad ("KMB")

- (i) Update on planned disposal of E.A. Technique (M) Berhad and Danamin Sdn. Bhd. is disclosed in Note 12.
- (ii) On 26 February 2023, the Board of the company approved a plan to dispose Sungai Kim Kim and Pulada land. The decision is in line with the Group's business exit strategy to maximise returns and mitigate risks. As at 31 December 2023 the lands were classified as assets held for sales as its disposal. The Company estimated the fair value less costs to sell of the land were based on the binding offer price from the prospective buyer.
- (iii) On 19 October 2023, the Group received an offer from potential buyer to purchase investments in Damansara Holdings Berhad, Al-Salam Real Estate Investment Trust and Johor Land Berhad. On 21 December 2023, the Board of company approved the disposal of the investments to potential buyer. As at 31 December 2023 the investment were classified as asset held for sales. The Company estimated the fair value less cost to sell of the investment were based on the binding offer price from the potential buyer.
- (iv) On 24 July 2022, the Board approved the Company's plan to dispose a piece land ("EPASA Land") that was used to earn rental income and for capital appreciation. The decision is in line with the Group's Strategic Planning for 2022 to 2026 to monetise non core assets of the Company. As 31 December 2022, EPASA land was classified as a disposal of assets held for sale as its disposal is expected to be completed within a year. The Company estimated the fair value less costs to sell of the land was based on the binding offer price from the prospective buyer. The sales were completed in the financial year 2023.
- (v) On 1 December 2022, the Company disposed its plantation assets and liabilities to its wholly-owned subsidiary, Johor Plantation Berhad (Formerly known as Mahamurni Plantation Sdn. Bhd.) as part of its efforts and strategy to optimal group structure and embark on a group-wide strategic realignment of business structure. The disposal of the plantation business were accounted under common control transaction which the combining business are ultimately controlled by the Company both before and after the combination when the control is not transitory.

As the disposal of plantation assets and liabilities represents a separate major line of business and it is part of a single co-ordinated plan to be disposed, its results are excluded from the results of continuing operations and are presented as a single amount as loss after tax from discontinued operations in the statement of comprehensive income (including the comparative period). The disposal was completed in the financial year 2022.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

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

Below are the significant assets of disposal group classified as held for sale (continued):

(b) Kulim (Malaysia) Berhad ("KMB") (continued)

- (vi) On 1 February 2022, the Company disposed its pineapple farming assets and liabilities to its wholly-owned subsidiary, Kulim Pineapple Farm Sdn. Bhd. as part of its efforts and strategy to optimal group structure and embark on a group-wide strategic realignment of business structure.

As the disposal of pineapple farming assets and liabilities represent a separate major line of business as is part of a single co-ordinated plan to be disposed, its results are excluded from the results of continuing operations and are presented as a single amount as loss after tax from discontinued operations in the statement of comprehensive income (including the comparative period). The disposal was completed in the financial year 2022.

(c) KPJ Healthcare Berhad ("KPJ")

- (i) Jeta Gardens (Qld) Pty Ltd and its wholly-owned subsidiary, Jeta Gardens Aged Care (Qld) Pty Ltd (collectively known as "Jeta Gardens") has entered into a conditional business sale and purchase agreement with DPG Services Pty Ltd to dispose its Aged Care Business (including its selected existing assets and liabilities)(collectively referred as "Aged Care's operation") on 12 December 2023. Jeta Gardens completed the disposal of Aged Care's Operation on 31 January 2024, following the fulfilment of conditions precedent and the obligations on completion.
- (ii) In April 2022, the Group has decided to divest of its 100% interest in PT Al-Aqar Bumi Serpong Damai, 100% interest in PT Al-Aqar Permata Hijau, 80% interest in PT Khidmat Perawatan Jasa Medika and 75% interest in PT Khasanah Putera Jakarta Medica (collectively referred as "divestment of Indonesia's Operation") by 2023 as part of its strategic plan to place greater focus on the Group's core Malaysia segment. The divestments of PT Al-Aqar Permata Hijau and PT Khidmat Perawatan Jasa Medika were completed on 5 April 2023. The divestments of PT Al-Aqar Bumi Serpong Damai and PT Khasanah Putera Jakarta Medicarta Medica were completed on 18 September 2023.
- (iii) In 2021, the Directors approved a proposal to dispose a land belonged to Jeta Gardens (Qld) Pty Ltd. The disposal was completed on 23 June 2023.

(d) JLand Group Sdn. Bhd. ("JLGSB")

- (i) On 22 April 2021, DAC Land Sdn. Bhd. ("DACL") had entered into a conditional sales and purchase agreement with DMR Land Sdn. Bhd. ("DMR") to dispose two parcels of freehold land located within Mukim of Tebrau, District of Johor Bahru, Johor measuring approximately 11.76 acres for a consideration of RM38.4 million. This conditional sales and purchase agreement has not been completed as at last year end. The consideration was revised to RM36.9 million during the year.
- (ii) On 8 August 2022, DACL entered into a sales and purchase agreement with AHF Petromart Sdn. Bhd. for the disposal of a parcel of petrol land located within Mukim of Tebrau, District of Johor Bahru, Johor for a total consideration of RM5.2 million. This transaction was completed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

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

Below are the significant assets of disposal group classified as held for sale (continued):

(e) Al-Aqar Healthcare REIT

- (i) On 12 December 2023, the subsidiary of the Company, Al-Aqar Australia Pty Ltd, entered into a Land Sale Contract ("LSC") with Principal Healthcare Finance Pty Ltd, for a proposed disposal of the lands and buildings of Jeta Gardens Aged Care Facility, for a cash consideration of AUD20.7 million (equivalent to approximately RM64.7 million). The completion of the LSC is conditional upon registration of the title and easement dealings at the Titles Office under the land reconfiguration exercise.
- (ii) On 15 November 2023, the Group as represented by the Trustee, entered into a sale and purchase agreement ("SPA") with Sihat Damai Sdn. Bhd. ("Sihat Damai"), for a proposed disposal of Damai Wellness Centre, for a cash consideration of RM13.0 million. The Purchaser had paid a deposit of RM 260,000 being 2% of the disposal consideration upon signing of the SPA. The completion of the SPA is conditional upon approval of the board of directors of the Manager, the Group and Sihat Damai being obtained, and all such other consents and approvals of the appropriate authorities.

(f) Johor Foods Sdn. Bhd.

- (i) The Group and the Company have entered into a development agreement on 31 July 2018 with Johor State Government to surrender its investment properties of RM115 million (2022: RM115 million) for development project in exchange for two pieces of neighbouring land.
- (ii) At 31 December 2023, the investment properties classified as held for sale with a carrying amount of RM91.6 million (2022: RM91.6 million) are charged to bank as security for borrowings of a related company who is a party of the development agreement.

29. LEASE LIABILITIES

	Group		Corporation	
	2023	2022	2023	2022
Amount due for settlement within 12 months	48	62	3	4
Amount due for settlement after 12 months	476	488	4	–
	524	550	7	4

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

29. LEASE LIABILITIES (CONTINUED)

	Group		Corporation	
	2023	2022	2023	2022
Maturity analysis				
Not more than 1 year	48	62	3	4
Later than 1 year and not later than 5 years	172	160	4	–
Later than 5 years	304	328	–	–
	524	550	7	4

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

	Group		Corporation	
	2023	2022	2023	2022
At 1 January	550	106	4	9
Addition	1	455	7	1
Accretion of interest	31	31	–	–
Acquisition of subsidiaries	–	4	–	–
Disposal of subsidiaries	(8)	(5)	–	–
Payments	(53)	(39)	(4)	(5)
Exchange differences	3	(2)	–	–
Derecognition	–	–	–	(1)
At 31 December	524	550	7	4

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS

	Group		Corporation	
	2023	2022	2023	2022
Non-current				
Secured:				
Term loans	2,460	3,121	–	–
Islamic Debt Securities	417	412	–	–
Islamic Medium Term Notes ("IMTNs")	522	187	–	–
Federal Government loans	92	95	–	–
Unsecured:				
Islamic Medium Term Notes ("IMTNs")	4,261	2,410	3,056	1,560
Federal Government loans	9	10	9	10
	7,761	6,235	3,065	1,570
Current				
Secured:				
Bank overdrafts	63	62	–	–
Revolving credits	106	709	–	402
Term loans	766	848	–	–
Bridging loans	–	98	–	–
Islamic Debt Securities	11	1	–	–
Government loans	2	1	–	–
Unsecured:				
Bank overdrafts	19	16	–	–
Revolving credits	558	392	–	–
Islamic Medium Term Notes ("IMTNs")	–	450	–	–
Government loans	2	14	2	1
	1,527	2,591	2	403
Total loans and borrowings	9,288	8,826	3,067	1,973

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

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

Group	Year of maturity	Carrying amount	Under 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
At 31 December 2023	2024-2023	9,288	1,527	651	3,302	3,808
At 31 December 2022	2023-2041	8,826	2,591	922	3,275	2,038

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

Corporation	Year of maturity	Carrying amount	Under 1 year	Between 1-2 years	Between 2-5 years	Over 5 years
At 31 December 2023	2024-2038	3,067	2	1	1,220	1,844
At 31 December 2022	2023-2032	1,973	403	3	1,332	235

	Group		Corporation	
	2023	2022	2023	2022
Weighted average effective interest rates of borrowings at the reporting date:				
Bank overdrafts	7.28	5.66	–	–
Revolving credits	4.41	4.56	–	4.55
Term loans	5.16	3.50	–	–
Government loans	2.19	2.03	4.00	4.00
Bridging loans	–	6.30	–	–
Islamic Debt Securities	6.30	6.47	–	–
Islamic Medium Term Notes ("IMTNs")	4.88	4.73	4.69	4.80

Estimated fair values

Except as disclosed below, the carrying amounts of all borrowings at the reporting date approximate their fair values:

	Group		Corporation	
	Carrying amount	Fair value	Carrying amount	Fair value
As at 31 December 2023				
Term loans	3,226	3,202	–	–
Islamic Medium Term Notes ("IMTNs")	4,783	3,682	3,056	2,300
As at 31 December 2022				
Term loans	3,962	3,942	–	–
Islamic Medium Term Notes ("IMTNs")	3,047	2,552	1,560	1,244

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Reconciliation of financial liabilities arising from financing activities

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

	Group		Corporation	
	2023	2022	2023	2022
Loans and borrowings				
At 1 January	8,826	8,816	1,973	2,168
Net cash changes (i)	(27)	(526)	884	(354)
Interest accretion (Note 7)	532	420	213	160
Other changes (ii)	(43)	116	(5)	(1)
At 31 December	9,288	8,826	3,065	1,973

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

(ii) Other changes include payments of transaction cost.

Significant covenants and security

As at 31 December 2023, the Group and the Corporation have complied with all external financial covenants as disclosed below.

Corporation

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

On 13 June 2022, the Corporation issued a new Islamic Medium Term Notes ("IMTNs") Programme of up to RM3.5 billion, under the Syariah principle of Wakalah Bil Istithmar with Maybank Investment Bank ("Facility Agent") and Affin Hwang Investment Bank Berhad, AmlInvestment Bank Berhad and, Maybank Investment Bank ("Joint Lead Managers"). The IMTNs were issued in 3 series as follows:

Series	Principal amount	Tenure (Years)	Profit rate (% per annum)	Maturity date
Series 1	1,215	5	4.72	11 June 2027
Series 2	110	7	4.95	13 June 2029
Series 3	235	10	5.13	11 June 2032
	1,560			

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Corporation (continued)

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

Subsequent to the issuance, the IMTNs may only be offered, sold, transferred or otherwise disposed of directly or indirectly, to persons to whom an offer or invitation to subscribe for or purchase the IMTNs and to whom the IMTNs are issued would fall within Part 1 of Schedule 6 (or Section 229(1)(b) of the CMSA and Schedule 8 (or Section 257(1)) of the CMSA, read together with Schedule 9 (or section 257(3)) of the CMSA, subject to any change in the applicable laws.

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

(b) Islamic Medium Term Notes 2 ("IMTNs 2")

On 6 July 2023, the Corporation issued a new Islamic Medium Term Notes ("IMTNs 2") Programme of up to RM3.5 billion, under the Syariah principle of Wakalah Bil Istithmar with Maybank Investment Bank ("Facility Agent") and Affin Hwang Investment Bank Berhad, Maybank Investment Bank, AmInvestment Bank Berhad, CIMB Investment Bank Berhad and RHB Investment Bank Berhad ("Joint Lead Managers").

The IMTNs 2 were issued in 3 series as follows:

Series	Principal amount	Tenure (Years)	Profit rate (% per annum)	Maturity date
Series 1	600	7	4.45	5 July 2030
Series 2	450	10	4.54	6 July 2033
Series 3	450	15	4.8	6 July 2038
	1,500			

The State Government of Johor ("SGJ") has agreed to give the state Guarantee in favour of Sukuk Trustee for the benefits of the Sukuk holders to guarantee the proper and punctual payment of the Guaranteed amount.

In consideration of the SGJ to act as Guarantor, the corporation shall pay a Guarantee Fee of 0.10% per annum for the first 5 years and 0.20% per annum for the 6th year onwards based on the outstanding IMTNs 2.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Corporation (continued)

(c) State Government loans

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

- (i) Period of repayment is revised to 15 years, starting from 2015 with semi-annual repayments on 1 June and 1 December;
- (ii) Interest rate of 4% per annum;
- (iii) Late payment interest of 2% per annum will be imposed if the payment is not accordance to the schedule; and
- (iv) Exemption on previous interest accrued of RM17 million will be only approved if the repayment is in accordance to the schedule there is any failure to comply with the payment schedule, the interest accrued shall be paid in a lump sum on 31 December 2030.

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

(d) Short Term Revolving Credit ("STRC-i")

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

The facility is secured against the following:

- (i) Memorandum of charge over shares in KPJ owned by the Group that are free from encumbrances and acceptable to the Bank with market value of not less than RM140.0 million;
- (ii) Memorandum of charge over shares in Al-Salam Real Estate Investment Trust owned by the Group that are free from encumbrances and acceptable to the Bank with market value of not less than RM150.0 million;
- (iii) First legal charge over land owned by the Corporation or the Group that are free from encumbrances and acceptable to the Bank with open market value of not less than RM80.0 million;
- (iv) Second legal charge over the following lands with open market value of not less than RM247.0 million;
 - (a) PTD 190254, HS(D) 575708, Mukim Tebrau, Johor Bahru;
 - (b) PTD 190255, HS(D) 575709, Mukim Tebrau, Johor Bahru;
 - (c) PTD 180681, HS(D) 539994, Mukim Tebrau, Johor Bahru;
 - (d) PTD 171207, HS(D) 520154, Mukim Tebrau, Johor Bahru; and
 - (e) PTD 78587, HS(D) 431250, Mukim Tebrau, Johor Bahru

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Corporation (continued)

(d) Short Term Revolving Credit ("STRC-i") (continued)

The facility is secured against the following:

- (v) Subsequent memorandum of charge over 425,560,000 units of shares in KPJ;
- (vi) Third party second legal charge over a leasehold agricultural land i.e. Bukit Kelompok Estate under title no. HSD 32182, Lot no. PTD 401, Mukim Kambau, Daerah Kota Tinggi, Johor;
- (vii) Assignment over dividend income from KPJ's shares to be pledged as memorandum of first charge in favour to the Bank (as per item (i) above);
- (viii) Assignment over 50% of the proceeds from sale of any industrial land in PIP;
- (ix) Assignment over 30% of net proceeds received by the Corporation from the Monetisation Exercise undertaken by Group; and
- (x) Assignment and charge over Designated Account opened and maintained with the Bank.

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

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

The facility has been fully paid during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries

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

Islamic financing facilities

The borrowings and was secured by the following:

- (a) Charges over certain property, plant and equipment and right-of-use assets of the KMB.
- (b) Charges over certain fixed deposits of the KMB.
- (c) Specific debentures over certain assets and equipment to be financed by the Bank in relation to the Sedenak Biomethane Generation Plant ("SBGP") project, Kulim Greenenergy Sdn. Bhd. ("KGSB") Tereh Bio-compressed Natural Gas ("BioCNG") project, KGSB Sindora BioCNG project, MPSB SEDPOM PFOE project from time to time.

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

- (a) Plantation segment:
 - (i) Shall maintain a Financing Payment Coverage Ratio ("FPCR") including cash balances of not less than 1.20 times throughout the tenure of the facilities;
 - (ii) Shall ensure the gearing ratio, shall not throughout the tenure of the facility at any time exceed 1.00 time; and
 - (iii) Shall ensure that the Minimum Security Cover of at least 1.30 times is to be maintained throughout the tenure of the facility.

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

On 13 February 2013, TLP was granted a soft loan from the Government of Malaysia amounting to RM111 million for the construction of Berth 8 and Berth 9. The soft loan bore interest at 2% (2020: 2%) per annum and has a tenure of 20 years.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

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

Bridging Loan

On 21 November 2013, JCSSB entered into a Margin Trading Facility Agreement, with a bank for a margin trading facility of up to a maximum aggregate sum of RM26 million.

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

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

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

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

The facility has been fully paid during the current financial year.

Revolving credit

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

The facility is secured against the following:

- (i) Third party legal charge over KPJ shares and/or any other quoted listed shares in Bursa Saham Malaysia acceptable to the Bank held by the Corporation and/or any of its group of companies;
- (ii) Letter of Awareness from the Corporation;
- (iii) Assignment of all dividends received from Pledged Shares;
- (iv) Assignment and charge over monies captured in the Designated Account; and
- (v) Not less than 2 times cover of up to 10% of the total listed/paid up capital of KPJ's shares, land and/or properties and/or any other tangible assets acceptable to the Bank.

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

The facility has been fully paid during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(d) KPJ Healthcare Berhad ("KPJ")

The borrowings are secured by:

- (i) Certain property, plant and equipment and investment property with carrying value of RM553 million as at 31 December 2023 (2022: RM564 million)
- (ii) A Letter of Undertaking cum Awareness;
- (iii) Negative pledge;
- (iv) An assignment of the proceeds to be received from the disposal of the building and lease/rentals;
- (v) Fixed and floating charge over certain present and future assets;
- (vi) Corporate Guarantee;
- (vii) Assignment of all Rights & Benefits or its equivalent over the relevant Takaful cover;
- (viii) A charge on the specific Finance Service Reserve Account ("FSRA"), Debt Service Reserve Account ("DSRA"), Finance Reserve Account ("FRA") and all monies standing to the credit of certain subsidiaries; and
- (ix) Specific debenture charge over assets.

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

- (i) Gearing ratio being not more than 1.5 times (Islamic Medium Term Notes);
- (ii) A subsidiary's dividends declared or paid being not more than fifty percent (50%) of profit after tax;
- (iii) A subsidiary's debt service coverage ratio to be more than 1.25 times;
- (iv) A subsidiary's gearing ratio to not exceed 3.5 times; and
- (v) A subsidiary's gearing ratio to not more than 2.5 times.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

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

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

The Commodity Murabahah - I is payable over a period of 60 months from the date of first disbursement with bullet repayment of the principal sum on the 60th month.

The Commodity Murabahah - I bears an effective profit rate of 1.25% per annum above the bank's COF and is secured against investment properties with carrying amount of RM110 million (2022: RM113 million).

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

The Commodity Murabahah - II is payable over a period of 60 months from the date of first disbursement with bullet repayment of the principal sum on the 60th month.

The Commodity Murabahah - II bears an effective profit rate of 1.25% per annum above the bank's COF and is secured against investment properties with carrying amount of RM74 million (2022: RM74 million).

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

The Commodity Murabahah-i III is payable over a period of 60 and 84 months for Tranche 1 and Tranche 2 respectively from the date of first disbursement with bullet repayment of the principal sum on the 60th and 84th month respectively.

The Commodity Murabahah-i III bears an effective profit rate of 1.15% and 1.25% per annum for Tranche 1 and Tranche 2 respectively above the bank's COF and is secured against investment properties with carrying amount of RM1,115 million (2022: RM1,103 million).

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

Revolving Credit ("RC-i") and Term Financing-I ("TF-i")

The RC-i and TF-i are payable over a period of 60 months from the date of first disbursement with bullet repayment of the principal sum on the 60th month.

The RC-i bears a profit rate of 1.20% per annum above the bank's COF.

The TF-i bears a profit rate of 1.20% per annum above the bank's COF when Total Financing over Total Assets is greater than or equal to 40% and profit rate of 1.00% per annum above the bank's COF when Total Financing over Total Assets is less than 40%.

The RC-i and TF-i were secured against the investment properties which amounting to RM273 million (2022: RM273 million).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(f) Damansara Assets Sdn Bhd (“DASB”)

Sukuk Ijarah - Islamic Medium Term Notes (“IMTN”)

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

The Sukuk Ijarah Programme has a significant covenant in which a subsidiary of DASB shall at all times, maintain the following financial covenants):

- (i) Finance Service Cover Ratio (“FSCR”) at Issuer level of not less than 1.5 times;
- (ii) FSCR at a subsidiary level of not less than 1.5 times; and
- (iii) Minimum Security Cover Ratio of at least 2.0; and
- (iv) such other financial covenant(s) as may be determined by the Rating Agency and to be mutually agreed to by ACSB.

The Sukuk Ijarah Programme is secured against the investment properties which amounting to RM946 million (2022: RM939 million).

Term loans

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

Term Financing-i (“TF-I”)

The TF-i profit is payable over a period of 60 months from the date of first disbursement. The effective profit rate for the TF-i will be based on COF which is based on the Bank’s COF + 1.45% per annum for the duration of the TF-i.

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

- (i) The financing payment cover ratio (“FPCR”) of not less than 1.25 times;
- (ii) Total debts and financing over total assets value of not more than 50%; and
- (iii) Minimum security cover of 1.25 times.

The TF-i is secured by the investment properties amounting to RM169 million (2022: RM165 million).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(f) Damansara Assets Sdn. Bhd. ("DASB") (continued)

Business Financing-i ("BF-i")

The BF-i profit is payable over a period of 72 months from the date of first disbursement. The effective profit rate for the BF-i will be based on COF which is based on the Bank's COF + 0.60% per annum for the duration of the BF-i.

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

- (i) The financing payment cover ratio ("FPCR") of not less than 1.25 times;
- (ii) Total debts and financing over total assets value of not more than 50%, and;
- (iii) Minimum security cover of 1.30 times.

The BF-i is secured by the investment properties amounting to RM106 million (2022: RM103 million)

Revolving Credit ("RC")

The RC is secured by the investment properties amounting to RM72 million (2022: RM72 million)

(g) JCorp Capital Excellence Sdn. Bhd. ("JCE")

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

The Company has been granted with a RM150 million Commodity Murabahah Term Financing-i ("CMTF-i") from a licensed bank of which full drawdown had been made. Profit is to be served on a quarterly basis based on Cost of Fund ("COF")+2.75% per annum. The effective profit rate for the year is 5.19% (2022: 5.19%) per annum. The CMTF-i is repayable via 9 semi-annually payments based on the repayment schedule commencing at the end of the 12th months from the date of first drawdown. The CMTF-i is secured by vacant lands owned by the Corporation.

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

The facility has been fully paid during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

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

(a) Government loans

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

(b) Banking facilities

The banking facilities are secured by way of:

- (i) Legal charge over certain investment properties under development;
- (ii) Legal charge over 4 parcels of land of the Corporation and subsidiary;
- (iii) Debenture incorporating fixed and floating charge over the existing and future assets;
- (iv) Legal charge and assignment over the sale proceeds of the Housing Development Account ("HDA");
- (v) Charge over the surplus money in certain HDA accounts, Designated Accounts, project control accounts, Finance Service Reserve Accounts ("FSRA") and deposits with licensed bank;
- (vi) Negative pledge; and
- (vii) Undertaking from the company to fund any cost overrun of a subsidiary's development project.

(i) Johor Franchise Development Sdn. Bhd. ("JFDSB")

JFDSB group entered into a financing agreement on 18 November 2019 with a licensed bank for Islamic term of financing of up to RM150 million. The term of the term financing facility is to allow on financing/on-lending to the Corporation for specific purposes. The financing related expenses on this term loan is borne by the Corporation.

The facility is secured by:

- (i) Master facilities agreement for Commodity Murabahah;
- (ii) An assignment over a third party project land;
- (iii) A charge over agriculture land comprising oil palm plantation;
- (iv) A related company's shares;
- (v) Third party assignment of sale proceeds from MFP project by the corporation;

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(i) Johor Franchise Development Sdn. Bhd. ("JFDSB") (continued)

The facility is secured by (continued):

- (vi) Letter of Awareness from the Corporation;
- (vii) A Corporate Guarantee;
- (viii) Charge and Assignment over Designated Accounts by a subsidiary;
- (ix) Negative pledge over the present and future assets of JFDSB and PTSB; and
- (x) Charge over several pieces of land belonging to a related company.

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

The facility has been fully paid during the current financial year.

(j) JLand Group Sdn. Bhd. ("JLG")

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

The facility is secured against the following:

- (i) Third party first legal charge over lease in favour of the Lender over the land and building known as The Puteri Pacific Johor Bahru Hotel held under Geran 468501, Lot No 22413, Township of Johor Bahru, District of Johor Bahru ("Hotel");
- (ii) Third party(ies) legal charge over 35 million units ordinary shares of Al-Salam REIT ("ALSREIT") including but not limited, in all cases, to bonus shares, right shares and other new shares or rights entitlements ("Pledged Securities");
- (iii) Corporate guarantee of Damansara Assets Sdn. Bhd. ("DASB") and JLG;
- (iv) Letter of Equity Commitment/Undertaking from the Corporation to inject equity/shareholders' advances into JLG and/or KTI for an amount not less than all outstanding amount under the TL ("Proposed Injection"), 3 months prior to the maturity of the Term Loan facility with format acceptable to the financier;
- (v) Letter of Undertaking from JLG to:
 - (a) cover any shortfall of funds by KTI;
 - (b) to channel the proceeds from the Proposed Injection to the proceeds account
- (vi) Assignment over all proceeds from dividends and/or distributions made by DBhd;

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(j) JLand Group Sdn. Bhd. ("JLG") (continued)

The facility is secured against the following (continued):

- (vii) Legal charge over the designated accounts of JLG and/or KTI including but not limited to:
 - (a) Dividend Accounts to capture dividends/distribution made by DBhd;
 - (b) Debt Service Reserve Account ("DSRA") with at least 3 months interest based on TL outstanding ("Minimum Balance");
 - (c) Collection Account - to capture proceeds from assignment (other than dividend made by Bhd and mandatory prepayment event); and
 - (d) Proceeds Account to capture proceeds from equity injection and all proceeds from drawdown of the TL facility.
- (viii) Debenture over all the present and future assets of KTI; and
- (ix) Legal charge over all issued securities and shares of KTI and DBhd.

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

The facility has been fully paid during the current financial year.

(k) TLP Terminal Sdn. Bhd. ("TLPT")

On 30 November 2022, TLPT entered into an arrangement of Syndicated Islamic Financing Facility ("SIFF") of up to RM465 million comprising of Term Financing-i facility of up to RM250 million and Business Financing-i facility of up to RM215 million.

The purpose of SIFF is to part-finance the acquisition of Tanjung Langsat Port from the Corporation, costs of construction and upgrading the pipe rack and pipelines of the Port and acquisition cost stipulated under the sub-lease agreement for the sale and purchase agreement for the warehouse located at the Port from related company.

The tenure of SIFF is up to 15 years from the date of reimbursement. The SIFF is subject to profit rates of 1.65% to 1.95% per annum above the effective 3-months Islamic Cost of Funds.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

30. LOANS AND BORROWINGS (CONTINUED)

Significant covenants and security (continued)

Subsidiaries (continued)

(l) TLP Terminal Sdn. Bhd. ("TLPT") (continued)

The SIFF shall be secured against, including but not limited to the following terms:

- (i) Charge Annexure (Port Assets) (First Party) and Form 16A;
- (ii) Specific debenture over Pipe Rack and Pipeline built;
- (iii) Specific denture over Warehouse Acquired;
- (iv) Deed of Assignment over Assigned Land; Ijarah Agreement; and Sale and Purchase Agreement ("SPA");
- (v) Charge Annexure (Master Lease) (Third Party) and Form 16A;
- (vi) Charge Annexure (Sub-Lease) (First Party) and Form 16A;
- (vii) First Party Deed of Assignment of Proceeds from Port Assets; Pipe Rack and Pipeline Built; and Warehouse;
- (viii) Third Party Deed of Assignment of Proceeds from Warehouse;
- (ix) Assignment and Charge over Designated Accounts;
- (x) Deed of Assignment over Takaful/Insurance;
- (xi) Letter of Awareness from JCorp;
- (xii) Deed of Subordination to subordinate the amount owing by TLPT to the Corporation; and
- (xiii) Debenture; and a ll such other security which may include all other security as advised by the Financier's legal counsel.

31. TRADE AND OTHER PAYABLES

	Group		Corporation	
	2023	2022	2023	2022
Current				
Trade payables (Note (a))	733	701	203	204
Trade accruals (Note (a))	543	477	137	114
Other payables (Note (b))	620	697	293	331
Amount due to associates (Note (c))	8	2	7	1
Amount due to non-controlling interest of subsidiaries (Note (c))	2	2	–	–
Amount due to subsidiaries (Note (d))	–	–	402	624
Dividend payable	–	17	–	–
Arbitration settlement (Note (e))	–	18	–	–
	1,906	1,914	1,042	1,274
Non-current				
Trade payables	4	–	–	–
Other payables (Note (b))	144	98	–	–
	148	98	–	–
Total	2,054	2,012	1,042	1,274

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

31. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables and trade accruals

These amounts are non-interest bearing. Trade payables and trade accruals are normally settled on 24 days (2022: 25 days) terms. Included in trade payables and trade accruals are amount due of RM200 million (principle) repayable in a lump sum in 2024, that is unsecured, with interest charged at an effective interest rate of 12% (2022: 12%) per annum.

(b) Other payables

These amounts are non-interest bearing and are normally settled on an average term of 16 days (2022: average term of 16 days).

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

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

(d) Amount owing to subsidiaries

This amount is unsecured, non-interest bearing and repayable on demand except for a subsidiary bearing interest between 5.55% to 8.18% (2022: 5.55% to 8.18%) per annum.

	Corporation	
	2023	2022
Amount before offsetting	496	947
Offsetting (amount due from subsidiaries)	(94)	(323)
Amount after offsetting	402	624

Reconciliation of financial liabilities arising from financing activities

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

	Corporation	
	2023	2022
At 1 January	624	1,181
Net cash changes	(467)	(510)
Interest accretion	28	45
Other changes	217	(92)
At 31 December	402	624

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

31. TRADE AND OTHER PAYABLES (CONTINUED)

(e) Arbitration settlement

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

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

- (i) An initial payment of USD3.5 million made during the year upon execution of agreement;
- (ii) A second payment of USD3.5 million within 14 days from the date TLP secures the letter of undertaking from its holding corporation to perform TLP's payment obligations under the agreement in the event the TLP fails to do so, a condition precedent in the settlement agreement;
- (iii) A third payment of USD3 million one year after the date TLP secures the letter of undertaking from its holding corporation to perform TLP payment obligations under the agreement in the event TLP fails to do so, a condition precedent in the settlement agreement; and
- (iv) The balance of USD20 million shall be paid by five annual instalments with the first instalment due within a year from the date of fulfilment of the condition precedent stated above. The first instalment amounts to USD3 million and the second to fifth instalments amount to USD4.25 million each. The letter of undertaking by the holding corporation was secured on 3 February 2017.

The balance of the settlement sum of USD20 million, after deducting the third payment, has been discounted to its fair value upon recognition using the prevailing market interest rate for borrowings of 8%. The difference between the fair value and the balance of settlement sum is recognised as interest over the remaining settlement period. The balance has been fully settled during the year.

The amount outstandings are as follows:

	Group	
	2023	2022
At 1 January	18	30
Profit on unrealised foreign exchange	–	3
Settlement of arbitration	(19)	(17)
Interest on arbitration settlement	1	2
At 31 December	–	18

	Group	
	2023	2022
Maturity analysis:		
Not more than 1 year	–	18

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

32. OTHER LONG TERM LIABILITIES

	Group		Corporation	
	2023	2022	2023	2022
Government grant (Note (a))	307	309	132	129
Land lease rental received in advance (Note (b))	738	735	626	643
Other long-term payables (Note (c))	15	131	–	–
Deposits (Note (d))	6	4	–	–
Others	6	4	–	–
	1,072	1,183	758	772

(a) Government Grant

	Group		Corporation	
	2023	2022	2023	2022
At cost:				
At 1 January	402	387	310	298
Grant received during the financial year	33	18	9	18
Refund/Repayment	–	–	(2)	(1)
Reclassification	(3)	(3)	–	(5)
At 31 December	432	402	317	310
Accumulated amortisation:				
At 1 January	93	82	181	38
Amortisation (Note 5)	32	11	4	143
At 31 December	125	93	185	181
Balance as at 31 December	307	309	132	129

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

32. OTHER LONG TERM LIABILITIES (CONTINUED)

(b) Land lease rental received in advance

	Group		Corporation	
	2023	2022	2023	2022
At cost:				
At 1 January	934	799	731	597
Additions	23	135	–	134
At 31 December	957	934	731	731
Accumulated amortisation:				
At 1 January	199	194	88	74
Recognition of income for the financial year	20	23	17	14
Reclassification	–	(18)	–	–
At 31 December	219	199	105	88
Carrying amount as at 31 December	738	735	626	643

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

	Group		Corporation	
	2023	2022	2023	2022
Under 1 year	21	19	17	17
1 to 2 years	21	19	17	17
2 to 3 years	21	19	17	17
Over 3 years	675	678	575	592
At 31 December	738	735	626	643

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

32. OTHER LONG TERM LIABILITIES (CONTINUED)

(c) Other long term payables

Other long-term payables are in respect of the balances of purchase consideration for the acquisition of freehold land and property from the State Government of Johor and the State Secretary of Johor (Incorporation) ("SSI"). These amounts are unsecured, non-interest bearing and are repayable as follows:

	Group		Corporation	
	2023	2022	2023	2022
Under 1 year	1	1	–	–
1 to 2 years	1	1	–	–
2 to 3 years	1	1	–	–
Over 3 years	12	128	–	–
At 31 December	15	131	–	–

(d) Deposits

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

Deposits previously measured at cost, are now measured at fair value initially and subsequently at amortised costs using effective interest method. The differences between the fair value and cash value are recognised as deferred consultancy income and recognised as income over the remaining service period to retirement (at age 65) of the medical consultants.

33. RESERVES

(a) Capital reserves

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

(b) Asset revaluation reserve

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

(c) Currency fluctuation reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

33. RESERVES (CONTINUED)

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

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

(e) Revenue reserve

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

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group or the Corporation if the Group or the Corporation has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Corporation and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Johor Corporation was incorporated under the Johor Corporation Enactment, 1986 (as amended by the Johor Corporation Enactment, 1995), and controlled by the Johor State Government. The Group considers that, for the purpose of MFRS 124 - "Related Party Disclosures", the Johor State Government is in the position to exercise control over the Corporation. As a result, the Johor State Government and Johor State Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Corporation.

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

- a. Quit rent and assessment fees paid to Municipal and Land Department of Johor;
- b. Business license and rental paid to state government-related entities; and
- c. Land conversion premium paid to government-related entities.

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Group		Corporation	
	2023	2022	2023	2022
Paid/Payable to subsidiaries and related parties:				
Management fees	–	–	8	8
Rental expenses	–	–	–	2
Interest expenses	–	–	28	45
Purchase of goods	18	34	–	–
Contribution to Klinik Waqaf An-nur	4	2	–	–
Receipt/Receivable from subsidiaries and related parties:				
Sale of services	4	2	–	–
Sale of land	–	–	179	–
Dividend	–	–	280	436
Management fee income	–	–	2	2
Rental income	–	–	13	13
Concession fee	–	–	–	18

35. CAPITAL COMMITMENTS

	Group		Corporation	
	2023	2022	2023	2022
Authorised but not provided for in the financial statements:				
Contracted for	298	83	1	83
	298	83	1	83
Analysed as follows:				
Property, plant and equipment	298	82	1	82
Others	–	1	–	1
	298	83	1	83

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

36. CONTINGENCIES

Other than disclosure in Note 41, there is no other contingency during the current financial year.

37. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments of the Group and the Corporation are categorised into the following classes:

	Group		Corporation	
	2023	2022	2023	2022
Financial assets measured at amortised cost:				
Trade and other receivables (Note 25)	1,424	1,248	1,240	651
Cash and bank balances (Note 27)	2,165	1,237	637	178
	3,589	2,485	1,877	829
Financial assets at fair value through profit or loss (Note 23(b))	30	5	12	10
	30	5	12	10
Financial assets at fair value through other comprehensive income (Note 23(a))	11	11	–	–
	11	11	–	–
Financial liabilities measured at amortised cost:				
Trade and other payables (Note 31)	2,054	2,012	1,042	1,274
Other long-term payables (Note 32(c))	15	131	–	–
Loans and borrowings (Note 30)	9,288	8,826	3,067	1,973
	11,357	10,969	4,109	3,247

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Corporation are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. The Board Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process.

It is and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's and the Corporation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The following sections provide details regarding the Group's and the Corporation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks (continued):

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its contractual obligations. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL"), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures primarily from outstanding trade and other receivables.

The Group and the Corporation adopt the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including payments in advance, security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Corporation minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to invest cash assets safely and profitability and buys insurance to protect itself against insurable risk in this regard, counterparties are assessed for credit limits that are set to minimise any potential losses. The Group has no significant concentration of credit risk and it is not the Group's policy to hedge its credit risk. The Group has in place, for significant operating subsidiaries, policies to ensure that sales of products and services are made to customers with an appropriate credit history and sets limits on the amount of credit exposure to any one customer. For significant subsidiaries, there were no instances of credit limits being materially exceeded during the reporting periods and management does not expect any material losses from non-performance by counterparties.

Exposure to credit risk

At the reporting date, the Group's and the Corporation's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial guarantees given by the Corporation have not been recognised in the financial statements as the fair value on initial recognition was not material. The Group monitors on an ongoing basis the results of the subsidiaries and the repayment made by the subsidiaries.

Credit risk concentration profile

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

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

Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Impairment of financial assets (continued)

(i) Trade receivables and contract assets using simplified approach

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

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

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

Notes 25 and 26 sets out the measurement details of ECL.

(ii) Other receivables using general 3-stage approach

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

Note 25 sets out the measurement details of ECL.

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

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

Note 25 sets out the measurement details of ECL.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Impairment of financial assets (continued)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Corporation will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Corporation's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities. The Group's and the Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Corporation's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

At 31 December 2023	On demand or within 1 year	More than 1 year to 5 years	Over 5 years	Total
Group				
Financial liabilities:				
Trade and other payables	1,906	148	–	2,054
Other long term liabilities	–	15	–	15
Loans and borrowings	1,527	3,953	3,808	9,288
Total undiscounted financial liabilities	3,433	4,116	3,808	11,357
Corporation				
Financial liabilities:				
Trade and other payables	1,042	–	–	1,042
Loans and borrowings	2	1,221	1,844	3,067
Total undiscounted financial liabilities	1,044	1,221	1,844	4,109

At 31 December 2022	On demand or within 1 year	More than 1 year to 5 years	Over 5 years	Total
Group				
Financial liabilities:				
Trade and other payables	1,914	98	–	2,012
Other long term liabilities	–	131	–	131
Loans and borrowings	2,591	4,197	2,038	8,826
Total undiscounted financial liabilities	4,505	4,426	2,038	10,969
Corporation				
Financial liabilities:				
Trade and other payables	1,274	–	–	1,274
Loans and borrowings	403	1,335	235	1,973
Total undiscounted financial liabilities	1,677	1,335	235	3,247

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Corporation's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Corporation's exposure to interest rate risk arises primarily from their loans and borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk whereas those issued at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings, and entering into interest rate swaps.

Sensitivity analysis for interest rate risk

At the reporting date, a change of 50 basis points ("bp") in interest rates would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Corporation	
	2023	2022	2023	2022
Interest rate:				
50 bp increase in interest rates	7	15	–	1
50 bp decrease in interest rates	(7)	(15)	–	(1)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. These transactions are denominated principally in United States Dollar ("USD").

It is not the Group's policy to hedge its transactional foreign currency risk exposure.

The Group also has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. It is not the Group's policy to hedge foreign currency translation risk. The Group maintains bank accounts denominated in foreign currencies, primarily in USD, as a natural hedge against foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

The Group's exposure to USD foreign currency risk, based on carrying amounts as at the end of the reporting date was:

	Group	
	2023	2022
Trade and other receivables	14	7
Cash and bank balances	1	2
Trade and other payables	(5)	(16)
Loans and borrowings	(43)	(23)
Net exposure in the statement of financial position	(33)	(30)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Profit net of tax	
	2023	2022
USD		
Strengthened 10%	(3)	(2)
Weakened 10%	3	2

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investments in quoted equity instruments. The quoted equity instruments in Malaysia are listed in the Bursa Malaysia. These instruments are classified as fair value through profit or loss or fair value through other comprehensive income financial assets

Commodity price

The Group uses derivative financial instruments (forward sales and purchases of Malaysian palm oil) to guarantee a minimum price for the sale of its own palm oil and to close out positions previously taken out.

Fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair values:

	Note
Trade and other receivables	25
Loans and borrowings (except for certain loans and borrowings of which their fair values are disclosed in Note 38)	30
Trade and other payables	31

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair value of other payables (non-current) and borrowings are estimated by discounting expected future cash flows at the market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable input. The most frequently applied valuation technique include forward pricing and survey models, using present value calculations. The models incorporate various inputs including the credit quality of counter parties, foreign exchange spot, forward rates and interest rate curves.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk (continued)

Fair value hierarchy

The Group held the following assets and liabilities measured at fair value or not measured at fair value but fair value is disclosed in the Statements of Financial Position:

Group	Level 1	Level 2	Level 3	Total
At 31 December 2023				
Financial assets measured at fair value:				
Fair value through other comprehensive income	11	–	–	11
Fair value through profit or loss	30	–	–	30
Non-financial assets measured at fair value:				
Investment properties				
Property, plant and equipment				
- Healthcare properties	–	–	2,938	2,938
Biological assets	–	–	62	62
Financial liabilities not measured at fair value but fair value is disclosed:				
Term loans - floating	–	–	3,203	3,203
Islamic Medium Term Notes ("IMTNs")	–	–	3,682	3,682
	41	–	15,340	15,381

Group	Level 1	Level 2	Level 3	Total
At 31 December 2022				
Financial assets measured at fair value:				
Fair value through other comprehensive income	11	–	–	11
Fair value through profit or loss	5	–	–	5
Non-financial assets measured at fair value:				
Investment properties	–	–	5,487	5,487
Property, plant and equipment				
- Healthcare properties	–	–	2,947	2,947
Biological assets	–	–	52	52
Financial liabilities not measured at fair value but fair value is disclosed:				
Term loans – floating	–	–	3,942	3,942
Islamic Medium Term Notes ("IMTNs")	–	–	2,552	2,552
	16	–	14,980	14,996

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Market price risk (continued)

Fair value hierarchy (continued)

Corporation

At 31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value:				
Fair value through profit or loss	12	–	–	12
Investment properties	–	–	1,867	1,867
Financial liabilities not measured at fair value but fair value is disclosed in the Statements of Financial Position:				
Islamic Medium Term Notes ("IMTNs")	–	–	3,056	3,056
	12	–	4,923	4,935

Corporation	Level 1	Level 2	Level 3	Total
At 31 December 2022				
Financial assets measured at fair value:				
Fair value through profit or loss	10	–	–	10
Investment properties	–	–	1,812	1,812
Financial liabilities not measured at fair value but fair value is disclosed in the Statements of Financial Position:				
Islamic Medium Term Notes ("IMTNs")	–	–	1,560	1,560
	10	–	3,372	3,382

During the reporting period ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 of the fair value hierarchy and no transfers into and out of Level 3 fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

39. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and to maintain an optimal capital structure so as to comply with financial covenants and regulatory requirements.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected cash flows, projected capital expenditures and projected strategic investment opportunities.

Management monitors capital based on a net gearing ratio. The gearing ratio is calculated as net debt divided by shareholders' equity. Net debt is calculated as borrowings less cash and cash equivalents.

	Group		Corporation	
	2023	2022	2023	2022
Loans and borrowings (Note 30)	9,288	8,826	3,067	1,973
Less: Cash and bank balances (Note 27)	(2,165)	(1,237)	(637)	(178)
Net debt	7,123	7,589	2,430	1,795
Total equity	10,882	10,494	4,427	4,154
Debt-to-equity ratios	0.65	0.72	0.55	0.43

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

40. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective chief operating decision maker responsible for the performance of the respective segments under their charge. The chief operating decision maker of the Group is the Group Top Management Committee who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and land held for property development.

Reportable segments

The Group comprises the following reportable segments:

- Agribusiness
 - Oil palm plantation, crude palm oil processing, plantation management services and consultancy.
- Wellness and healthcare
 - Hospitals and healthcare services.
- Real Estate and Infrastructure
 - Property development, housing development, property management service, property investment and real estate investment trust.
 - Development and sale of industrial land, project management, promote, develop, operate and manage a port.
- Others
 - Non-core business, ie : parking management, sales of wood-based products and bulk mailing and printing.

Other operations of the Group are not of sufficient size to be reported separately.

Reconciliation to the Statement of Comprehensive Income mainly relates to the elimination of QSR Brands (M) Holdings Bhd, a joint venture of the Group, which is included within the reportable segment.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

40. SEGMENT INFORMATION (CONTINUED)

Group	Palm oil	Wellness and healthcare	Real estate and infrastructure	Others	Continued operation	Discontinued operation	Group
As at 31 December 2023							
External Revenue	1,359	3,419	1,403	805	6,986	217	7,203
Inter-segment revenue	–	–	(575)	(211)	(786)	–	(786)
Total revenue	1,359	3,419	828	594	6,200	217	6,417
Results							
Segment results	212	470	387	116	1,185	17	1,202
Unallocated income	–	–	2	–	2	–	2
Unallocated costs	–	–	(15)	–	(15)	–	(15)
Profit from operations					1,172	17	1,189
Finance costs	(94)	(123)	(144)	(205)	(566)	(10)	(576)
Share of results of associates	–	26	25	–	51	–	51
Share of results of joint ventures	–	–	–	(52)	(52)	–	(52)
Profit before tax					605	7	612
Taxation	(22)	(81)	(87)	(55)	(245)	11	(234)
Profit after tax					360	18	378

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

40. SEGMENT INFORMATION (CONTINUED)

Group At 31 December 2023	Agribusiness	Wellness and healthcare	Real estate and infrastructure	Others	Group
Other information					
Segment assets	5,263	5,155	5,856	6,836	23,110
Associates	(17)	478	(194)	46	313
Joint Ventures	–	–	–	1,634	1,634
Consolidated total assets					25,057
Segment liabilities	3,539	3,243	3,824	3,569	14,175
Consolidated total liabilities					14,175
Capital expenditure	194	251	102	87	634
Depreciation and amortisation	(106)	(249)	(28)	(19)	(402)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

40. SEGMENT INFORMATION (CONTINUED)

Group	Agribusiness	Wellness and healthcare	Real estate and infrastructure	Others	Continued operation	Discontinued operation	Group
At 31 December 2022							
External Revenue	1,799	2,921	878	824	6,422	192	6,614
Inter-segment Revenue	(1)	–	(163)	(502)	(666)	–	(666)
Total revenue	1,798	2,921	715	322	5,756	192	5,948
Results							
Segment results	614	373	264	37	1,288	39	1,327
Unallocated income	–	–	2	–	2	–	2
Unallocated costs	–	–	(11)	–	(11)	–	(11)
Profit from operations					1,279	39	1,318
Finance costs	(68)	(123)	(61)	(191)	(443)	(8)	(451)
Share of results of associates	–	23	(6)	–	17	–	17
Share of results of joint venture	–	–	–	(10)	(10)	–	(10)
Profit before tax					843	31	874
Tax	(84)	(88)	(34)	140	(66)	–	(66)
Profit for the year					777	31	808

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

40. SEGMENT INFORMATION (CONTINUED)

Group At 31 December 2022	Agribusiness	Wellness and healthcare	Real estate and infrastructure	Others	Group
Other information					
Segment assets	5,432	4,986	5,322	6,710	22,450
Associates	–	486	114	(358)	242
Joint ventures	–	–	–	1,742	1,742
Consolidated total assets					24,434
Segment liabilities	3,800	3,208	3,285	3,647	13,940
Consolidated total liabilities					13,940
Capital expenditure	113	271	1,044	(1,004)	424
Depreciation and amortisation	82	196	6	121	405

	Sales (External)		Total Assets		Capital Expenditure	
	2023	2022	2023	2022	2023	2022
Malaysia	6,165	5,659	22,931	22,060	575	153
Australia	6	61	170	276	–	–
Indonesia	5	18	–	101	–	271
Bangladesh	24	18	9	13	–	–
Group	6,200	5,756	23,110	22,450	575	424
Associates			313	242		
Joint ventures			1,634	1,742		
Total assets			25,057	24,434		

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END

1. Corporation

(a) Development Agreement in relation to Arena Larkin

On 31 July 2018, the Corporation has entered into the Development Agreement in relation to Arena Larkin's development cost with the State Government, Majlis Bandaraya Johor Bahru, Johor Land Berhad and Johor Foods Sdn. Bhd. amounting to RM357 million. One of the components agreed for the development is for the Corporation and its subsidiaries to surrender certain lands to the State Government in exchange for neighbouring lands, cash and other monetary consideration. As at financial year end, the land is still in the process of "Serah Balik Kurnia Semula".

(b) Acquisition of land at Mukim Tebrau and Mukim Plentong

The High Court, on 8 August 2019, held that all 31 Land Reference proceedings be struck out due to the High Court's lack of authority to hear the case. The decision was based on the fact that the Award (Form G) was defective and invalid since the Land Administrator failed to apportion the compensation award to all interested parties individually as required under Section 14(1) and 14(2) of the Land Acquisition Act 1950.

The learned judge held that a Land Reference Court could determine and make orders related to the 'terms of reference' referred in a valid Form N or those questions raised by a Land Administrator (in Form M) pursuant to Section 36(2)(a) to (f) of the Act. Therefore, an invalid Form N premised on an invalid Form G, and Form H will not confer jurisdiction to the High Court.

Pursuant to the said decision, Johor Corporation filed appeals at the Court of Appeal in September 2019. However, after considering the State Government of Johor, Johor Corporation and KCSB Konsortium Sdn. Bhd.'s willingness to enter into an out-of-court settlement, the appeals were withdrawn from the Court of Appeal on 29 April 2022. Johor Corporation worked closely with KCSB Konsortium Sdn. Bhd. and the State Government of Johor in drafting the Global Settlement Agreement (GSA) but the parties could not ultimately reach an amicable settlement. Therefore, Johor Corporation has filed the Originating Summons in the High Court of Malaya in Johor Bahru on 11 September 2023 to obtain, among others, the following orders:

- (i) A declaration that Lot 139 Mukim Tebrau and Lot 1876 Mukim Plentong have been completely acquired and vested in the State Authority of Johor; and
- (ii) Pentadbir Tanah Johor Bahru is at liberty to apportion the compensation sums to KCSB Konsortium Sdn. Bhd. and all interested parties.

The Case Management of the main suit is fixed for 12 June 2024. Similarly, KCSB Konsortium Sdn Bhd's application to strike out the main suit will be heard on the same day.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END (CONTINUED)

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

(a) Classification of a subsidiary of the Group, E.A. Technique (M) Berhad ("EAT"), as Practice Note 17 ("PN17") Issuer

On 25 February 2022, the Company announced that the Company is an effected listed issuer as the Company had triggered the criteria prescribed under Paragraph 8.04, and Paragraph 2.1(e) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

Pursuant to PN17 of the Listing Requirements, the Company is required to submit a regularisation plan to Bursa Securities or Securities Commission for approval within 12 months from the announcement date.

On 9 February 2023, the Company submitted an extension of time application to Bursa Securities for a 6 months extension from 24 February 2023 to 24 August 2023 to submit its regularisation plan which was granted by Bursa Securities vide its letter dated 2 March 2023.

On 11 April 2023, Malacca Securities had, on behalf of the Board, announced a regularisation plan, which comprised a proposed shares consolidation, proposed shares issuance, proposed mandatory general offer and proposed private placement which was submitted to Bursa Securities on 26 April 2023. Due to unforeseen circumstances, this regularisation plan application was withdrawn on 24 July 2023.

On 10 August 2023, the Company submitted an extension of time application to Bursa Securities for a 6 months extension from 24 August 2023 to 23 February 2024 to submit its regularisation plan which was granted by Bursa Securities vide its letter dated 4 September 2023.

On 7 November 2023, Malacca Securities had, on behalf of the Board, announced a regularisation plan, which comprised a proposed shares issuance, proposed exemption of mandatory general offer and proposed establishment of an employees' shares scheme.

On 10 November 2023, Malacca Securities had, on behalf of the Board, announced that the application in relation to the Proposed Regularisation Plan had been submitted.

On 1 December 2023, Malacca Securities had, on behalf of the Board, announced that the Company and the Subscribers have agreed via supplemental agreements dated 1 December 2023, to revise the Subscription Price of RM0.09 to RM0.10 per Subscription Share. As such, the consideration payable by the respective Subscribers shall increase accordingly.

On 30 May 2024, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had resolved to approve the Proposed Regularisation Plan which comprised a proposed shares issuance, proposed exemption and proposed establishment of an employees' shares scheme ("ESS") ("Proposed ESS"). The approval granted by Bursa Securities for the Proposed Regularisation Plan is subject to the conditions set by Bursa Securities.

On 7 June 2024, the Company had issued a notice of Extraordinary General Meeting ("EGM") which will be held on 24 June 2024 in relation to the Proposed Regularisation Plan.

Further announcements on the Proposed Regularisation Plan will be announced to Bursa.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END (CONTINUED)

2. Kulim (Malaysia) Berhad ("KMB") (continued)

(b) Proposed debt restructuring exercise by a subsidiary of the Group, E.A. Technique (M) Berhad

On 28 February 2022, the High Court had granted the following orders to EAT:

- (i) A restraining order pursuant to Section 368 of the Act ("Restraining Order") for a period of three months which is valid until 28 May 2022.
- (ii) An order pursuant to Section 366(1) of the Act summon meetings of the creditors of the Company. Permission is given to EAT to hold the Court Convene Meeting ("CCM") within three months from the date of this order.

The duration of three months for the initial restraining order and for permission to hold the CCM can be extended by way of a further Court Order upon application.

On 25 May 2022, EAT announced that, the High Court of Malaya at Kuala Lumpur ("High Court") granted, among others, an extension of time for leave to convene the creditors' meeting and an extension of restraining order for a further six (6) months from 28 May 2022.

On 5 December 2022, the Court-convened creditors' meeting pursuant to section 366 of the Companies Act 2016 ("Act") was held by EAT. The proposed scheme of arrangement presented in the Court-convened creditors' meeting has been approved by the requisite majority in value of the creditors present and voting at the Court convened meeting, obtaining a 90.95% in value approval.

On 4 January 2023, EAT has obtained from the High Court of Malaya at Kuala Lumpur the following Order pursuant to section 366 of the Companies Act 2016 to sanction the Company's scheme of arrangement ("Order"). The Order sets out, among others:

- (i) That the Scheme of Arrangement contained in Explanatory Statement, read together with the Updated List of Adjudicated Scheme Debts of EAT and the Errata dated 30 November 2022, is approved and sanctioned by this High Court of Malaya so as to be binding upon EAT, and the Scheme Creditors as defined Explanatory Statement; and
- (ii) That an office copy of the Order shall be lodged with the Companies Commission of Malaysia.

On 12 January 2023, the Order became effective following the lodgement of the office copy of the order with the Companies Commission of Malaysia. The proposed estimated return to the scheme creditors represents approximately 27.4% of the Adjudicated Debt of RM259,395,000 and 0% for those creditors who did not reply to the Proof of Debt ("POD") exercise before court sanction on the Order.

On 14 November 2023, EAT filed an application for a 30-day extension for those scheme creditors who had yet to submit their POD to do so by 13 December 2023.

As of 13 December 2023, the scheme creditors who had yet to submit their POD amounted to RM3.56 million. According to the Order, failure to submit the claims during the POD verification exercise will result in their claims being extinguished. Accordingly, management has deemed the amount of RM3,558,000 as a waiver and has recorded it as a credit to the profit or loss in the current year, pursuant to Section 366 of the Companies Act 2016.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END (CONTINUED)

2. Kulim (Malaysia) Berhad ("KMB") (continued)

(b) Proposed debt restructuring exercise by a subsidiary of the Group, E.A. Technique (M) Berhad (continued)

Consequently, the Group and the Company are expected to make repayments of RM65,048,000 and RM71,065,000, respectively, to the scheme creditors after the finalisation of the Regularisation Plan. On 30 May 2024, Bursa Malaysia has approved the proposed regularisation plan of EAT. However, repayments to the scheme creditors need to be completed no later than 18 months from 12 January 2023, i.e., by 11 July 2024, even if the Regularisation Plan extends beyond this stipulated date.

(c) Proposed disposal 100% equity interest in KARA Holdings Sdn. Bhd. ("KARA")

On 21 December 2023, The board has approves to dispose 100% equity interest in KARA.

On 15 January 2024, The company's statement of assets and liabilities as at 30 November 2023 was duly discussed and it has been proved to the satisfaction of the meeting that the company cannot by reason of its liabilities continue its business and accordingly the company be wound up by way of creditors' voluntary winding up pursuant to section 439 (1) (a) of the Companies Act 2016.

The interim liquidator was appointed on 15 January 2024 with power to act for the purposes of winding up of the company by way of creditors' voluntary winding up and appended their signatures to the statement as true and correct documents.

(d) Proposed Initial Public Offering ("IPO") of Johor Plantations Sdn. Bhd. (formerly known as Mahamurni Plantations Sdn. Bhd.) on the Main Market of Bursa Malaysia Securities Berhad.

As at 31 December 2022, the Board of the Directors of the Company has granted approval in principle for the Proposed IPO and Proposed Listing of the entire issued and paid up share capital of the Company on the Main Market of Bursa Securities. The approval in principle is subject to obtaining the approval from regulatory as may be required.

On 27 March 2024, JPG has obtained approval from the Securities Commission Malaysia to list on the Main Market of Bursa Malaysia Securities Berhad.

Pursuant to the listing, JPG's IPO of up to 875 million ordinary shares in the Company will comprise a public issue of 464 million new shares and an offer for sale of up to 411 million existing shares. Of these 875 million shares, up to 485 million will be made available to Malaysians and foreign institutions, 312.50 million will be allocated to Bumiputera investors approved by the Ministry of Investment, Trade and Industry, 50 million shares will be made available for application by the Malaysian public by way of balloting while the remaining 27.50 million shares will be earmarked for eligible persons who have contributed to the success of the JPG group.

On 24 April 2024, JPG subdivided 1,501,999,772 ordinary shares into 2,036,000,000 ordinary shares to facilitate and enhance the liquidity of the shares for the purpose of the listing.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2023

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END (CONTINUED)

3. KPJ Healthcare Berhad ("KPJ")

(a) Disposal of Jeta Gardens (Qld) Pty Ltd and Jeta Gardens Aged Care (Qld) Pty Ltd

On 12 December 2023, Jeta Gardens (Qld) Pty Ltd and its wholly-owned subsidiary, Jeta Gardens Aged Care (Qld) Pty Ltd (collectively, "Jeta Gardens"), 57.16%-owned subsidiaries held through Kumpulan Perubatan (Johor) Sdn. Bhd., entered into a conditional business sale and purchase agreement to dispose its Aged Care Business (including its selected existing assets and liabilities) with a third party buyer ("Purchaser") for a net cash payment of AUD0.70 million (equivalent to RM2.15 million), which represents the difference between the asset sale value and the liability assumed by the Purchaser.

Jeta Gardens completed the disposal on 31 January 2024, following the fulfilment of conditions precedent and the obligations on completion.

4. JLand Group Sdn. Bhd.

(a) Acquisition of non-controlling interest

In January 2024, the Group entered into and completed a sale and purchase of shares agreement ("SPSA") with the non-controlling shareholder of a 70% owned subsidiary, Metro Parking (S) Pte. Ltd. ("MPS"), to acquire the remaining 30% equity interest in MPS, representing 60,000 ordinary shares in MPS, for a total consideration SGD350,000. Following the completion of the SPSA, MPS became a wholly-owned subsidiary of the Group.

(b) Acquisition of a new subsidiary

The Company has acquired 60% equity interest in Ibrahim International Business District (Johor) Sdn. Bhd. on 11 January 2024 for a total cash consideration of RM1 from its holding corporation.

5. Al-Aqar Healthcare REIT

(a) Proposed disposal of Jeta Gardens Aged Care Facility

On 12 December 2023, the subsidiary of the Company, Al-Aqar Australia Pty Ltd, entered into a Land Sale Contract ("LSC") with Principal Healthcare Finance Pty Ltd, for a proposed disposal of the lands and buildings of Jeta Gardens Aged Care Facility, for a cash consideration of AUD20.7 million (equivalent to approximately RM64.7 million). The completion of the LSC is conditional upon registration of the title and easement dealings at the Titles Office under the land reconfiguration exercise. The proposed disposal is expected to be completed by second half of FY2024.

(b) Proposed disposal of Damai Wellness Centre

On 15 November 2023, the Group as represented by the Trustee, entered into a sale and purchase agreement ("SPA") with Sihat Damai Sdn. Bhd. ("Sihat Damai"), for a proposed disposal of Damai Wellness Centre, for a cash consideration of RM13.0 million. The Purchaser had paid a deposit of RM 260,000 being 2% of the disposal consideration upon signing of the SPA. The completion of the SPA is conditional upon approval of the board of directors of the Manager, the Group and Sihat Damai being obtained, and all such other consents and approvals of the appropriate authorities. The proposed disposal is expected to complete in 2024.

42. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2023 were authorised for issue on 26 May 2024 in accordance with a resolution of the Directors.

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
			2023 %	2022 %
1 CORE BUSINESS				
A AGRIBUSINESS				
Ayamas Shoppe Sdn. Bhd.^	Investment holdings and operation of a convenience foodstore chain	Malaysia	100.00	99.98
Danamin (M) Sdn. Bhd.	Providing non-destructive testing services and performing electrical engineering works for oil and gas, marine, chemical and construction industries	Malaysia	100.00	99.98
DQ-IN Sdn. Bhd.^	Business of engineering and fabrication	Malaysia	100.00	99.98
E.A. Technique (M) Berhad#	Provision of sea transportation and related services	Malaysia	52.48	52.47
EPA Management Sdn. Bhd.^	Investment holding	Malaysia	100.00	99.98
Extreme Edge Sdn. Bhd.^	Supply of information technology (IT) hardware and provision of IT maintenance and development services	Malaysia	75.00	74.99
Farmbyte Sdn. Bhd. (fka Agro Edge Sdn. Bhd.)	Investment Holding	Malaysia	100.00	99.98
Jemaluang Dairy Valley Sdn. Bhd.	Investment Holding	Malaysia	100.00	99.98
Johor Plantation Group Bhd (fka Johor Plantation Bhd, fka Mahamurni Plantations Sdn. Bhd.)	Production of oil palm and palm kernels	Malaysia	100.00	99.98
Johor Shipyard & Engineering Sdn. Bhd.	Building of Ships and floating structures	Malaysia	52.48	52.47
JPG Greenery Sdn. Bhd. (fka Kulim Greenery Sdn. Bhd.)	Production of Bio-Methane	Malaysia	100.00	99.98
JPG Greenery Ventures Sdn. Bhd. (fka Kulim Green Energy Ventures Sdn. Bhd.)	Production of Bio-Methane	Malaysia	55.00	54.99
JPG Jenterra Sdn. Bhd. (fka Edaran Badang Sdn. Bhd.)	Sales of palm nursery and other plantation products and services	Malaysia	100.00	99.98
JPG Plantation Sdn. Bhd. (fka Kulim Plantations (Malaysia) Sdn. Bhd.)	Production of oil palm and palm kernels	Malaysia	100.00	99.98

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	A AGRIBUSINESS (CONTINUED)				
	JPG Planterra Sdn. Bhd. (fka Cultivation Sdn. Bhd.)	Sales of palm nursery and other plantation products and services	Malaysia	100.00	99.98
	JPG Terrasolutions Sdn. Bhd. (fka Kulim Safety Training and Services Sdn. Bhd.)	Provision of training and safety-related services, and supply of safety products	Malaysia	100.00	74.99
	JTP Trading Sdn. Bhd.	Trading and distribution of tropical fruits	Malaysia	100.00	99.98
	Kara Holdings Sdn. Bhd.^	Investment Holding	Malaysia	100.00	99.98
	Kulim (Malaysia) Berhad	Oil palm plantation, investment holding and property investment	Malaysia	100.00	99.98
	Kumpulan Bertam Plantations Berhad^	The company has ceased its operation since 15 August 2023	Malaysia	100.00	99.98
	Kulim Civilworks Sdn. Bhd.^	Dormant	Malaysia	100.00	99.98
	Kulim Energy Nusantara Sdn. Bhd.^	Investment holding	Malaysia	100.00	99.98
	Kulim Energy Sdn. Bhd.^	Dormant	Malaysia	80.00	79.99
	Kulim Pineapple Farm Sdn. Bhd.	Production of fresh pineapple and suckers	Malaysia	100.00	99.98
	Kulim Topplant Sdn. Bhd.^	Production of oil palm clones	Malaysia	100.00	99.98
	Libra Perfex Precision Sdn. Bhd.	Hiring and chartering of marine vessel	Malaysia	52.48	52.47
	MIT Captive Ltd^	Licensed to carry Labuan Captive takaful business	Malaysia	Disposed on 31 December 2023	99.98
	MIT Insurance Brokers Sdn. Bhd.^	Insurance broking and consultancy	Malaysia	Disposed on 31 December 2023	99.98
	Optimum Status Sdn. Bhd.^	Provision of Engineering and fire safety services	Malaysia	100.00	74.99
	Pembangunan Mahamurni Sdn. Bhd.^	Investment holding	Malaysia	100.00	99.98
	Pristine Bay Sdn. Bhd.^	Investment holding	Malaysia	100.00	99.98

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
			2023 %	2022 %
1 CORE BUSINESS (CONTINUED)				
A AGRIBUSINESS (CONTINUED)				
PT Kulim Agro Persada	Dormant	Indonesia	100.00	99.98
PT Rambang Agro Jaya	Oil palm plantation	Indonesia	Disposed on 6 July 2023	70.29
PT Tempirai Palm Resources	Oil palm plantation	Indonesia	Disposed on 6 July 2023	70.29
PT Wisesa Inspirasi Nusantara	Investment holding	Indonesia	Disposed on 6 July 2023	73.99
Rasamas Holdings Sdn. Bhd.^	Restaurants	Malaysia	100.00	99.98
Roaster's Chicken Sdn. Bhd.^	Investment holding	Malaysia	100.00	99.98
Selai Livestock Sdn. Bhd.	Livestock farming	Malaysia	100.00	99.98
Selai Sdn. Bhd.^	The company has ceased its operation since 15 August 2023	Malaysia	100.00	99.98
SIM Manufacturing Sdn. Bhd.^	Dormant	Malaysia	90.00	89.99
Sindora Berhad	Investment holding operations of oil palm	Malaysia	100.00	99.98
Sindora Development Sdn. Bhd.^	Dormant	Malaysia	100.00	99.98
Sindora Timber Sdn. Bhd.^	Dormant	Malaysia	100.00	99.98
Skellerup Industries (Malaysia) Sdn. Bhd.^	Investment holding	Malaysia	100.00	99.98
Southern Greens Sdn. Bhd.	Production of fresh vegetables, coconut and durian	Malaysia	100.00	99.98
Ulu Tiram Manufacturing Company (Malaysia) Sdn. Bhd.^	The company has ceased its operation since 15 August 2023	Malaysia	100.00	99.98
United Malayan Agricultural Corp Berhad^	Dormant	Malaysia	100.00	99.98
Xcot Tech Sdn. Bhd.^	Dormant	Malaysia	100.00	99.98
Yayasan Ansar^	Corporate Social Responsibility	Malaysia	@	@

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
			2023 %	2022 %
1 CORE BUSINESS (CONTINUED)				
B FOOD AND RESTAURANTS				
Ayamas Food Corporation Sdn. Bhd.^	Poultry processing and further processing plants and investment holding	Malaysia	Joint-controlled Entity	Joint-controlled Entity
Ayamas Integrated Poultry Industry Sdn. Bhd.^	Breeder and broiler farms/hatchery, feedmill and investment holding	Malaysia	Joint-controlled Entity	Joint-controlled Entity
Business Chronicles Sdn. Bhd.^	Investment holding company	Malaysia	100.00	100.00
Efinite Revenue Sdn. Bhd.^	Dormant	Malaysia	Joint-controlled entity	Joint-controlled entity
Efinite Value Sdn. Bhd.^	Customer service call centre	Malaysia	Joint-controlled entity	Joint-controlled entity
Integrated Poultry Industry Sdn. Bhd.^	Primary poultry processing	Malaysia	Joint-controlled entity	Joint-controlled entity
Kampuchea Food Corporation Co. Ltd^	Restaurants	Cambodia	Joint-controlled entity	Joint-controlled entity
Kentucky Fried Chicken (Malaysia) Sendirian Berhad^	Human resource management	Malaysia	Joint-controlled entity	Joint-controlled entity
Kentucky Fried Chicken Management Pte Ltd^	Restaurants	Singapore	Joint-controlled entity	Joint-controlled entity
KFC (B) Sdn. Bhd.^	Restaurants	Brunei	Joint-controlled entity	Joint-controlled entity
KFC (Peninsular Malaysia) Sdn. Bhd.^	Property holding and investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC (Sabah) Sdn. Bhd.^	Under liquidation	Malaysia	Joint-controlled entity	Joint-controlled entity
KFC (Sarawak) Sdn. Bhd.^	Dormant	Malaysia	Joint-controlled entity	Joint-controlled Entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
B	FOOD AND RESTAURANTS (CONTINUED)				
	KFC Holdings (Malaysia) Bhd [^]	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	KFCIC Assets Sdn. Bhd. [^]	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	Ladang Ternakan Putihekar (N.S) Sdn. Bhd. [^]	Poultry breeder farm	Malaysia	Joint-controlled entity	Joint-controlled entity
	Massive Equity Sdn. Bhd. [^]	Investment holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	MH Integrated Farm Berhad [^]	Property holding	Malaysia	Joint-controlled entity	Joint-controlled entity
	Multibrand QSR Holdings Pte Ltd [^]	Under liquidation	Singapore	Joint-controlled entity	Joint-controlled entity
	PHD Delivery Sdn. Bhd. [^]	Restaurants and pizza delivery	Malaysia	Joint-controlled entity	Joint-controlled entity
	Pintas Tiara Sdn. Bhd. [^]	Property holding	Malaysia	Joint-controlled Entity	Joint-controlled entity
	Pizza (Kampuchea) Private Limited [^]	Under liquidation	Cambodia	Joint-controlled Entity	Joint-controlled entity
	Pizza Hut Restaurants Sdn. Bhd. [^]	Restaurants	Malaysia	Joint-controlled Entity	Joint-controlled entity
	Pizza Hut Singapore Pte Ltd [^]	Restaurants	Singapore	Joint-controlled Entity	Joint-controlled entity
	QSR Brands (M) Holdings Bhd [^]	Investment holding and provision of management service	Malaysia	Joint-controlled Entity	Joint-controlled entity
	QSR Captive Insurance Limited [^]	Captive insuror	Malaysia	Joint-controlled Entity	Joint-controlled entity
	QSR Delivery Sdn. Bhd. [^]	Dormant	Malaysia	Joint-controlled Entity	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
B	FOOD AND RESTAURANTS (CONTINUED)				
	QSR Manufacturing Sdn. Bhd.^	Operating a bakery and commissary	Malaysia	Joint-controlled Entity	Joint-controlled entity
	QSR Stores Sdn. Bhd.^	Restaurants and trading in consumables	Malaysia	Joint-controlled Entity	Joint-controlled entity
	QSR Trading Sdn. Bhd.^	Sales and marketing of food products	Malaysia	Joint-controlled Entity	Joint-controlled entity
	Region Food Industries Sdn. Bhd.^	Sauce manufacturing plant	Malaysia	Joint-controlled Entity	Joint-controlled entity
	SPM Restaurants Sdn. Bhd.^	Property holding	Malaysia	Joint-controlled Entity	Joint-controlled entity
	Tepak Marketing Sdn. Bhd.^	Contract packing tea and tea trading	Malaysia	Joint-controlled Entity	Joint-controlled entity
	Usahawan Bistari Ayamas Sdn. Bhd.^	Operation of "Sudut Ayamas"	Malaysia	Joint-controlled Entity	Joint-controlled entity
	WQSR Holdings (S) Pte Ltd^	Under liquidation	Singapore	Joint-controlled Entity	Joint-controlled entity

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	C WELLNESS AND HEALTHCARE				
	Advanced Health Care Solutions Sdn. Bhd.^	Providing healthcare information system service	Malaysia	21.74	38.12
	Amity Development Sdn. Bhd.^	Operating as a property holding company	Malaysia	38.03	38.12
	Ampang Puteri Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Bandar Baru Klang Specialist Hospital Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Bandar Dato Onn Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Bayan Baru Specialist Hospital Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	BDC Specialist Hospital Sdn. Bhd.^	Operating as a building management company	Malaysia	38.03	38.12
	Crossborder Aim (M) Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Crossborder Hall (M) Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Damansara Specialist Hospital Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	DTI Resources Sdn. Bhd.^	Providing information technology related services and rental of software	Malaysia	35.65	35.74
	Energy Excellent Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Fabricare Laundry Sdn. Bhd.^	Providing laundry services	Malaysia	38.03	37.48
	Freewell Sdn. Bhd.^	Dormant	Malaysia	30.42	30.50
	Healthcare IT Solutions Sdn. Bhd.^	Providing healthcare information technology services	Malaysia	38.03	38.12

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	C WELLNESS AND HEALTHCARE (CONTINUED)				
	Healthcare Technical Services Sdn. Bhd.^	Providing management and engineering maintenance and services for specialist hospital	Malaysia	68.40	68.44
	Ipoh Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Jeta Gardens (Qld) Pty Ltd^	Providing retirement village and aged care services	Australia	21.74	21.79
	Jeta Gardens Aged Care (Qld) Pty Ltd^	Operating and managing an aged care facility	Australia	21.74	21.74
	Jeta Gardens Management (Qld) Pty Ltd^	Dormant	Australia	21.74	21.74
	Johor Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Kajang Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Kedah Medical Centre Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	17.36	17.40
	Kluang Specialist Hospital Sdn. Bhd.^	Operating as a building management company	Malaysia	38.03	38.12
	Kota Kinabalu Wellness Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	KPJ Ambulatory Care Centre Sdn. Bhd.^	Managing and operating Ambulatory Care Centre and related services	Malaysia	38.03	38.12
	KPJ Dhaka Pte Ltd^	Providing management services to a specialist hospital	Bangladesh	38.03	38.12
	KPJ Education (M) Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	KPJ Education Services Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	C WELLNESS AND HEALTHCARE (CONTINUED)				
	KPJ Eyecare Specialist Sdn. Bhd.^	Providing medical and consultancy services in eye care	Malaysia	38.03	38.12
	KPJ Healthcare Berhad^	Investment holding and provision of management services to subsidiaries	Malaysia	38.03	38.12
	KPJ Healthcare University College Sdn. Bhd.^	Operating as a private university college of nursing and allied health	Malaysia	38.03	38.12
	KPJ Healthshoppe Sdn. Bhd.^	Operating as pharmacy retail outlet	Malaysia	38.03	38.12
	KPJ Medik TV Sdn. Bhd.^	Operating as medical service provider	Malaysia	38.03	38.12
	Kuantan Wellness Center Sdn. Bhd.^	Operating as a dialysis and aged-care centre	Malaysia	38.03	38.12
	Kuching Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	35.22	35.30
	Kumpulan Perubatan (Johor) Sdn. Bhd.^	Managing and investment holding company for medical sector	Malaysia	38.03	38.12
	Lablink (M) Sdn. Bhd.^	Providing laboratory and pathology Services	Malaysia	19.40	19.44
	Maharani Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Malaysian Institute of Healthcare Management Sdn. Bhd.^	Dormant	Malaysia	28.52	28.59
	Massive Hybrid Sdn. Bhd.^	To be operating as a specialist hospital	Malaysia	38.03	38.12
	Miri Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	31.95	32.02
	Pahang Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	26.62	26.68

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	C WELLNESS AND HEALTHCARE (CONTINUED)				
	Pasir Gudang Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Penang Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Perdana Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	23.03	23.09
	Pertlis Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	30.42	30.50
	PharmaCARE Sdn. Bhd.^	Providing human resource, training services and rental of human resource information system	Malaysia	38.03	38.12
	Pharmacare Surgical Technologies (M) Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Pharmaserv Alliances Sdn. Bhd.^	Marketing and distributing medical and pharmaceutical products	Malaysia	38.03	38.12
	Point Zone (M) Sdn. Bhd.^	Providing treasury management services to the companies within the group	Malaysia	38.03	38.12
	Pride Outlet Sdn. Bhd.^	Providing maintenance service for medical equipment	Malaysia	38.03	28.59
	PT Al-Aqar Bumi Serpong Damai	Operating as building management company	Indonesia	Disposed on 18 September 2023	38.12
	PT Al-Aqar Permata Hijau	Operating as building management company	Indonesia	Disposed on 5 April 2023	38.12
	PT Khasanah Putera Jakarta Medica	Operating as a specialist hospital	Indonesia	Disposed on 18 September 2023	28.59
	PT Khidmat Perawatan Jasa Medika	Operating as a specialist hospital	Indonesia	Disposed on 5 April 2023	30.50
	Pusat Pakar Kluang Utama Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Pusat Pakar Tawakal Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	C WELLNESS AND HEALTHCARE (CONTINUED)				
	Pusrawi SMC Sdn. Bhd.^	Operating as a polyclinic	Malaysia	11.87	11.89
	Puteri Specialist Hospital (Johor) Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Rawang Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Selangor Specialist Hospital Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	22.82	22.87
	Sentosa Medical Centre Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Seremban Specialist Hospital Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Sibu Geriatric Health & Nursing Centre Sdn. Bhd.^	Operating and managing an aged care facilities	Malaysia	38.03	38.12
	Sibu Medical Centre Corporation Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Skop Yakin (M) Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	SMC Healthcare Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Sri Manjung Specialist Centre Sdn. Bhd.^	Operating as a specialist hospital	Malaysia	38.03	38.12
	Sterile Services Sdn. Bhd.^	Providing sterile services	Malaysia	38.03	38.12
	Taiping Medical Centre Sdn. Bhd.^	Dormant	Malaysia	38.03	38.12
	Tawakal Holdings Sdn. Bhd.^	Investment holding company	Malaysia	38.03	38.12
	Total Meal Solution Sdn. Bhd.^	Provide central kitchen services	Malaysia	38.03	26.68
	UTM KPJ Specialist Hospital Sdn. Bhd.^	To be operating as a specialist hospital	Malaysia	38.03	38.12
	Vejtthani Public Company Limited^	Operating as a specialist hospital	Thailand	8.89	8.91

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	D REAL ESTATE AND INFRASTRUCTURE				
	Advance Development Sdn. Bhd.	Property development	Malaysia	100.00	100.00
	Bandar Baru Majidee Development Sdn. Bhd.	Property development	Malaysia	100.00	100.00
	Bertam Properties Sdn. Bhd.^	Property development	Malaysia	20.00	20.00
	Bukit Damansara Development Sdn. Bhd.	Property investment and holding	Malaysia	100.00	100.00
	CoAction Events Sdn. Bhd.	Event organisation, promotion and management	Malaysia	82.67	82.67
	DAC Land Sdn. Bhd.	Investment holding and property development	Malaysia	100.00	83.57
	DAC Properties Sdn. Bhd.	Development of building projects for own operation	Malaysia	30.00	25.07
	Damai Ecotech Sdn. Bhd.	Provide services for Biomass steam plant at Palm Oil Industrial Cluster (POIC)	Malaysia	100.00	100.00
	Damansara Assets Sdn. Bhd.	Investment and property holding, property development, project and property management and collection agent	Malaysia	100.00	100.00
	Damansara Galaxy Sdn. Bhd.	Other service activities n.e.c	Malaysia	100.00	83.57
	Damansara Holdings Berhad	Investment holding, construction and project management	Malaysia	100.00	83.57
	Damansara PMC Services Sdn. Bhd.	Property and land development, healthcare facilities, consultancy services, human capital development and training	Malaysia	100.00	83.57
	Damansara Prospects Sdn. Bhd.	Leasing, hire purchase and loan financing	Malaysia	100.00	83.57

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	D REAL ESTATE AND INFRASTRUCTURE (CONTINUED)				
	Damansara Pulse Sdn. Bhd.	General trading	Malaysia	100.00	83.57
	Damansara Realty (Johor) Sdn. Bhd.	Property development	Malaysia	100.00	83.57
	Damansara Realty (Negeri Sembilan) Sdn. Bhd.	General construction	Malaysia	100.00	83.57
	Damansara Realty (Pahang) Sdn. Bhd.	Property holding and development	Malaysia	80.00	66.85
	Damansara Realty (Terengganu) Sdn. Bhd.	Buying, selling, renting and operation of self-owned or leased real estate-residential building	Malaysia	100.00	83.57
	Damansara Realty Management (Timber Operations) Sdn. Bhd.	Carrying out part of the forestry operation on a fee or contract basis for logging services activities	Malaysia	100.00	83.57
	Damansara Realty Management Services Sdn. Bhd.	Business management consultancy services	Malaysia	100.00	83.57
	Damansara Reit Managers Sdn Berhad	Real estate investment management	Malaysia	100.00	100.00
	Damansara Technolgy Sdn. Bhd.	Business and technology solution provider	Malaysia	100.00	83.57
	DASB Food Services Sdn. Bhd.	Business of food services	Malaysia	100.00	100.00
	DASB Parking Sdn. Bhd.	Carpark management, design and consultancy services	Malaysia	100.00	100.00
	DASB Property Management Sdn. Bhd.	Property management	Malaysia	82.67	82.67

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	D REAL ESTATE AND INFRASTRUCTURE (CONTINUED)				
	DASB Security Services Sdn. Bhd.	Consultancy and security services	Malaysia	70.00	100.00
	DHealthcare Centre Sdn Bhd	Healthcare service provider	Malaysia	100.00	91.62
	Harta Facilities Management Sdn. Bhd.	Providing facilities management and consultancy services	Malaysia	100.00	83.57
	HC Duraclean Sdn. Bhd.	Franchising of professional care and cleaning product and all other business related wholesale and retail of professional care and cleaning product and machinery to purchase in bulk, sell and deal in any kind of professional care and cleaning products	Malaysia	85.00	71.03
	Healthcare Technical Services (PNG) Limited^	Specialist in hospital planning and development consultant	Papua New Guinea	90.00	37.61
	HTS International Limited	1. Consultancy and construction of hospitals. 2. Supply and trading of medical equipment.	United Kingdom	100.00	83.57
	Ibrahim International Business District (Johor) Sdn. Bhd.	Consists of developing, managing and promoting investment for Ibrahim International Business District area	Malaysia	60.00	60.00
	JL Projects Sdn. Bhd.	To engage in real estate activities involving own or leased properties.	Malaysia	100.00	100.00
	Jland Australia Pty Ltd	Property development	Australia	100.00	100.00
	JLand Group Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
	JLG & BP Design Sdn. Bhd.	Interior design and renovation works	Malaysia	60.00	–

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	D REAL ESTATE AND INFRASTRUCTURE (CONTINUED)				
	JLG Services Sdn. Bhd.	To provide manpower consultancy, recruitment, human resource placement, and staffing services.	Malaysia	100.00	100.00
	Johor City Development Sdn. Bhd.	Property development	Malaysia	100.00	100.00
	Johor Concrete Products Sdn. Bhd.^	Dormant	Malaysia	51.00	51.00
	Johor Land Berhad	Property development, construction and investment holding	Malaysia	100.00	100.00
	Johor Silica Industries Sdn. Bhd.^	Selling of silica sand	Malaysia	100.00	100.00
	Johor Skills Development Centre Sdn. Bhd.^	Technical skills development and training centre	Malaysia	100.00	75.00
	JOLS Constructions Sdn. Bhd.	Construction, refurbishment, inspection and sanitisation services	Malaysia	100.00	83.57
	JTN Logistics Park Sdn. Bhd.	Property development & project management	Malaysia	49.00	-
	Kesang Kastory Enterprise Sdn. Bhd.	Wholesale of other foodstuffs	Malaysia	95.00	79.39
	Kesang Properties Sdn. Bhd.	Development of building projects for own operation i.e. for renting of space in these buildings	Malaysia	100.00	83.57
	Kesang Quarry Sdn. Bhd.	Quarrying operation	Malaysia	70.00	58.50
	Kesang Trading Sdn. Bhd.	Retail sale of office supplies and equipment	Malaysia	100.00	83.57
	Kulim Technology Ideas Sdn. Bhd.	Investment holding and special purpose vehicle for financial purposes.	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	D REAL ESTATE AND INFRASTRUCTURE (CONTINUED)				
	Langsat Marine Base Sdn. Bhd.^	Provide marine base services which includes handling and storage of high value oil and gas equipment	Malaysia	100.00	100.00
	Langsat Marine Terminal Sdn. Bhd.^	Engaged in leasing of warehousing and logistics facilities	Malaysia	100.00	100.00
	Langsat OSC Sdn. Bhd.^	Construct, manage and operate on offshore and a marine logistics base	Malaysia	51.00	51.00
	M.N. Koll (M) Sdn. Bhd.	Developing, promoting establishing, owning, acquiring, operating, managing and maintaining food and beverages services.	Malaysia	100.00	83.57
	MC-JTP Concept Sdn. Bhd.	Letting of factory lots and providing property management services	Malaysia	100.00	100.00
	Metro Parking (B) Sdn. Bhd.^	Managing car park facilities in Brunei	Brunei	Strike off on 18 April 2023	83.57
	Metro Parking (M) Sdn. Bhd.	Parking operator and consultant services	Malaysia	100.00	83.57
	Metro Parking (S) Pte Ltd^	Transport related services, car park management and operation services	Singapore	70.00	58.50
	Metro Parking Management (Philippines) Inc.^	Parking operator and other related parking services	Philippines	100.00	83.57
	Pagoh Highland Resorts Sdn. Bhd.^	Property investment	Malaysia	60.00	60.00
	Panca Pesona Sdn. Bhd.^	Industrial land and housing projects development	Malaysia	40.00	40.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
			2023 %	2022 %
1 CORE BUSINESS (CONTINUED)				
D REAL ESTATE AND INFRASTRUCTURE (CONTINUED)				
Pedas Quarry Sdn. Bhd.	Other mining and quarrying n.e.c	Malaysia	55.00	45.96
Pembinaan Prefab Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Premier Revenue Sdn. Bhd.	Provision of insurance agency services	Malaysia	100.00	100.00
PT Padang Industrial Park^	Industrial land development	Indonesia	55.00	55.00
Revertex (Malaysia) Sdn. Bhd.^	Manufacture and sale of concentrated natural rubber latex, compounds, synthetic resin emulsions, alkyd resins, polyester resins and plasticisers	Malaysia	30.07	30.07
Smart Parking Management System Sdn. Bhd.	To carry on the business of a service provider for financial and electronic payment application and provide expertise in IT project management and consultancy, supply of ICT hardware equipment, maintenance and asset management, supplying and maintaining of car park equipment	Malaysia	100.00	83.57
Sri Gading Land Sdn. Bhd.^	Ceased operating in 2017	Malaysia	51.00	51.00
Tanjung Langsat Port Sdn. Bhd.	To lease its port operating assets and facilities to a fellow subsidiary which has been granted the license to operate the port	Malaysia	100.00	100.00
Tebing Aur Sdn. Bhd.	Construction and project management	Malaysia	100.00	83.57
Techno SCP Sdn. Bhd.	Industrial land development	Malaysia	60.00	60.00
Tg. Langsat Development Sdn. Bhd.	Contractors for earthwork and road construction	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
	D REAL ESTATE AND INFRASTRUCTURE (CONTINUED)				
	TLP Terminal Sdn. Bhd.	Promote, develop, operate, manage and maintain Tanjung Langsat Port	Malaysia	100.00	100.00
	TMR ACMV Services Sdn. Bhd.	Trading and servicing of air conditioning products	Malaysia	Strike off on 29 September 2023	83.57
	TMR Koll Sdn. Bhd.	Building management, maintenance services and hospitality	Malaysia	Strike off on 7 July 2023	83.57
	TMR LC Services Sdn. Bhd.	Building management, maintenance services and hospitality	Malaysia	70.00	58.50
	TMR Urusharta (M) Sdn. Bhd.	Business of real estate services, general services, facility management, project consultant and project management	Malaysia	100.00	83.57
	Total Project Management Sdn. Bhd.	Architectural and project management services	Malaysia	100.00	100.00
	TPM Technopark Sdn. Bhd.	Consist of development and sale of industrial land and project management services	Malaysia	100.00	100.00
	Valtro Services Sdn. Bhd.	Operation of parking facilities for motor vehicles (parking lots)	Malaysia	100.00	83.57

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
1	CORE BUSINESS (CONTINUED)				
E	LIST OF FUNDS				
	Al-Aqar Healthcare REIT#^	Management of real estate investment Trust	Malaysia	13.82	14.33
	Al-Salam REIT (fka Al-Salam Investment Trust)#^	Management of real estate investment trust	Malaysia	57.35	57.35
	Al-Aqar Australia Pty Ltd^	Rental of Commercial Property	Australia	13.82	14.33
2	NON-CORE BUSINESS				
	SME/NON-SME				
	Aiman Lifestyle Sdn. Bhd.^	In process of winding up	Malaysia	–	51.00
	BDO Assets Management Sdn. Bhd.^	Investment holding and other related activities	Malaysia	100.00	100.00
	Efinite Structure Sdn. Bhd.	Engaged as the Special Purpose Vehicle company ("SPV") to acquire certain assets under the Asset Rationalisation programme involving Tanjung Langsat Port Sdn. Bhd.	Malaysia	100.00	100.00
	Hotel Selesa (JB) Sdn. Bhd.^	Ceased operation on 15 April 2017	Malaysia	100.00	100.00
	Hotel Selesa Sdn. Bhd.^	Ceased operation on 15 March 2017	Malaysia	100.00	100.00
	Ihsan Permata Sdn. Bhd.^	Company ceased its operation in August 2017	Malaysia	100.00	100.00
	Intrapreneur Development Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Intrapreneur Value Creation Sdn. Bhd.^	Provide financing to companies within Johor Corporation Group based on Shariah principles and to subscribe, acquire, hold, dispose shares or other securities of any other company which are Shariah compliant	Malaysia	79.62	79.58

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
2	NON-CORE BUSINESS (CONTINUED)				
	SME/NON-SME (CONTINUED)				
	IPPJ Sdn. Bhd.^	Investment holding, conducting entrepreneurial training programs and seminar, sub-letting its rented premises and other activities relating thereto	Malaysia	100.00	75.00
	JCorp Capital Excellence Sdn. Bhd.^	Investment holding company	Malaysia	100.00	100.00
	JCorp Capital Solutions Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	JCorp Hotels and Resorts Sdn. Bhd.^	Investment holding and hospitality services	Malaysia	100.00	100.00
	Johor Aluminium Processing Sdn. Bhd.^	Aluminium products	Malaysia	35.00	35.00
	Johor Capital Holdings Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Johor Foods Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Johor Franchise Development Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Johor Heavy Industries Sdn. Bhd.^	Ceased operations since 2001	Malaysia	100.00	100.00
	Johor Logistics Sdn. Bhd.^	Renting out building and container yards and rendering of related services	Malaysia	100.00	100.00
	Johor Paper and Publishing Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Johor Ventures Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Kilang Airbatu Perintis Sdn. Bhd.^	Rental of land and cold room facilities	Malaysia	88.22	88.22

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
2	NON-CORE BUSINESS (CONTINUED)				
	SME/NON-SME (CONTINUED)				
	Kok Lian Marketing Sdn. Bhd.^	Book publisher	Malaysia	51.19	51.19
	Larkin Sentral Management Sdn. Bhd.^	Special purpose vehicle for repurchase of unit trusts	Malaysia	100.00	100.00
	Larkin Sentral Sdn. Bhd.^	Business of a contractor and developer	Malaysia	100.00	100.00
	Le Petite Gourmet Sdn. Bhd.^	In process of winding up	Malaysia	–	51.00
	N2W Corporation Sdn. Bhd.	Ceased operation on 31 July 2020	Malaysia	100.00	100.00
	Paper Automation Sdn. Bhd.^	Dormant	Malaysia	96.10	93.58
	Pelaburan Johor Berhad^	Dormant	Malaysia	100.00	100.00
	Permodalan Teras Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Phoenix Progress Sdn. Bhd.^	A special purpose vehicle for financing	Malaysia	100.00	100.00
	Pro Corporate Management Services Sdn. Bhd.^	Corporate management services	Malaysia	100.00	100.00
	Puteri Hotels Sdn. Bhd.^	Ceased operation on 31 August 2020	Malaysia	100.00	100.00
	Selasih Catering Services Sdn. Bhd.^	Ceased operations on 16 April 2020	Malaysia	100.00	100.00
	Sergam Berhad^	Ceased operation since 2001	Malaysia	96.78	96.78
	Sibu Island Resorts Sdn. Bhd.^	Ceased operation on 31 December 2015	Malaysia	100.00	100.00
	Sindora Ventures Sdn. Bhd.^	Investment holding	Malaysia	100.00	100.00
	Tanjung Tuan Hotel Sdn. Bhd.^	Ceased operation on 31 October 2014	Malaysia	100.00	100.00

LIST OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

	Name of Company	Principal Activities	Country of Incorporation	Group Effective Interest	
				2023 %	2022 %
2	NON-CORE BUSINESS (CONTINUED)				
	SME/NON-SME (CONTINUED)				
	Tenaga Utama (Johor) Bhd [^]	Investment holding	Malaysia	69.76	69.76
	Teraju Fokus Sdn. Bhd. [^]	Security services	Malaysia	–	30.00
	Timeless Commitment Sdn. Bhd. [^]	In process of being winding up	Malaysia	–	51.00
	Trapezoid Web Profile Sdn. Bhd. [^]	Ceased operation since 2004	Malaysia	81.74	81.74
	Waqaf An-Nur Berhad [^]	Investment holding	Malaysia	@	@
	Westbury Tubular (M) Sdn Bhd [^]	Dormant	Malaysia	41.69	41.69
	Yakin Tea Sdn. Bhd. [^]	In process of being winding up	Malaysia	62.24	62.24

Listed on the Main Board of Bursa Malaysia Securities Berhad

@ Limited by Guarantee

[^] Subsidiaries not audited by KPMG PLT

& Subsidiaries of Waqaf An-Nur Berhad

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