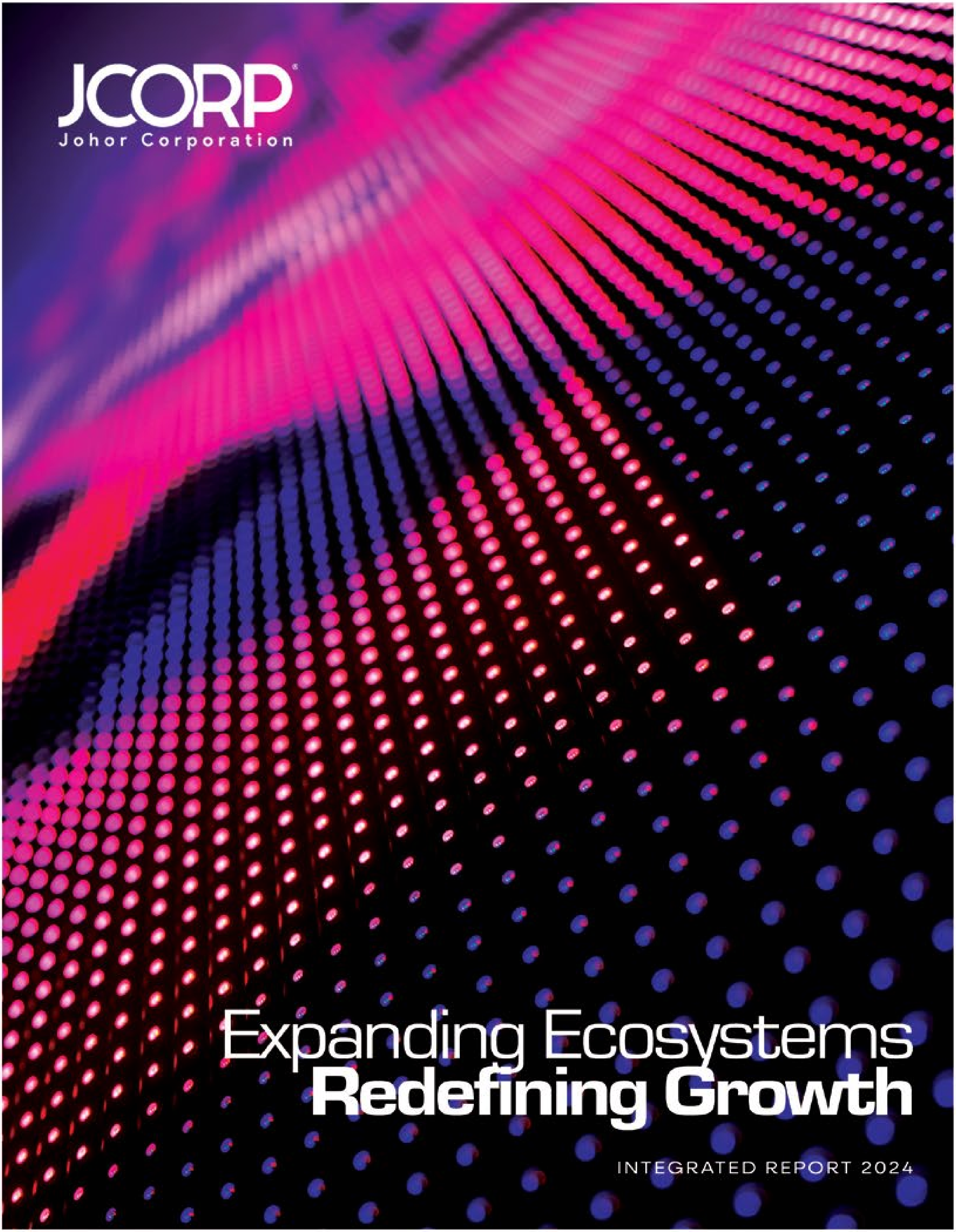


JCORP
Johor Corporation

Expanding Ecosystems **Redefining Growth**

INTEGRATED REPORT 2024

About This Report

The integrated report of Johor Corporation (JCorp) aims at offering a balanced and accurate narrative regarding the Group's performance and prospects, aligning with our strategic vision. We acknowledge the challenges posed by the operating environment and other key risks within the industries we operate. While primarily intended for providers of capital, this report is relevant to all stakeholders interested in understanding how JCorp creates value by balancing growth objectives against environmental and social imperatives.

MATERIALITY

The information disclosed in this report is pertinent to matters deemed material to our stakeholders and the achievement of corporate goals. These considerations encompass existing and emerging risks and opportunities that may impact our ability to create value and fulfil our core purpose.

REPORTING FRAMEWORK

Our integrated reporting process and the content of this report adhere to the principles and requirements of several standards, including:

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

Furthermore, our Sustainability Statement aligns with the Global Reporting Initiative (GRI) Standards, Bursa Malaysia's Sustainability Reporting Guide (Second Edition), and the United Nations' Sustainable Development Goals (UNSDGs).

SCOPE AND BOUNDARY

This report focuses on activities, initiatives, and key events during the financial year from 1 January to 31 December 2024. The coverage extends to all companies in the Group with a majority shareholding and significant influence, unless otherwise stated. All financial figures in this report refer to the JCorp Group. The profiles of the Board of Directors and Management reflect the composition as at the date of publication of this report.

COMBINED ASSURANCE

The contents of the entire report have undergone scrutiny and approval by the Management and Board of Directors. Additionally, all financial data presented has been assured by both internal and external auditors.

FORWARD LOOKING STATEMENTS

Certain sections of this report contain forward-looking statements related to future performance, premised on current assumptions and circumstances. As these factors may change, these statements inherently involve uncertainty, and actual results could differ materially from those expressed or implied.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of JCorp takes responsibility for ensuring the integrity of the Integrated Report 2024. In their opinion, the report provides a fair assessment of the Group's performance and addresses all key matters material to its ability to create value.

FEEDBACK

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

Group Corporate Communications

+607 219 2692

commccd@jcorp.com.my

ONLINE VERSION

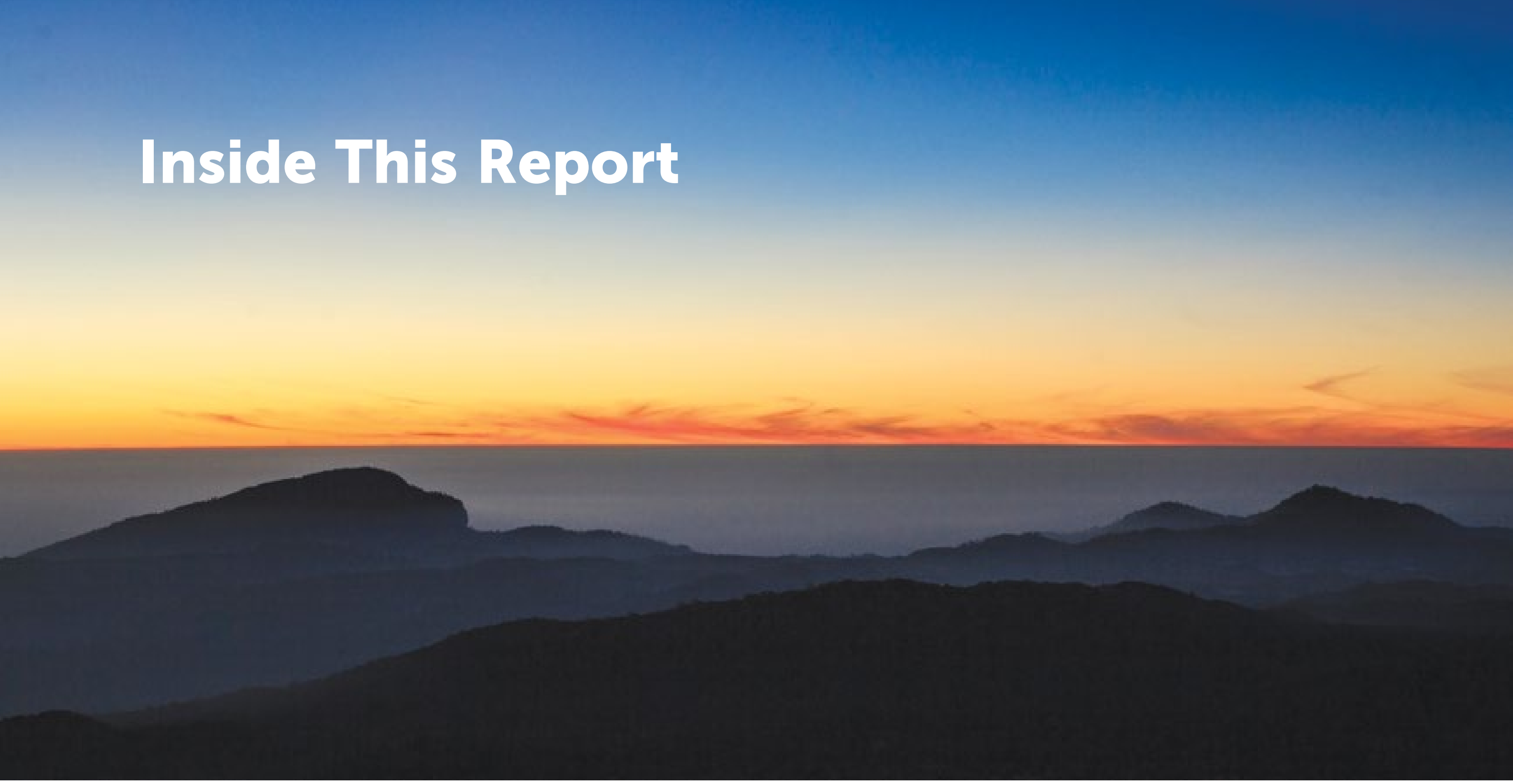
This report is best viewed in Adobe Acrobat for desktop, mobile or tablet. Click to download or update to the latest Adobe Acrobat Reader. Further information can also be found on our website:

Download the latest **Adobe Acrobat**

Go to our Website **jcorp.com.my**

Download our latest **Integrated Report**

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



Inside This Report

SECTION

01

Overview of JCorp

DELIVERING **FAVOURABLE OUTCOMES**

JCorp at a Glance

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

We operate in four core sectors – **Agribusiness, Wellness & Healthcare, Food & Restaurants** and **Real Estate & Infrastructure** through our flagship companies: Johor Plantations Group Berhad, KPJ Healthcare Berhad, QSR Brands (M) Holdings Bhd and JLand Group Sdn Bhd, respectively.

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

OUR VISION

JCorp as a highly admired institution for its financial success and exemplary ESG practices

OUR PURPOSE

Membina & Membela
Creating Value, Enabling Sustainable Communities

OUR ROLES & MANDATES

To fulfil our vision and mission, JCorp adopts a multifaceted approach through strategic, corporate, commercial and ESG-focused roles:

Strategic

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

Corporate

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

Commercial

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

ESG

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

Our Presence

JCorp's journey from plantations to a multi-faceted corporation reflects its commitment to advancing the "Johor Dream". Over the years, we have expanded into numerous sectors, ranging from agribusiness to wellness & healthcare, food & restaurants, and real estate & infrastructure. This growth is not only about business success but about delivering tangible impacts that benefit communities, create jobs and contribute to the nation's economy.

...and Beyond

>35,000
Residential & Commercial Units Developed. 458 units launched in 2024

7
KPJ Hospitals in Johor

34
Industrial Parks Developed

>233K
Jobs Created

>RM158B
FDI & DDI

>59,783 ha
- 23 Estates
- 5 Biogas Plants
- 5 Palm Oil Mills
- 3 Biomethane Plants
- 1 Palm Fibre Oil Extraction Plant
- 1 R&D Agritech Centre

Estate

23 Malaysia

Total Employees

30,000+

KPJ Hospital

Malaysia
- **29** Hospitals
- **03** Ambulatory Care Centres ("ACC")
- **03** Education
- **09** KWAN Mobile Clinics
- **11** Klinik Waqaf An-Nur ("KWAN")

Bangladesh
- **01** Hospitals
- **01** Education

Thailand
- **01** Hospitals

Education Centres

- **01** KPJ Healthcare University
- **03** Campuses: Nilai (Master) Johor & Penang
- **01** Johor Skills Development Centre

F&B Outlets*

KFC*: Over **850** (Malaysia, Singapore, Brunei & Cambodia)
Pizza Hut*: Over **500** (Malaysia and Singapore)

REID Strategic Projects

06 Projects

1) IBTEC,
2) IIBD,
3) Arena Larkin,
4) Bandar Tiram
5) BDO
6) Pasir Gudang

2024 Key Highlights

Revenue
RM7.0 billion
2023: RM6.2 billion

Net Assets
RM11.8 billion
2023: RM10.9 billion

Real Estate & Infrastructure Revenue
RM1.3 billion
2023: RM1.19 billion

Food & Restaurants Revenue
RM3.53 billion
2023: RM4.87 billion

Invested RM4.31 million in education, arts, culture, heritage, environment and community well-being

16% reduction in the use of glyphosate in plantation areas from **0.32 litres/ha** in 2023 to **0.27 litres/ha** in 2024

KPJ Healthcare Berhad earns **Malaysia Book of Records** recognition as the first hospital chain to launch **Clinical Waste Segregation Programme**

Financial Highlights

Profit After Tax
RM317 million
2023: RM378 million

Profit Before Tax
RM718 million
2023: RM605 million

Total Assets
RM25.3 billion
2023: RM25.1 billion

Business Highlights

Wellness & Healthcare Revenue
RM3.92 billion
2023: RM3.42 billion

Agribusiness Revenue
RM1.52 billion
2023: RM1.25 billion

Subsidiaries & Social Impact Arms

Yayasan JCorp allocated **RM3.98 million** to support various CSR programmes, positively impacting communities and stakeholders

Waqaf An-Nur distributed a total of **RM28.01 million** in waqf-related benefits

What We Do

Agribusiness

JCorp's agribusiness division continues to thrive with 23 estates across Malaysia, covering a total of 59,783 hectares. Our Fresh Fruit Bunches (FFB) production reached over 1.13 million metric tonnes in FY2024, supported by five palm oil mills, five biogas plants, three biomethane plants and one palm fibre oil extraction plant.

- Operates in **Malaysia**
- Landbank **59,783 ha**
- Total Employees **7,032**

FY2024 Revenue
RM1.52 billion

Total Operating Ward Beds
3,847

Wellness & Healthcare

JCorp's wellness & healthcare arm, primarily led by KPJ Healthcare Berhad, operates 29 hospitals across Malaysia, including seven in Johor. Beyond Malaysia, we have a presence in Bangladesh and Thailand. While 2024 saw the divestment of aged care operations in Australia and healthcare assets in Indonesia, our commitment to healthcare development remains steadfast.

- Managing **11 waqaf clinics** nationwide & **9 mobile waqaf clinics**

Food & Restaurants

JCorp continues to lead in the Food & Restaurants services, with over 1,300 KFC and Pizza Hut outlets spread across Malaysia, Singapore, Brunei and Cambodia. Through our strategic transformation plan, we are committed to enhancing the customer experience, advancing digital innovation, and improving operational efficiency.

- Stringent **Halal** & food safety compliance

FY2024 Revenue
RM3.53 billion

FY2024 Revenue
RM420 million

Real Estate & Infrastructure

JLand Group Sdn Bhd (JLG) is a wholly owned subsidiary of JCorp, focusing on spearheading the Group's real estate and infrastructure businesses. JLG's core businesses encompass Five strategic pillars, namely Property Development, Integrated Community Solutions, Property Investment, Outsourced Services and JLG Infratech, allowing for strategic value optimisation for its businesses and assets across diverse industry presence.

Our Corporate Philosophy Framework

Our Purpose

MEMBINA & MEMBELA
Creating Value, Enabling Sustainable Communities

Our Vision

JCorp as a highly admired institution for its financial success and exemplary ESG practices

Rallying Call

#REIMAGININGTHENEXT

Key Message Pillars

A Better Economy	A Flourishing Society	A Healthier Planet
Investor in Strategic and Catalytic Projects We are an agile and strategic investor, focusing on catalytic projects, scaling assets, and growing ventures that create sustainable impact for generations.	**Enabler of Progressive Communities** We catalyse robust socioeconomic development that will create jobs, promote entrepreneurial opportunities and spur talent growth, thereby generating wealth towards a more equitable future for all communities.	**Custodian for Generations** We are custodians for the generations, integrating sustainable practices into our investments to grow the nation's financial natural and socio-cultural resources within a circular economy framework for a resilient future.

Strategic Priorities

A Better Economy	A Flourishing Society	A Healthier Planet
• Economic Growth & innovation • Strategic Partnership and Collaboration • Job Creation & Workforce Development	• Talent & Enterprise Development • Community Empowerment for the Underserved • Capacity Building for Small Businesses	• Climate Resilience & Adaptability • Food Security for the Nation • Circular Economy Adoption • Community-led Environmental Stewardship

Roles & Mandates

Strategic	Corporate	Commercial	ESG
• Identify and undertake development of strategic projects that stimulate and contribute significant economic growth • Capitalise on the opportunities unleashed by creating new verticals for the State economy	• Develop & uphold corporate governance • Provide corporate stewardship based on best practices • Inculcate & institutionalise culture of excellence	• Formulate & execute value creation continually • Ensure returns from investment are maximised • Deliver stakeholders' expectation effectively & successfully	• Commitment to environmental sustainability as a consideration in all decisions across the Group • Strengthen social inclusiveness for improved well-being of the community & society • Advocate responsible investments, business ethics & transparency

Our DNA

The Pillars of Our Culture	Our Practices in Motion	Transforming Our People
E. **E**xcellence Drive Us **R.** **R**eal Honour **I.** **I**nnovate for Impact **T.** **T**eam JCorp As One	**C.** **C**ross-Functional Skills **O.** **O**pen-System Thinking **D.** **D**igital Fluency **E.** **E**xponential (ExO) Mindset	**A.** **A**gile **R.** **R**esilient **K.** **K**nowledgeable

At Johor Corporation (JCorp), our Corporate Philosophy Framework embodies the principles and values that drive us to create transformative and lasting impacts. Guided by a unified vision, mission and defined roles, we remain steadfast in our commitment to achieving excellence, advancing sustainable development and delivering value for our stakeholders.

A Future Built On Purpose

Through this Framework, JCorp reaffirms its dedication to redefining industry benchmarks on a global scale. By leveraging our collective expertise and resources, we aim to create a resilient, inclusive, and sustainable future where economic progress is balanced with societal and environmental well-being. This philosophy not only drives our endeavours but also defines our promise to deliver extraordinary outcomes for all stakeholders.

Our Values

At Johor Corporation (JCorp), our values serve as the foundation for how we think, act and grow. They define our approach to business, our interactions with stakeholders and our commitment to creating a positive impact on the community and the environment. Through our E.R.T.I. values — **Excellence Drives Us, Real Honour, Team JCorp as One,** and **Innovate for Impact** — we strive to uphold the highest standards in everything we do.

Excellence Drives Us

- We are driven by a relentless pursuit of excellence, setting ambitious benchmarks and delivering extraordinary outcomes.
- Setting high performance standards and achieving extraordinary results.
- Embracing lessons from challenges and constantly improving.
- Acting with speed and clarity to achieve our goals.

Real Honour

- Integrity and accountability are at the heart of our purpose.
- Upholding our integrity and fulfilling our commitments as professionals.
- Taking ownership to do what is right and staying true to our word.
- Demonstrating courage in the face of difficult decisions.

Team JCorp As One

- Collaboration and inclusivity fuel our success as a unified group.
- Embracing agility to deliver the best of the Group to our stakeholders.
- Listening to understand, while celebrating the richness of diversity.
- Thriving on partnerships to build meaningful ecosystems that benefit all.

Innovate For Impact

- Creativity and boldness inspire us to challenge norms and drive positive change.
- Thinking creatively and courageously to disrupt conventional approaches.
- Tackling complex challenges with passion and ingenuity.
- Generating value that fosters growth and drives positive outcomes.

Guided by Purpose

These values are more than principles; they shape the way we curate investment strategies, build a resilient organisational culture and contribute to community and climate-positive initiatives. By living the E.R.T.I. way, we continuously create sustainable value for stakeholders and deliver on our promise to grow the good we want to see.

Awards & Achievements

"We take pride in the numerous awards and accolades bestowed upon us throughout the years across various facets of our business. This serves as a testament to our unwavering commitment to excellence and a solid affirmation of the trust that our customers and industry peers have in us."

Johor Corporation

Transformative Agency of the Year by Singapore-based government influencer; GovInsider

Wellness & Healthcare

The Edge Billion Ringgit Club & Corporate Awards 2024
- Highest Return to Shareholders Over Three Years (Healthcare)

Sustainability and CSR Malaysia Award by CSR Malaysia
- Klinik Waqaf An-Nur charity clinics

HR Asia Best Companies to Work for in Asia 2024

The Edge ESG Awards 2024
- Silver for Outstanding ESG Performance and Dividend Return

Agribusiness

Alpha Southeast Asia 18th Annual Borrower Issuer Awards 2024
- Best Equity Deal of the Year in Southeast Asia
- Best Equity/IPO in Malaysia 2024

ESG Positive Impact Awards 2023
- Silver in the Social Category for Human Rights and Labour Standards at the ESG Positive Impact Awards 2023, organised by Star Media Group

RAM Blueprint Award 2024
- Recognition of the successful issuance of RM3.0 billion Islamic Medium Term Notes and Islamic Commercial Papers Programmes

Life at Work Awards (LAWA) 2024
- Second Runner-Up at the LAWA 2024 for Green Technology Innovation – Open Category

SAP Customer Excellence Awards for Southeast Asia 2024
- Second runner-up in the Intelligence Enterprise category at the prestigious SAP Customer Excellence Awards for Southeast Asia 2024

National Annual Corporate Report Awards (NACRA) 2024
- Platinum accolade under the Excellence Award in the Non-Listed Category at the NACRA 2024

IKM Laboratory Excellence Award 2024
- The recognition was awarded to the Central Analytical Laboratory by the Malaysian Institute of Chemistry

Our Competitive Strengths

Healthcare Presence with KPJ Hospitals:
JCorp's ownership of 7 KPJ hospitals in Johor alone signifies its commitment to healthcare services, promoting well-being and contributing to the overall health infrastructure of the region.

Infrastructure Development:
JCorp's role in providing infrastructure aligns with its commitment to enhancing suburban areas, fostering community growth, and creating sustainable living environments.

Plantation Operations:
Managing over 50,000 hectares of plantation operations, JCorp not only contributes to the agricultural sector but also provides essential infrastructure and amenities in suburban areas.

Residential and Commercial Development:
The development of more than 35,000 residential and commercial units showcases JCorp's versatility in urban planning and real estate development, addressing housing and business needs.

Substantial Foreign and Domestic Investment:
JCorp's success in attracting over RM90 billion in foreign direct investment (FDI) and domestic direct investment (DDI) underscores its appeal as an investment destination, contributing to economic prosperity.

Job Creation:
With over 233,000 jobs created, JCorp plays a vital role in employment generation, contributing significantly to the economic well-being of the community.

Extensive Industrial Park Development:
JCorp's development of 34 industrial parks demonstrates a robust commitment to fostering economic growth and providing a conducive environment for businesses.

Our Strategic Alliances

JCorp

Collaboration between JCorp & Johor State on State-Guaranteed SUKUK

Agribusiness

Malaysian Palm Oil Board

Gas Malaysia

FUJI OIL ASIA

JV for Downstream Project (Refinery)

Development Collaboration and Preventive Maintenance

Smallholder Inclusion Programme

MTC Orec

Real Estate & Infrastructure

Heavy industries (Oil & Gas Petrochemicals Steel)

E&E & Advanced Manufacturing

General Manufacturing (Non-metallic mfg. Food mfg. Medical mfg)

Data Centres & Hyperscalers

Logistics & Warehousing

Supporting Agencies & Partners:

Wellness & Healthcare

Corporate Green Power Programme

Installation of rooftop solar photovoltaic (PV) systems at KPJ Hospitals in Johor, Seremban & Selangor.

Providing Energy Efficient Motor (Eco Motor) to 10 potential KPJ hospitals with Zero Capex

Chronic Kidney Dialysis lab testing for iDialysis

KPJU Key Technology Partners:


OUR STRATEGIC FOCUS AREA
Stakeholder Centric & Long Term Value Creation
AI & Digital Innovation and Transformation
Exponential & Resilient Growth
Sustainability & Environmental Impact
High-Performance Culture and Operational Excellence

Group Corporate Structure

Real Estate & Infrastructure

100%
TLP Terminal Sdn Bhd

100%
Damansara Assets Sdn Bhd

100%
TPM Technopark Sdn Bhd

87.50%
Johor Land Berhad

- **0.68%** Pristine Bay Sdn Bhd
- **11.82%** Damansara Assets Sdn Bhd

100%
JLand Group Sdn Bhd

- **100%** Kulim Technology Sdn Bhd
- **100%** JL ProJects Sdn Bhd
- **84%** **Damansara Holdings Berhad**
  - **11%** Sindora Berhad
  - **5%** Kulim (M) Bhd

Agribusiness

96.33%
Kulim (Malaysia) Berhad

- **3.67%** JCorp Capital Solution
- **4.67%** Al Salam Reit

100%
Sindora Berhad

65%
Johor Plantations Group Berhad

Food & Restaurants

100%
Business Chronicles Sdn Bhd

56%
Massive Equity Sdn Bhd

100%
QSR Brands (M) Holdings Bhd

Wellness & Healthcare

35.51%
KPJ Healthcare Berhad

- **0.43%** **Kulim (M) Berhad**
- **2.02%** **JCorp Capital Solution SB**
- **6.68%** **Waqaf An-Nur Corporation Berhad**

Johor Land Berhad

100%
Kumpulan Perubatan (Johor) Sdn Bhd

Corporate Responsibility

Yayasan Johor Corporation
Limited by Guarantee

Waqaf An-Nur Corporate Berhad
Limited by Guarantee

List of Funds

4.21%
Al-Salam Reit

48.03%
DASB

4.67%
KMB

0.26%
JLB

0.34%
KPJHB

0.05%
Kump Bertam

TUJ

Al-Aqar Healthcare Reit

37.55%
KPJ Healthcare Berhad Group

48.03%
Johor Ventures Sdn Bhd

Key Milestones

1968

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

1970

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

1973

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

1974

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

1975

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

1976

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

1977

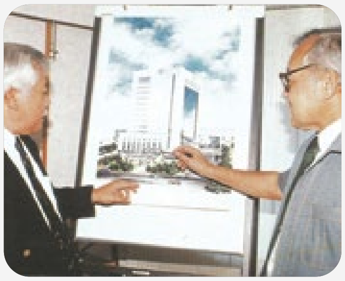
- JSEDC appointed as the local council of Pasir Gudang, the first local council in Malaysia to be privatised until June 2009, under a five-yearly arrangement for 31 years.

1978

- JSEDC developed a string of industrial zones of 1,677 acres located in Pasir Gudang, Tanjung Agas, Tongkang Pecah, Segamat, as well as the Senai Free Trade Zone, which attracted a total of 325 entrepreneurs.
- The State's development arm hit significant milestones, with Group revenue surpassing the RM1 billion mark for the first time in 1988 with assets over RM1.11 billion.

1994

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



1995

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

1996

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

1998

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

2002

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

2005

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

2006

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

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

2009

Official Roundtable on Sustainable Palm Oil (RSPO) certification was accorded to Kulim-owned plantations in Malaysia in January.

QSR Brands via KFC Holdings (KFCH) received the franchise rights to operate KFC restaurants in Mumbai and Pune, India.

2010

KPJ Healthcare embarked on the aged care business; acquired a 51% stake in Jeta Gardens – a retirement village in Queensland, Australia.

QSR Brands via Pizza Hut Malaysia announced the opening of its 200th restaurant while KFC Malaysia proudly reached and moved past the milestone of 500 restaurants nationwide in Q4.

2011

Galleria@Kotaraya reached a defining milestone on 10 November 2011 with its official launch, officiated by YAB Dato' Haji Abdul Ghani Othman.

Key Milestones

2012

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

2013

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

2014

- KOMTAR JBCC opened to the public in August.

2014

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

2015

- His Majesty Sultan of Johor launched the Ibrahim International Business District (IIBD) valued at RM3.5 billion GDV on 22 November.
- Johor Corporation listed Real Estate Investment Trusts Al-Salām REIT on Bursa Malaysia on 29 September.
- The State Government of Johor appointed Johor Corporation as the administrator of the Pengerang Local Authority.
- QSR Brands via KFC Malaysia won the Gold recognition at the Putra Brand Awards in the Restaurants & Fast Food category.

2016

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

2017

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

- JCorp officially administered the Local Authority of Pengerang in January and was mandated to oversee the Pengerang Integrated Petroleum Complex (PIPC) industrial zone and its surrounding areas.

2017

- JCorp through JLand launched a low cost housing project, Rumah Impian Bangsa Johor (RIBJ), the brainchild of the His Majesty Sultan of Johor in March.

2018

- JCorp celebrated its 50th Anniversary and the new logo was launched, symbolising its determination to position itself on the domestic front and in the international arena.
- JCorp recorded higher revenue of RM5.616 billion in 2018 compared with RM5.564 billion posted in 2017.

2018

Johor Corporation via TPM Technopark launched Muar Furniture Park; the First Furniture Hub in Malaysia.

2019

Menara JLand; the first Green Building Index in Johor Bahru was launched in November 2019 by His Majesty the Sultan of Johor.

JLand received the Best Master Plan award for Bandar Dato' Onn and Affordable Housing award for Pangsapuri Kasturi, Bandar Dato' Onn at the FIABCI Malaysia Property Awards 2019.

2020

JCorp appointed Johor Menteri Besar, YAB Dato' Hasni Mohammad as the Chairman in February and YBhg Datuk Syed Mohamed Syed Ibrahim as its new President and Chief Executive in January.

JCorp introduced a new logo and corporate identity in July 2020 to better position itself with its vision as a highly admired institution for its financial success and exemplary social responsibility.

JCorp and its Group of Companies, through the JCorp Prihatin initiative, contributed RM32 million nationwide in the fight against COVID-19.

2021

Announcement of JCorp 3.0 Reinvention; A sustainable 2021-2025 Strategic Plan to weather the era of disruption.

JCorp strengthened Yayasan Johor Corporation's (YJC) role to build its Membela mandate through its four key focus areas namely; Education, Arts, Culture & Heritage, Environment & Community Wellbeing.

JCorp, through YJC, pledged RM500,000 to Johor Cerebral Palsy Association (JCPA) and contributed 50 laptops to underprivileged children cancer patients via the Tunku Laksamana Johor Cancer Foundation (TLJCF).

2022

JCorp received a AAA/Stable rating by RAM Ratings for its proposed second tranche RM2 billion Islamic Medium-Term Notes (Sukuk Wakalah) Programme.

2022

JCorp partnered with SAP Malaysia to become a value-driven organisation (VDO) in the digital economy.

2023

Damansara Specialist Hospital 2 was launched in May 2024 by His Majesty the Sultan of Johor.

2024

On 9 July 2024, Johor Plantations Group Berhad (JPG) achieved a major milestone with its debut on the Main Market of Bursa Malaysia Securities Berhad, opening at RM0.84 with a market capitalisation of RM2.1 billion.

SECTION

02

Key Messages

FOCUSED AND **FUTURE READY**

DATO' ONN HAFIZ GHAZI
Menteri Besar of Johor
Chairman
Johor Corporation

Chairman's

Letter to Shareholders

DEAR STAKEHOLDERS,

The year 2024 represents an important phase in Johor Corporation's ongoing transformation journey. As global uncertainties persisted, Johor Corporation (JCorp) continued to advance the JCorp 3.0 Reinvention Plan, strengthening its operating model, embracing digital transformation and reinforcing its role as Johor's strategic investment institution. Anchored by our ***Membina & Membela*** (Creating Value, Enabling Sustainable Communities) mandate, we remained committed to delivering sustainable value and meaningful socio-economic impact for Johor and the Rakyat.

Chairman's Letter to Shareholders

STEADY PROGRESS AMIDST TRANSFORMATION

Building on this foundation, the Board reflects on a year in which JCorp translated its transformation agenda into tangible progress, strengthening organisational resilience while laying the groundwork for future growth.

A defining feature of 2024 was the continued acceleration of digital transformation, with the adoption of artificial intelligence, automation and data analytics to enhance decision-making, operational efficiency and long-term competitiveness. These efforts underscore the Board's commitment to ensuring that JCorp remains adaptive, resilient and well-positioned amidst structural shifts in the economy and evolving stakeholder expectations.

MACROECONOMIC AND POLICY LANDSCAPE

The global economic environment in 2024 remained characterised by uncertainty, particularly across emerging markets, even as certain economies recorded encouraging growth momentum. Geopolitical developments, inflationary pressures and financial market volatility continued to influence the external landscape.

Against this cautious global backdrop, Johor entered a new economic chapter, with a clear focus on growth and structural transformation. The State's strategic emphasis on megatrends such as advanced manufacturing, the digital economy, the green economy and AI-enabled sectors, supported by the development of the Johor–Singapore Special Economic Zone (JS-SEZ), provided an important structural tailwind.

These developments shaped the Board's oversight and strategic considerations. JCorp responded by redefining Johor's economic architecture beyond traditional sectors, focusing on the development of advanced industrial platforms, digital infrastructure, circular economy systems and smart ecosystems. As Johor's principal development institution, JCorp remained aligned with state and federal development frameworks, including RMK13 and Maju Johor 2030, ensuring that the Group's long-term strategy continues to support national and state priorities.

BOARD VIEW OF GROUP PERFORMANCE

From the Board's perspective, FY2024 delivered very strong Group results, underpinned by resilient operations across a diversified portfolio. As at 31 December 2024, JCorp recorded assets of almost RM25 billion, reflecting the scale and strength of the Group's balance sheet.

Performance was positive across JCorp's core pillars. Wellness & Healthcare recorded a revenue increase of 15% year-on-year, while Agribusiness revenue rose 18%. Real Estate & Infrastructure achieved revenue growth of 9%, and the Food & Restaurants segment delivered revenue of RM3.53 billion. These outcomes reflect disciplined execution, operational improvements and the benefits of portfolio diversification.

Importantly, the Board gained confidence from the momentum of the Group's transformation efforts. Strategic initiatives undertaken during the year strengthened JCorp's positioning and reinforced its long-term trajectory. Milestones such as the initial public offering of Johor Plantations Group Berhad (JPG), the continued development of KPJ's Health System, and the Mayo Clinic collaboration demonstrate the Group's ability to translate strategic intent into tangible progress.

STRATEGIC ACHIEVEMENTS AND TRANSFORMATION PROGRESS

The Board considers 2024 to be a pivotal year in reinforcing JCorp's long-term positioning. During the year, the Group achieved several important milestones that strengthened its strategic foundation and supported its transformation agenda. Notably, JPG's initial public offering and plantation transformation enhanced capital access while improving the sustainability and competitiveness of the agribusiness portfolio.

In healthcare, the continued advancement of KPJ's Health System and the expansion of global partnerships supported higher standards of care and contributed to the long-term development of Malaysia's healthcare ecosystem.

At the same time, JCorp made meaningful progress in sustainable finance and ESG innovation, reinforcing the Group's commitment to responsible capital allocation and long-term value creation. These efforts were complemented by the continued digital transformation of the organisation, embedding technology-enabled capabilities across the Group to enhance operational effectiveness and decision-making.

In parallel, JCorp strengthened its strategic positioning within Johor's key development initiatives and the Johor–Singapore Special Economic Zone (JS-SEZ), placing the Group at the centre of Johor's evolving investment and growth landscape.

These achievements reflect sustained progress under the JCorp 3.0 Reinvention Plan, encompassing portfolio realignment, structural reforms and governance strengthening. Collectively, they enhance the Group's future readiness, competitiveness and resilience, while reinforcing the Board's confidence in JCorp's long-term value creation agenda.

SUSTAINABILITY AND ESG OVERSIGHT

Sustainability and ESG considerations remain integral to the Board's oversight and strategic direction. In 2024, the Board continued to prioritise the integration of sustainability principles into JCorp's business and investment decisions, recognising the importance of balancing commercial performance with long-term environmental and social outcomes.

The Board's focus on ESG reflects JCorp's role as a responsible development institution for Johor, supporting sustainable growth, inclusive development and long-term resilience. Detailed disclosures on ESG priorities, outcomes and initiatives are set out in JCorp Sustainability Report 2024.

> "2024 marked a pivotal year for Johor Corporation as we translated our transformation agenda into tangible progress, strengthening organisational resilience while positioning the Group for long-term, sustainable growth"

Chairman's Letter to Shareholders

DELIVERING IMPACT FOR JOHOR

As Johor's Principal Development Institution, JCorp continued to fulfil its mandate by acting as a catalyst for economic growth, employment creation and socio-economic development.

During the year, the Group directed investments into high-value, high-growth sectors including industrial development, logistics, healthcare and technology, supporting Johor's growth corridors and the JS-SEZ. JCorp also advanced infrastructure and township developments that underpin sustainable economic activity and enhance regional competitiveness.

In human capital development, JCorp supported job creation across its portfolio companies and contributed to workforce upskilling through training initiatives and partnerships with educational institutions. Notable initiatives included collaboration through the Johor Skills Development Centre (JSkills) and the Johor Talent Development Council, with a target to upskill or reskill 10,000 workers annually by 2027 in support of JS-SEZ sectors.

> "Guided by our Membina & Membela mandate, we remain committed to delivering disciplined performance and meaningful socio-economic impact, reinforcing our role as Johor's Principal Development Institution"

In healthcare, KPJ's Health System continued to support Malaysia's long-term healthcare agenda by strengthening clinical standards, education and research. Community and social initiatives, including education and skills programmes delivered through Waqaf An-Nur and Yayasan JCorp, further reinforced JCorp's commitment to inclusive development.

Through disciplined investment, sustained financial performance and consistent dividend contributions to the State, JCorp demonstrated its value to Johor and the Rakyat, balancing commercial returns with socio-economic objectives that delivered meaningful impact.

GOVERNANCE, RISK AND ORGANISATIONAL RESILIENCE

Strong governance and risk oversight remain fundamental to the Board's stewardship of JCorp. During 2024, the Board continued to enhance governance practices and oversight mechanisms to ensure accountability, transparency and resilience in an increasingly complex operating environment.

The Board maintained close oversight of key risks and uncertainties, ensuring that management responses remained aligned with the Group's strategic objectives and risk appetite. Efforts to strengthen risk management frameworks, compliance culture and organisational resilience were continued throughout the year, reinforcing JCorp's ability to navigate uncertainty and safeguard long-term value.

Further details on governance structures, risk management and compliance are provided in the Governance section of this Annual Report.

CLOSING

The year 2025 comes with renewed emphasis on creating value and enabling sustainable communities for Johor. While global uncertainties persist, the Board remains confident in Johor's growth trajectory and in JCorp's role within it.

JCorp's core mission of ***Membina & Membela*** will continue to guide all business and investment decisions. The Board will maintain focus on disciplined capital allocation, transformation execution, sustainability integration and strategic positioning within Johor's evolving economic landscape, particularly in relation to JS-SEZ opportunities.

On behalf of the Board, I would like to express our sincere appreciation to all stakeholders in the public and private sector for your continued trust and support. I also thank my fellow Board members for their guidance and stewardship, the management team for their dedication and commitment, and all employees across the Group for their partnership and stewardship, professionalism and resilience throughout the year.

Together, we remain committed to strengthening JCorp as a future-ready, responsible and impactful institution that continues to serve Johor and the Rakyat.

Dear valued stakeholders,

JCorp 3.0 continued to drive our transformation this year, strengthening our position as an impact-led, value-driven, investment holding corporation aligned with Johor's development priorities.

DATUK SYED MOHAMED SYED IBRAHIM
President & Chief Executive
Johor Corporation

President & Chief Executive's Overview

EXPANDING ECOSYSTEMS, REDEFINING GROWTH

This year marked a defining phase in Johor Corporation's (JCorp) transformation journey, as we advanced our role not only as a strategic investment institution, but increasingly as a builder and enabler of interconnected economic ecosystems.

Against a backdrop of global uncertainty, characterised by persistent inflationary pressures, elevated interest rates and shifting geopolitical dynamics, the Group delivered a resilient financial and operational performance. More importantly, we continued to strengthen the foundations of a more integrated, agile and future-ready organisation, capable of navigating complexity while capturing emerging opportunities.

At the heart of our progress in 2024 is a deliberate shift in how we create, connect and scale value. JCorp is evolving beyond a traditional portfolio-based model towards a more ecosystem-driven approach, where our businesses, partners and stakeholders operate within interconnected value chains that reinforce one another. Across our core business pillars of Wellness & Healthcare, Agribusiness, Food & Restaurants, and Real Estate & Infrastructure, we are expanding linkages, deepening collaborations and unlocking synergies that extend beyond individual entities to create broader, system-wide impact.

This evolution reflects our conviction that sustainable success today is no longer defined by isolated growth within individual sectors, but by the ability to orchestrate ecosystems that drive collective resilience, innovation and long-term value creation.

We are redefining growth, from a traditional focus on financial performance alone, towards a more holistic model that integrates economic strength, social impact and environmental responsibility. Growth, in this context, is measured not only by financial returns, but by our contribution to employment creation, enterprise development, infrastructure advancement and the overall wellbeing of Johor and the Rakyat.

Guided by the JCorp 3.0 Reinvention Plan, we continued to make steady progress in strengthening execution discipline, optimising our portfolio and enhancing capital efficiency. At the same time, we accelerated efforts in digitalisation, governance enhancement and organisational renewal, ensuring that the Group remains responsive, resilient and aligned with long-term development priorities.

Importantly, our ecosystem approach is closely aligned with national and state-level priorities, including Maju Johor 2030, the Johor–Singapore Special Economic Zone (JS-SEZ), and Malaysia's broader industrial and sustainability agendas. Through strategic investments, partnerships and catalytic projects, we are contributing to the development of integrated economic corridors, future-ready industries and sustainable infrastructure that will underpin Johor's next phase of growth.

As we reflect on the year, JCorp's transformation is not solely about improving performance, but about reshaping how value is created and sustained over the long term. We are positioning the Group to deliver enduring impact by strengthening economic resilience, fostering innovation and creating meaningful opportunities for stakeholders across the value chain.

STRATEGIC PRIORITIES AND KEY ACHIEVEMENTS

Entering 2024, JCorp's strategic priorities were anchored on performance delivery, portfolio strengthening, and deepening the Group's integrated ecosystem across its core sectors. Our focus was on enhancing connectivity between businesses, unlocking synergies across value chains, and positioning the Group to capture opportunities arising from evolving industry dynamics and regional growth corridors.

This ecosystem-driven approach translated into tangible outcomes across financial performance, asset optimisation and strategic milestones, reinforcing our ability to deliver sustainable, long-term value.

For the financial year, consolidated Group revenue increased to RM6.96 billion, representing a 12% growth over FY2023, while profit before tax rose to RM718 million, a 19% year-on-year improvement.

These results reflect not only improved performance at the individual business level, but also the collective strength of JCorp's interconnected portfolio, where complementary capabilities across sectors contributed to overall resilience and growth.

The Group's Assets Under Management (AUM) stood at RM24.50 billion as at 31 December 2024, underscoring the scale of JCorp's ecosystem and its capacity to support integrated value creation across industries.

At the holding company level, JCorp recorded RM759 million in revenue and RM634 million in net profit, underpinned by RM425.82 million in dividend income, primarily from Kulim (Malaysia) Berhad and KPJ Healthcare Berhad, as well as RM223.47 million in proceeds from industrial land sales. These results reflect disciplined capital management and the Group's ongoing efforts to optimise its ecosystem through strategic capital recycling and portfolio refinement.

Strategically, the year marked a milestone in advancing JCorp's ecosystem expansion agenda. The successful listing of Johor Plantations Group Berhad (JPG) on Bursa Malaysia not only unlocked long-term shareholder value but also strengthened the Group's ability to reinvest and scale the agribusiness ecosystem, particularly across upstream, midstream and downstream segments of the value chain.

In the healthcare sector, KPJ Healthcare Berhad (KPJ) further expanded its ecosystem through the launch of the KPJ Health System - a landmark collaboration with Mayo Clinic via the Mayo Clinic Care Network. These initiatives enhanced knowledge exchange, clinical excellence

President & Chief Executive's Overview

and global connectivity, reinforcing KPJ's position within a broader regional and international healthcare ecosystem.

Across the portfolio, strategic partnerships and collaborations continued to play a pivotal role in expanding JCorp's ecosystem footprint. These alliances enabled the Group to access new capabilities, accelerate innovation and strengthen its participation in higher-value segments across industries.

Collectively, these achievements reflect a deliberate shift in how JCorp creates value, moving from standalone business performance towards a more integrated ecosystem model. Within this model, growth is driven by connectivity, collaboration and the ability to scale impact across sectors.

Through this approach, JCorp is not only strengthening its financial performance, but also redefining growth as a function of ecosystem expansion, strategic integration and long-term value creation in support of Johor's economic and social development.

MACROECONOMIC, INDUSTRY AND OPERATING LANDSCAPE

Global and Domestic Economic Conditions

Global economic conditions remained challenging – characterised by tighter financial conditions, higher borrowing costs and cautious consumer and business sentiment. These dynamics influenced demand patterns, investment decisions and operating costs across JCorp's portfolio. Elevated interest rates reinforced the importance of disciplined capital allocation. Meanwhile, cost pressures, particularly in energy, logistics and labour, necessitated continued focus on operational efficiency.

Currency volatility and global supply chain realignments introduced both risks and opportunities, requiring agility in procurement and operations. Slower growth in certain external markets moderated near-term expansion plans, while reinforcing the strategic importance of resilience, productivity and domestic-led growth.

National and State Development Frameworks

Malaysia's economic landscape during the year continued to be shaped by key national frameworks, including the New Industrial Master Plan 2030 (NIMP 2030), National Energy Transition Roadmap (NETR), Green Investment Strategy (GIS) and National Investment Aspirations (NIA). Together, these policies provided a clear direction for industrial upgrading, digitalisation, sustainability and investment competitiveness.

At the state level, Maju Johor 2030 remained a defining blueprint, positioning Johor as a developed, inclusive and innovation-driven state. Within this context, the Johor–Singapore Special Economic Zone (JS-SEZ) emerged as a key growth catalyst, enhancing cross-border integration, connectivity and high-value investment flows. The Ibrahim Technopolis (IBTEC), under the development of JLand Group Sdn Bhd (JLG), is strategically positioned as a flagship development within this corridor.

SOLID FINANCIAL PERFORMANCE

In FY2024, JCorp delivered a solid financial performance, reflecting the strength and resilience of its diversified portfolio amid a challenging operating environment.

The Group recorded a profit before tax of RM718 million and profit after tax of RM317 million, underpinned by disciplined execution, improved asset performance and a continued focus on long-term value creation.

JCorp's net asset value stood at RM11.8 billion, reinforcing the Group's strong balance sheet and capacity to support future growth and strategic investments.

The year's performance was driven primarily by robust contributions from the Wellness & Healthcare, Agribusiness, Real Estate & Infrastructure, and Food & Restaurants business pillars, which benefitted from sustained demand, operational improvements and targeted efficiency initiatives.

> "FY2024 marked a significant milestone for the Group, with disciplined execution and strategic value unlocking driving strong financial performance and elevating Assets Under Management to RM24.50 billion"

These results were further supported by enhanced operational discipline across the portfolio and selective capital recovery measures, reflecting prudent financial management and effective capital allocation. As a result, these factors reinforced the Group's strong foundation from which to progress its transformation agenda while continuing to fulfil its mandate as Johor's strategic investment institution.

OPERATIONAL HIGHLIGHTS BY ECOSYSTEM

In 2024, JCorp's diversified portfolio operated within an increasingly interconnected and dynamic operating environment, where sectoral performance is shaped not only by individual industry trends, but by the strength and integration of broader economic ecosystems.

Against this backdrop, JCorp continued to strengthen its position as an ecosystem builder and integrator, with each core segment contributing to, and benefiting from, a wider network of value chains, capabilities and strategic linkages. This ecosystem-based approach enhances

resilience, enables cross-sector synergies and supports more sustainable, long-term growth.

Healthcare Ecosystem

The healthcare ecosystem continued to benefit from strong structural demand, driven by an ageing population, rising healthcare awareness and increasing demand for specialised and private healthcare services. At the same time, cost pressures related to staffing, medical supplies and regulatory compliance underscored the importance of operational efficiency, innovation and integrated care delivery.

Within this ecosystem, KPJ delivered a strong performance, with revenue of RM3.92 billion, representing 15% year-on-year growth. The Group reported a net profit of RM407.2 million. Performance was supported by improved margins, enhanced operational efficiencies and sustained patient trust in KPJ's "Care for Life" approach.

Strategic initiatives further expanded the healthcare ecosystem, including the launch of the KPJ Health System and international collaborations such as the Mayo Clinic Care Network. These developments strengthened clinical capabilities, knowledge exchange and global connectivity, reinforcing KPJ's position within a broader regional and international healthcare ecosystem.

Agribusiness and Food Ecosystem

The agribusiness and food ecosystem operates across a complex value chain spanning upstream plantation activities, midstream processing and downstream food production and distribution. In 2024, this ecosystem was shaped by commodity price volatility, climate-related risks and rising input costs, alongside increasing emphasis on sustainability, traceability and productivity.

Within this ecosystem, the agribusiness cluster, led by Kulim (Malaysia) Berhad through JPG, recorded RM1.61 billion in revenue, representing an 18% increase year-on-year. Plantation operations remained the primary contributor, supported by improved commodity pricing and sustained cost efficiencies.

The successful listing of JPG further strengthened the ecosystem by enhancing access to capital and enabling reinvestment across the value chain. While a one-off divestment loss impacted reported net profit, the underlying fundamentals remain robust, supported by continued focus on yield optimisation, sustainability practices and long-term resilience across the agribusiness ecosystem.

Urban Development and Real Estate Ecosystem

The real estate ecosystem plays a critical role in enabling economic activity by providing integrated spaces for living, working and industrial development. In 2024, the sector was characterised by cautious market sentiment, with demand favouring well-located, purpose-driven developments aligned with economic growth corridors.

Amidst these conditions, JLG achieved RM1.30 billion in revenue, representing a 9% increase on a pro forma basis. Performance was driven by steady contributions from property development and integrated community solutions, supported by sound project execution and effective cost management.

Strategically, JCorp's developments, including IBTEC, are positioned as key nodes within broader regional ecosystems under the JS-SEZ. These developments support industrial clustering, infrastructure integration and long-term economic expansion, reinforcing the role of real estate as a foundational enabler of ecosystem growth.

Food and Consumer Services Ecosystem

The food and consumer services ecosystem is shaped by evolving consumer behaviour, cost-of-living pressures and increasing digital engagement. In this environment, value, convenience and brand trust are critical drivers of competitiveness.

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QSR Brands recorded RM3.53 billion in total revenue – RM3.23 billion from continuing operations. Performance was supported by ongoing transformation initiatives across its business, digital and cultural pillars, including targeted marketing, menu innovation, data-driven customer engagement and operational efficiency improvements.

These initiatives strengthened the ecosystem by enhancing customer connectivity, improving service delivery and reinforcing brand resilience across multiple markets. The disciplined execution of these strategies contributed to a strong start in 2025, with profit after tax more than doubling year-on-year in the first quarter.

Industrial, Infrastructure and Logistics Ecosystem

The industrial and logistics ecosystem is increasingly shaped by global supply chain realignment, near-shoring trends and growing demand for integrated infrastructure solutions. Connectivity, regulatory clarity and infrastructure readiness remain key enablers of investment and economic activity.

In this context, JCorp's industrial and infrastructure assets play a strategic role in supporting Johor's emergence as a regional investment and logistics hub. Developments such as IBTEC, together with broader infrastructure and logistics initiatives, contribute to the formation of industrial ecosystems aligned with national and state development priorities.

These assets support the flow of goods, services and investments across sectors, reinforcing the Group's role in enabling ecosystem-wide growth and enhancing Johor's competitiveness in the regional economy.

Integrated Ecosystem Perspective

Collectively, these ecosystem segments demonstrate the strength of JCorp's integrated approach to value creation. Each ecosystem is interconnected, with linkages across Wellness & Healthcare, Food & Restaurants, Agribusiness, and Real Estate & Infrastructure, reinforcing overall resilience and enabling the Group to capture opportunities across multiple growth pathways.

This integrated model allows JCorp to move beyond traditional sector-based operations towards a more holistic ecosystem framework, where growth is driven by connectivity, collaboration and the ability to scale impact across industries.

Through this approach, JCorp is not only strengthening operational performance across its portfolio but also expanding ecosystems and redefining growth in a manner that delivers sustainable, long-term value for stakeholders and contributes meaningfully to Johor's socio-economic development.

STRATEGIC INITIATIVES, PARTNERSHIPS AND TRANSFORMATION PROGRESS

2024 was a milestone year for portfolio advancement and strategic collaboration. The successful initial public offering of JPG, KPJ's international healthcare partnership with Mayo Clinic, and JPG's specialty oils and fats venture with Fuji Oil Group strengthened JCorp's long-term value creation potential.

Progress under the JCorp 3.0 Reinvention Plan continued, which reinforced JCorp's evolution into an impact-led, value-driven investment holding corporation aligned with Johor's development priorities.

In line with our transformation agenda under the JCorp 3.0 Reinvention Plan, we executed a series of targeted investment, divestment and portfolio rationalisation initiatives during the year. These actions were aimed at sharpening the Group's strategic focus, recycling capital into higher-growth and impact-led opportunities, and enhancing portfolio resilience. Key initiatives included selective investments to strengthen core and emerging sectors, as well as divestments and asset rationalisation measures that improved capital efficiency and reduced exposure to non-core or lower-return assets. Collectively, these initiatives supported stronger balance sheet quality, improved return profiles and reinforced JCorp's long-term value creation strategy.

TRANSFORMATION, PORTFOLIO OPTIMISATION AND VALUE CREATION

We continued to make steady progress in our multi-year transformation agenda, guided by the JCorp 3.0 Reinvention Plan. The transformation remains focused on reshaping the Group into a more agile, impact-led and value-driven investment holding corporation, with stronger execution capabilities, improved capital efficiency and clearer strategic focus.

While the transformation journey is ongoing, meaningful progress was achieved across several dimensions, reinforcing the Group's long-term value creation objectives and alignment with Johor's development priorities.

Throughout the year, we maintained a disciplined approach to portfolio optimisation and asset management, ensuring that capital allocation decisions remained aligned with strategic priorities and risk-return considerations.

The Group continued to assess portfolio composition with the objective of strengthening core businesses, improving asset quality and enhancing overall resilience. These efforts were complemented by selective asset rationalisation initiatives and capital recovery measures, supporting

balance sheet strength and providing flexibility for future investments.

In parallel, we sustained our focus on performance turnaround and executional discipline across the portfolio. Enhanced performance management practices, clearer accountability frameworks and closer monitoring of key operational metrics contributed to improved operational visibility and more timely decision-making. These measures supported performance stabilisation and improvement in several core businesses, while reinforcing a culture of accountability and results orientation.

Governance enhancements remained an important pillar of the transformation agenda. In 2024, we continued to streamline governance structures and decision-making processes to reduce complexity, improve oversight and strengthen risk management. These enhancements supported more effective capital deployment, clearer lines of responsibility and improved responsiveness to an increasingly dynamic operating environment.

Digital transformation continued to play a critical enabling role. The Group advanced the use of digital tools, data analytics and reporting platforms to support faster, more informed decision-making at both the holding company and portfolio levels. Improvements in management information systems and reporting capabilities enhanced transparency, performance tracking and strategic execution, while supporting greater operational efficiency.

As part of the broader transformation journey, we also took deliberate steps towards building a more agile, efficient and performance-driven operating model. Organisational renewal initiatives, combined with selective centralisation of key functions, helped streamline processes, eliminate duplication and improve cost efficiency. These changes, together with strengthened execution discipline and digital enablement, have progressively enhanced the Group's ability to respond to market developments, manage uncertainty and deliver sustainable long-term value.

While transformation challenges persist, particularly in navigating external volatility, managing organisational change and sustaining momentum, we remain committed to addressing these challenges through disciplined execution, continuous improvement and strong leadership.

The progress we achieved provides a solid foundation for the next phase of transformation, positioning the Group to further optimise its portfolio, strengthen performance and deliver enduring value for stakeholders.

SUSTAINABILITY: ESG AS ECOSYSTEM ENABLER

Sustainability and ESG Progress

Sustainability and ESG considerations remain integral to JCorp's strategy, not only as a framework for responsible business practices, but as a critical enabler of ecosystem resilience, integration and long-term value creation.

As JCorp evolves towards an ecosystem-driven model, ESG plays an increasingly important role in shaping how value is created, sustained and scaled across interconnected sectors. From healthcare and agribusiness to real estate, infrastructure and industrial development, ESG principles help ensure that growth is balanced, responsible and aligned with stakeholder expectations.

Environmental: Strengthening Ecosystem Resilience

From an environmental perspective, we continued to enhance stewardship across our portfolio, particularly within sectors with higher environmental exposure. Efforts focused on improving resource efficiency, strengthening environmental management practices and supporting compliance with evolving regulatory standards.

Importantly, environmental considerations are increasingly embedded within investment evaluation and asset management processes, ensuring that ecosystem expansion is aligned with long-term environmental resilience. This approach supports more sustainable development across industrial, infrastructure and real estate ecosystems, while reinforcing the Group's ability to manage climate-related risks and opportunities.

Social: Enabling Inclusive Ecosystem Growth

Social considerations remain central to JCorp's ecosystem approach, reflecting its broader role in supporting socio-economic development in Johor. Across its portfolio, the Group continues to contribute to job creation, human capital development and the delivery of essential services.

President & Chief Executive's Overview

Internally, organisational initiatives under the JCorp 3.0 Reinvention Plan have strengthened employee engagement, capability building and culture transformation. Externally, portfolio companies play a vital role in supporting communities, enhancing livelihoods and delivering value to customers and patients.

Through these efforts, we are fostering inclusive ecosystem growth, where economic development is accompanied by meaningful social impact across stakeholder groups.

Governance: Enabling Trust and Ecosystem Integrity

Strong governance remains a foundational pillar in enabling effective ecosystem integration and long-term sustainability. In 2024, we continued to enhance governance structures, accountability mechanisms and oversight processes, supporting disciplined execution and ethical business conduct.

These governance enhancements are closely aligned with the Group's transformation agenda, enabling clearer decision-making, improved transparency and stronger risk management across the portfolio. In an ecosystem context, robust governance is essential to maintaining trust, ensuring alignment across stakeholders and supporting sustainable growth.

ESG Integration: Embedding Sustainability Across Ecosystems

ESG considerations are increasingly embedded into strategic planning, capital allocation and operational practices across JCorp's ecosystem. Sustainability-related risks and opportunities are assessed alongside financial and strategic factors, enabling more balanced and forward-looking decision-making.

While the maturity of ESG practices varies across portfolio companies, we remain committed to strengthening ESG integration, improving data quality and enhancing performance benchmarking over time. These efforts support greater consistency, accountability and transparency across ecosystems.

DRIVING SUSTAINABLE ECOSYSTEM VALUE

Ultimately, ESG serves as a key enabler in JCorp's transition towards an integrated ecosystem model. By embedding environmental stewardship, social responsibility and strong governance into its operations and investments, the Group is better positioned to deliver resilient, inclusive and sustainable growth.

Through this approach, we are not only managing risks and meeting stakeholder expectations, but also unlocking new opportunities, strengthening ecosystem linkages and redefining growth in a way that creates enduring value for Johor and the Rakyat.

RISK MANAGEMENT, RESILIENCE AND GOVERNANCE

During the year, JCorp continued to operate in an environment characterised by heightened uncertainty. This reflected ongoing global and domestic macroeconomic volatility, evolving regulatory expectations and sector-specific operational challenges across its diversified portfolio.

Against this backdrop, we remained focused on strengthening resilience, safeguarding value and ensuring that risks were managed in a disciplined and forward-looking manner.

Risk identification and management remained an integral part of strategic planning and operational oversight throughout the year.

We monitored key risks and uncertainties across financial, operational, regulatory and market dimensions, with particular attention to cost pressures, funding conditions, execution risks and external developments affecting core business sectors. These risks were addressed through established risk management frameworks, regular performance and risk reviews, and close engagement between the holding company and portfolio businesses.

Risk mitigation efforts in 2024 emphasised prudence, adaptability and execution discipline. We continued to apply a measured approach to capital allocation, prioritising projects and initiatives with clear strategic fit and long-term value potential.

We reinforced operational controls, cost management measures and performance monitoring processes to support timely responses to emerging risks and changing operating conditions. Where appropriate, management also sought to strengthen resilience by improving operational efficiency, enhancing data visibility and building organisational capability.

In navigating uncertainty, we remained attentive to opportunities that emerged from changing market dynamics. While risk management is primarily focused on protection and mitigation, management recognises that disciplined risk-taking, when aligned with strategy, can also support value creation. Accordingly, the Group continued to assess opportunities selectively, balancing potential returns against risk exposure and long-term sustainability considerations.

Strong governance remained a cornerstone of our approach to risk and resilience. We continued to enhance governance structures, compliance processes and internal control mechanisms to support effective oversight, accountability and ethical conduct. These efforts were aligned with JCorp's broader transformation agenda, reinforcing clearer decision-making, improved transparency and stronger risk awareness across the organisation and its portfolio companies.

The challenges encountered reinforced several important lessons for the Group, including the importance of agility in execution, discipline in capital and cost management, and the need for robust governance to navigate uncertainty. These lessons continue to inform management's approach as we advance our transformation journey, strengthen resilience and position the Group to manage future risks while pursuing sustainable long-term growth.

ORGANISATIONAL STRENGTH, TALENT AND CULTURE

A key focus this year was deepening the embedding of the JCorp 3.0 Reinvention Plan across the Group, building on the foundations established in earlier phases of the transformation. Employee buy-in for JCorp 3.0 was secured not through messaging alone, but through visible and decisive actions taken over recent years, including organisational redesign, workforce rationalisation where necessary, the exit from non-performing businesses, and the revamp of performance and reward structures. These measures signalled a clear shift in expectations and reinforced management's commitment to meaningful and sustained change.

The improvement in financial performance in 2023 marked a turning point in the transformation journey, strengthening confidence across the organisation and reinforcing belief in the strategic direction. By 2024, this confidence translated into stronger alignment, engagement and momentum as employees increasingly saw the tangible outcomes of the transformation agenda.

During the year, we introduced the JCorp DNA, a clear articulation of the values, behaviours and skills required to support the next phase of the Group's evolution. This was reinforced through internal campaigns, tools and programmes designed to embed these behaviours consistently across the organisation.

To further strengthen organisational capability, the JCorp Academy, including the School of People & Culture, was launched to provide structured and targeted development across all levels of the workforce. Leadership programmes focused on strategic leadership and

President & Chief Executive's Overview

culture-shaping capabilities; managerial programmes emphasised people management and execution discipline, while frontline development centred on functional excellence and professional skills.

These initiatives collectively strengthened organisational capability, reinforced a performance-driven culture anchored in accountability and continuous improvement, and enabled employees to play an active role in delivering JCorp's achievements during the year.

Through visible leadership commitment, improved business outcomes and structured talent development, the organisation continued to build a resilient, capable and future-ready workforce aligned with the JCorp 3.0 Reinvention Plan.

OPPORTUNITIES

We continued to identify and assess a range of opportunities emerging from shifting economic conditions, evolving industry dynamics and national development priorities. While the operating environment remained challenging, these conditions also created opportunities for well-positioned, disciplined investors to strengthen long-term value and strategic relevance.

Several opportunities were successfully capitalised on during the year through the Group's existing portfolio and strategic initiatives, particularly in sectors aligned with structural demand and long-term growth trends such as healthcare, agribusiness, food services, property and industrial development. We leveraged these opportunities through operational improvements, portfolio optimisation and selective strategic initiatives, reinforcing the Group's resilience and earnings base.

At the same time, the leadership team recognises that several opportunities remain at an early or emerging stage and may be pursued over the medium term. These include opportunities arising from continued industrial upgrading, infrastructure development, sustainability-driven investments and innovation-led growth, particularly within Johor and the broader region. We constantly evaluate


JCORP
GROUP TOWN HALL 2025
EXPANDING ECOSYSTEMS, REDEFINING GROWTH.

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these opportunities carefully, balancing growth potential with risk considerations and capital discipline.

Looking ahead, new opportunities are expected to emerge in areas aligned with national and regional agendas, including advanced manufacturing, logistics and industrial infrastructure, renewable energy and decarbonisation solutions, digitalisation and data-driven applications, as well as high-value healthcare and agribusiness segments. These areas are supported by Malaysia's policy direction under frameworks such as Ekonomi MADANI, the New Industrial Master Plan 2030 (NIMP 2030), and the broader energy transition and digital economy initiatives.

JCorp is well-positioned to leverage these opportunities through its diversified portfolio, strong balance sheet, institutional relationships and transformation agenda under JCorp 3.0. With a patient capital approach, disciplined capital allocation and a focus on long-term impact, we remain committed to pursuing opportunities that support sustainable growth, enhance portfolio resilience and contribute meaningfully to Johor's economic development.

CHALLENGES

JCorp was operating in a complex and demanding environment in 2024, shaped by a combination of macroeconomic uncertainty, structural shifts across industries and evolving regulatory and talent dynamics. These challenges influenced operating conditions across the Group's diversified portfolio and required disciplined execution, agility and effective risk management to sustain strategic progress.

Macroeconomic and Financial Pressures

Global and domestic economic uncertainty continued to pose challenges during the year. Elevated interest rates, persistent inflationary pressures and cost-of-living concerns affected consumer demand, funding costs and overall business sentiment. Currency volatility and commodity price fluctuations further impacted input costs and profitability, particularly in agribusiness, industrial and property-related activities.

While these factors moderated near-term growth in certain segments, they reinforced the importance of cost discipline, prudent capital allocation and operational resilience across the Group.

Technological and Digital Disruption

Rapid advances in digitalisation and the increasing adoption of AI-driven technologies presented both opportunities and challenges. Maintaining competitiveness required ongoing investment in systems, data capabilities and skills development, alongside effective change management.

At the same time, heightened cyber and data-related risks necessitated stronger governance, security measures and compliance frameworks to safeguard operations and stakeholder trust.

Regulatory and Policy Developments

The evolving regulatory landscape continued to demand adaptability across operations. Changes in environmental, industrial and trade-related regulations required ongoing monitoring and compliance efforts, while the implementation of new national frameworks such as the New Industrial Master Plan 2030 (NIMP 2030) and energy transition policies reshaped the broader operating environment.

The framework and policy introduced additional complexity alongside longer-term growth opportunities. These developments required careful alignment between regulatory requirements, operational execution and strategic planning.

Talent and Workforce Dynamics

Competition for skilled professionals intensified in key sectors including healthcare, technology and advanced manufacturing. Shifting workforce expectations and higher labour mobility increased the importance of talent attraction, retention and upskilling.

These dynamics underscored the need for continued investment in human capital development, leadership capability and organisational culture to support long-term performance.

Sector-Specific Operational Risks

Certain business segments faced sector-specific operational risks during the year. Climate-related impacts, resource constraints and supply chain disruptions affected agribusiness and infrastructure-related activities, while evolving consumer preferences and market conditions required greater agility in property and service-oriented businesses. These challenges highlighted the importance of adaptability, operational flexibility and scenario planning across the portfolio.

Mitigation and Forward Considerations

In response, we implemented a range of mitigation measures focused on strengthening execution discipline, enhancing cost and risk management, investing in digital capabilities and reinforcing governance and oversight processes.

Some structural and long-term challenges are expected to persist into 2025, particularly those related to macroeconomic conditions, technology adoption and talent competition. Notwithstanding, the Group remains focused on proactive management, continuous improvement and strategic alignment.

Overall, the challenges encountered in 2024 reinforced the importance of resilience, adaptability and disciplined execution. These lessons continue to inform the leadership's approach as JCorp positions itself to navigate emerging risks, manage uncertainty and pursue sustainable long-term growth in a rapidly evolving operating environment.

OUTLOOK

The global economic environment in 2025 is expected to remain characterised by modest growth, with recovery tempered by geopolitical tensions, elevated debt levels and uneven investment momentum across major economies. While risks related to trade uncertainty and climate-related disruptions persist, developing Asia is projected to remain relatively resilient, supported by domestic demand, technology-led investment and structural growth drivers.

Against this global backdrop, Malaysia's economic outlook remains constructive. Growth is expected to be underpinned by domestic consumption, sustained investment activity and export recovery, with inflation remaining manageable and financial conditions broadly supportive. Nonetheless, external volatility and supply chain pressures will continue to require vigilance and policy responsiveness.

Johor, in particular, is well-positioned to outperform the national average, supported by ongoing industrial expansion, logistics and infrastructure development, data centre investments and the continued momentum of the JS-SEZ. Enhanced connectivity, sector diversification and strong domestic and foreign investment interest are expected to reinforce Johor's role as a key growth engine within the national economy and as an increasingly integrated regional economic ecosystem.

Within this environment, our strategic priorities for 2025 and the medium term will centre on advancing portfolio transformation while scaling and strengthening JCorp's integrated ecosystems across priority sectors. The Group will continue to optimise and rationalise its portfolio to focus on high-growth, high-value segments, while enhancing connectivity across businesses and pursuing selective investments in innovation-driven and future-ready industries.

Innovation, digitalisation and operational agility will remain central to JCorp's strategy. We will increasingly leverage digital tools, data analytics and AI-enabled solutions to enhance operational efficiency, decision-making and customer engagement, while enabling stronger integration and visibility across our ecosystem. At the same time, we are building a more agile and performance-driven operating model capable of responding swiftly to evolving market conditions.

In parallel, we will continue to play a key role in supporting Johor's socio-economic development. Through our ecosystem approach, we aim to drive employment creation, enterprise development and sustainable infrastructure initiatives aligned with Maju Johor 2030 and related national frameworks. Sustainability and responsible growth will also remain integral, with ESG principles embedded across operations and investments, supporting resilient and inclusive ecosystem expansion.

From a sectoral perspective, the Group will focus on a range of high-growth and future-ready ecosystems, including healthcare, industrial and logistics infrastructure, digital and innovation-driven solutions, renewable energy, sustainability-related businesses, and high-value agribusiness and food technology. Strategically located property and mixed-use developments will continue to support Johor's growth corridors and broader ecosystem connectivity.

JCorp enters 2025 with confidence, anchored by a strong operational foundation, a diversified and increasingly interconnected portfolio, and clear strategic direction. At the same time, we remain mindful of ongoing uncertainties arising from macroeconomic pressures, regulatory shifts and sector-specific challenges. Guided by our transformation agenda and patient capital approach, we are committed to disciplined execution, proactive risk management and adaptive strategies.

Ultimately, our ambition for 2025 is to continue delivering sustainable growth, strengthening Johor's economic resilience and creating long-term value for stakeholders, while embracing innovation, digitalisation and ESG as core enablers of future success.

ACKNOWLEDGMENTS

I wish to thank the Board, management team, employees and partners for their steadfast support and professionalism throughout the year. Their collective efforts position JCorp well to pursue its transformation agenda and deliver enduring value in the years ahead.

SECTION

03

Value Creation at JCorp

THE VALUE WE CREATE

Our Approach to Value Creation

Creating value is an integral part of JCorp's identity, stemming from our core duty to foster socio-economic development in Johor. Our commitment to long-term value is reflected in our integrated approach, considering pertinent internal and external factors. We meticulously assess risks and opportunities that may influence our performance, formulating a strategy geared towards optimising our resources to sustain long-term growth. This entire process is underscored by a strong governance framework.

EVALUATION OF OUR OPERATING ENVIRONMENT

We conduct a thorough analysis of our operating context, identifying trends that might influence our capacity to generate value across short, medium, and long-term horizons. Key factors in this assessment encompass the global economy, pandemic-related restrictions, growing digitalisation trends, and a heightened emphasis on environmental, social, and governance (ESG) considerations, among others.

Read more on pages 56-61.

ENGAGEMENT WITH OUR STAKEHOLDERS

We actively communicate with our key stakeholders to comprehend their needs and fulfil their expectations. This proactive engagement is vital for continually enhancing our relationships with stakeholders and consistently delivering enduring value to them. Our key stakeholders are the government and regulators, private sector, local communities, and investors and shareholders.

- **IS** Investors & Shareholders
- **LC** Local Community
- **G** Government & Regulators
- **PS** Private Sector

Read more on pages 129.

IDENTIFICATION OF OUR RISKS AND OPPORTUNITIES

We recognise both the risks and opportunities inherent in our operational environment and business activities. We then establish efficient processes and systems to address them while actively pursuing our strategic and corporate objectives. The identified risks include Investment Risk, AI Adoption and Digital Transformation Risk, Cybersecurity Risk, Compliance & Regulatory Risk, Financial Risk, ESG Risk, Geopolitical Risk and Talent Management Risk.

Read more on pages 65-68.

DETERMINING OUR MATERIAL MATTERS

At JCorp, we recognise that the dynamic interplay between the operating landscape and stakeholder needs and expectations profoundly influences our journey of value creation. Material matters, integral to our strategic considerations, are identified through a comprehensive understanding of factors that have the potential to significantly impact our ability to create value and execute our strategy across short, medium, and long-term horizons. Assessing material matters for temporal relevance ensures agile and adaptive strategies. This alignment addresses immediate challenges, seizes medium-term opportunities, and prepares for long-term industry shifts. In addition, our robust governance framework ensures systematic oversight, accountability, and ective management of risks and opportunities tied to material matters.

Read more on pages 62-64.

EMBEDDING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PRACTICES

The Johor Corporation Green Plan 2025 is Johor Corporation's roadmap towards driving ESG within the Group. It empowers Johor Corporation to strategically address ESG risks and opportunities, towards delivering the greatest positive impact and value. The Johor Corporation Green Plan 2025 comprises four pillars: Sustainable Planning and Design for Construction; Our Community is Our Business; Environmental and Biodiversity Conservation and Enhancing Sustainability via Digitalisation.

EMBEDDING ESG PRACTICES

Guided by environmental, social, and governance (ESG) considerations, our decisions align with our values and commitment to responsible, ethical operations, safeguarding the interests of our stakeholders.

We deliver robust returns to our shareholders through effective financial management.

We over an enticing employee value proposition, positioning us as an employer of choice.

We collaborate with business partners to ensure their active participation in our continuous growth.

We care for the local communities and contribute towards narrowing socioeconomic gaps through strategic investments.

Creating Value

Ultimately, our emphasis on value creation safeguards JCorp's resilience and relevance, reaffirming our commitment to responsible operations.

Read more on pages 128-145.

DEVELOPING OUR STRATEGY

Formulate Our Strategy

Crafted with the primary goal of capitalising on opportunities to mitigate risks and foster sustainable value, our strategy is responsive to evolving market trends and the dynamic business environment. Our focus remains on enhancing resilience, embedding sustainability in our operations, and fortifying our capabilities.

Allocate Our Resources/Capitals

We harness our financial, natural, manufactured, intellectual, human, and social & relationship capitals to maximise our capacity for long-term value creation. Recognising the interdependence of these capitals, enhancing the value of one may influence others. Our goal is to orchestrate a balanced interplay among these diverse capitals for optimal outcomes.

Integrate Into Our Business Model

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

Read more on pages 69-73.

Our Key Capitals

THE CAPITALS THAT IMPACTED OUR BUSINESS

Our key capitals encompass financial, manufactured, human, intellectual, social and relationship, and natural resources, collectively used to create value for our businesses and stakeholders. Acknowledging their interdependence, we strive to manage these capitals optimally to generate a cumulative increase in value over time.

OUR 6 CAPITALS

Financial Capital

Our financial capital constitutes the fund reservoir enabling JCorp to execute continuous activities and fulfil our longterm sustainability growth strategies. This encompasses our debt and equity, including sukuk financing, along with income generated by the various companies and subsidiaries within our four core businesses.

Human Capital

Our human capital comprises of full- time employees and contract workers engaged in our Agribusiness. This workforce collectively executes strategies, playing a pivotal role in achieving the goals and objectives of our businesses.

Manufactured Capital

Our manufactured capital encompasses all physical assets owned or utilised to create value. This includes machinery, tools, equipment, hospitals, and clinics within our Wellness & Healthcare business; mills in our Agribusiness; outlets in our Food & Restaurants business; and constructed properties within our Real Estate & Infrastructure business.

Intellectual Capital

Our intellectual capital encompasses the diverse innovations, systems, and processes employed across the Group. These include digital platforms, cybersecurity protocols, ISO certifications, and R&D operations. Additionally, accredited training programmes for healthcare personnel contribute to our intellectual capital. The strong branding associated with Johor's socio-economic transformation for over 50 years further adds value to our intellectual capital.

Social and Relationship Capital

Our social and relationship capital encompasses the robust relationships we maintain with diverse stakeholders. This includes strong connections with business partners, patients, suppliers, customers, regulators, other government agencies, the media, and the community at large. These relationships offer critical support to the Group in both tangible and intangible ways.

Natural Capital

Our reliance on natural capital is evident in our utilisation of natural sources for energy, water, and various materials essential for our operations. Additionally, we depend on land for property development initiatives. This recognition underscores our commitment to responsible resource management and sustainability practices.

Our Value Creating Business Model

Strategic Focus Areas

- Exponential & Resilient Growth
- Stakeholder Centric & Long Term Value Creation
- AI & Digital Innovation and Transformation
- Sustainability & Environmental Impact
- High-Performance Culture and Operational Excellence

Material Matters

- Product delivery timeliness
- Financial and operational performance
- Occupational health and safety
- Community development
- Environmental stewardship
- Innovation

Resources We Rely on

Enable Value Adding Activities

Our 6 Capitals	Material matter
FC Financial Capital The pool of funds for business operations. Net Gearing Ratio: **0.59 times**	• Economic Performance • Indirect Economic Impacts
MC Manufactured Capital Manufactured capital refers to our collection of assets that we use in the provision of products and services to our customers. Land Bank: **8,528 acres** Ongoing Developments: **48**	• Product and Service Quality
HC Human Capital A right setting of human capital within JCorp that breeds innovative, creative and highly engaging staff which improves JCorp both tangibly and intangibly through its business returns and a greater company culture. Total number of employees: **2,162** Total training hours **27,456.5** Total cost of training **RM1,091,299.12** Employee engagement index/score **81%** Average training hours per employee **12.7**	• Employment (Including Diversity & Inclusion and Training & Development) • Occupational Health and Safety
IC Intellectual Capital Intellectual capital refers to our brand value as well as product and service quality.	• Indirect Economic Impacts (incl. Digital Transformation) • Product and Service Quality
SRC Social and Relationship Capital From the strong key stakeholder relationships that we create; as a result of it intangibly associating itself with JCorp's brand and reputation, our business enabling environment has qualitatively soared to a greater height.	• Anti-Corruption • Local Communities • Security Practices
NC Natural Capital Renewable and non-renewable resources consumed by the Company. Electricity consumption: **31.66 million kW/h***	• Biodiversity • Environmental Compliance • Natural Resources (Including Energy and Water)

- Cross ventilation air-flow analysis to reduce heat island effect
- Maximise daylight with efficient design
- Use of energy efficient lighting i.e. LED bulbs
- Use of renewable energy i.e. solar energy

Agribusiness

Wellness & Healthcare

Supported by Strong Governance and Ethics

Sustainability Pillar

Profit | People | Planet

Our Roles

- Strategic
- Commercial
- Corporate
- ESG

Vision
Aspire to be a dynamic venture builder and agile portfolio manager

Driven by
our mission
Membina & Membela

Deliver Customer Outcomes → Value For Our Stakeholders

Food & Restaurants

Real Estate & Infrastructure

Output

Agribusiness

- Harvesting of Fresh Fruit Bunches
- Production of Crude Palm Oil and Palm Kernel

Food & Restaurants

- Offering safe and reliable foods
- Providing foods in response to diverse lifestyles

Wellness & healthcare

- Increased capacity of hospitals
- Increase the number of beds
- Strengthening current market in Indonesia, Indo China (Myanmar and Vietnam), Bangladesh and the Middle East.

Real Estate & Infrastructure

- Construction and sale of residential and commercial properties
- Rental of commercial properties

Outcomes

FC Financial Capital

- Revenue of RM11.3 billion
- Net profit of RM170 million
- Net assets per share of 162 sen

HC Human Capital

- 5.5% reduction in Lost Time Injury Frequency Rate against 2020
- 21% of senior management roles held by women
- Zero non-compliance cases related to human and labour rights

MC Manufactured Capital

- RSPO and MSPO Certified estates and mills
- Halal certified manufacturing sites
- Pioneer in Euro5 diesel

IC Intellectual Capital

- Distribution and manufacturing of fill and finish Sinovac COVID-19 vaccine
- Successful launching of new products
- Conducting virtual marketing, working and seminar during pandemic
- R&D, technology and digitalisation to optimise productivity

SRC Social and Relationship Capital

- 60 local vendors under our Vendor Development Programme
- Assisting the MOH in distributing 20.4 million doses of Sinovac Covid-19 vaccine
- Launched Yayasan JCorp

NC Natural Capital

- Zero non-compliance incidents against applicable environmental regulations
- 33% reduction in Greenhouse Gas (GHG) intensity against 2020
- 28% reduction in water withdrawal intensity against 2020
- Increasing utilisation of renewable sources of energy i.e. biomass and solar energy

Value We Create

Customers/Clients

Stakeholder Value Created

- Quality lifestyle from sustainable products in township developments and vertical communities that meet and exceed customer demand
- Appreciation in property value as they mature due to thorough and strategic master-planning
- High level of project management to deliver quality infrastructure on time and within budget

Value For JCorp

- Challenges in meeting deliverables due to financial, operational or other reasons beyond our control
- Challenges in meeting high expectations of our people-centred, environmentally-conscious brand promise
- Challenges in keeping up with ever-changing trends and customer demand

Business Opportunities

- Embrace the latest technologies to enhance and the best products to customers/clients at the best price points
- Introduce new digital channels of communication with customers/clients and maintain an open dialogue
- Increase the skills, experience and capabilities of our employees to remain relevant

Business Initiatives

- Embrace the latest technologies to enhance and the best products to customers/clients at the best price points
- Introduce new digital channels of communication with customers/clients and maintain an open dialogue
- Increase the skills, experience and capabilities of our employees to remain relevant

Risk

- Healthy sales of properties, ensuring steady cash inflow to support ongoing projects and new developments
- Enhanced market reputation as a reliable and trustworthy property developer that also ensures holistic and sustainable lifestyles
- Strengthened track record facilitating the award of more infrastructure projects regionally

Shareholders, Investors/Financiers and Analysts

Stakeholder Value Created

- Quality lifestyle from sustainable products in township developments and vertical communities that meet and exceed customer demand
- Appreciation in property value as they mature due to thorough and strategic master-planning
- High level of project management to deliver quality infrastructure on time and within budget

Value For JCorp

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- Introduce new digital channels of communication with customers/clients and maintain an open dialogue
- Increase the skills, experience and capabilities of our employees to remain relevant

Risk

- Healthy sales of properties, ensuring steady cash inflow to support ongoing projects and new developments
- Enhanced market reputation as a reliable and trustworthy property developer that also ensures holistic and sustainable lifestyles
- Strengthened track record facilitating the award of more infrastructure projects regionally

Business Partners

Stakeholder Value Created

- Quality lifestyle from sustainable products in township developments and vertical communities that meet and exceed customer demand
- Appreciation in property value as they mature due to thorough and strategic master-planning
- High level of project management to deliver quality infrastructure on time and within budget

Value For JCorp

- Challenges in meeting deliverables due to financial, operational or other reasons beyond our control
- Challenges in meeting high expectations of our people-centred, environmentally-conscious brand promise
- Challenges in keeping up with ever-changing trends and customer demand

Business Opportunities

- Embrace the latest technologies to enhance and the best products to customers/clients at the best price points
- Introduce new digital channels of communication with customers/clients and maintain an open dialogue
- Increase the skills, experience and capabilities of our employees to remain relevant

Business Initiatives

- Embrace the latest technologies to enhance and the best products to customers/clients at the best price points
- Introduce new digital channels of communication with customers/clients and maintain an open dialogue
- Increase the skills, experience and capabilities of our employees to remain relevant

Risk

- Healthy sales of properties, ensuring steady cash inflow to support ongoing projects and new developments
- Enhanced market reputation as a reliable and trustworthy property developer that also ensures holistic and sustainable lifestyles
- Strengthened track record facilitating the award of more infrastructure projects regionally

Media

Stakeholder Value Created

- Quality lifestyle from sustainable products in township developments and vertical communities that meet and exceed customer demand
- Appreciation in property value as they mature due to thorough and strategic master-planning
- High level of project management to deliver quality infrastructure on time and within budget

Value For JCorp

- Challenges in meeting deliverables due to financial, operational or other reasons beyond our control
- Challenges in meeting high expectations of our people-centred, environmentally-conscious brand promise
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Business Opportunities

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- Introduce new digital channels of communication with customers/clients and maintain an open dialogue
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Business Initiatives

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SECTION

04

Management Discussion and Analysis

Strategic Review

Performance Review

Business Review

STRATEGIC
INSIGHT AND OVERVIEW

Strategic Review: Market Review and Outlook

STEERING THROUGH MARKET DYNAMICS AND FORGING A SUSTAINABLE FUTURE

The companies within our portfolio operate in an ever-evolving global and local landscape, where market dynamics and operating conditions pose both opportunities and challenges. To sustain peak performance, we prioritise not only understanding these forces but also adapting to emerging trends with agility and foresight. This section provides an in-depth analysis of the key factors influencing our strategic direction and outlines our outlook for the future.

Market Dynamics: Key Insights

Navigating the Global Landscape

As part of an interconnected global economy, our businesses are shaped by geopolitical shifts, macroeconomic developments and international trade dynamics. Understanding these fluctuations enables us to anticipate challenges and seize opportunities that drive long-term growth.

Sector-Specific Trends

Each of our business sectors faces unique opportunities and challenges. From adapting to shifting consumer behaviours to leveraging sustainable practices, we continue to respond to the trends shaping our industries. By focusing on these dynamics, we position ourselves to meet evolving market demands effectively.

Evolving Regulatory Landscape

Regulatory frameworks, particularly those related to environmental, social and governance (ESG) standards, are increasingly shaping business operations. By aligning with these changing regulations, we ensure compliance and demonstrate our commitment to sustainability, which is integral to securing stakeholder confidence and long-term resilience.

Operating Conditions: Enhancing Competitiveness

Technology as a Catalyst for Transformation

The rapid pace of digitalisation and advancements in artificial intelligence are revolutionising how we operate. Across our portfolio, we have embraced cutting-edge technologies to enhance operational efficiency, improve customer experiences, and drive innovation.

Strengthening Supply Chain Resilience

In light of global disruptions, our companies have reimagined supply chain strategies to ensure resilience and continuity. Initiatives such as diversifying supplier bases, adopting predictive analytics and implementing risk management frameworks have fortified our ability to withstand uncertainties.

Global and Regional Outlook

Resilient Responses Amid Global Challenges in 2024

Global economic growth remained subdued in Q3 2024, hindered by elevated interest rates and persistent inflationary pressures. Despite these challenges, encouraging signs of recovery emerged in certain regions.

China demonstrated resilience in 2024, with increased consumer spending driving growth despite persistent challenges in its property market. This rebound highlighted the country's ability to navigate broader global uncertainties.

Meanwhile, headline inflation saw a temporary uptick driven by rising commodity prices; however, inflationary pressures eased towards the year's end, indicating that the spike was largely transitory.

Additionally, the global electronics and electrical (E&E) industry showed early signs of recovery, supporting a tentative turnaround in regional exports. While still in its nascent stages, this recovery brought optimism for broader global trade growth in the near future.

Malaysian Outlook

In Q3 2024, Malaysia's economic performance was primarily driven by domestic demand, supported by strong consumer confidence and improved labour market conditions.

Higher employment rates and wage growth fuelled domestic spending, providing a significant boost to economic activity. The tourism sector also gained momentum, driven by increased international travel and local tourism activities, which benefited the hospitality, retail and services industries. Additionally, public and private sector construction projects spurred higher activity in the construction sector, and contributed further to Malaysia's overall economic growth.

However, external challenges tempered Malaysia's growth potential. Weaker external demand for Malaysian goods, particularly in the manufacturing sector, led to a decline in goods production and exports, limiting the country's trade performance. Additionally, reduced mining output placed further pressure on energy-reliant sectors, constraining overall economic growth during the period.

2025 FORECAST

Malaysia's economic growth in 2025 is expected to build on positive domestic momentum, supported by several key drivers. Favourable employment and wage trends are expected to boost household spending and consumer confidence, reinforcing domestic demand as a key driver of economic growth.

Multi-year public and private sector infrastructure projects will further enhance productivity and stimulate growth across various sectors. In addition, improvements in the global technology cycle are anticipated to increase demand for electronics and electrical (E&E) products, strengthening Malaysia's exports and trade balance.

The recovery in tourism is also set to continue, with tourist arrivals and travel receipts projected to approach pre-pandemic levels, significantly contributing to the growth of the hospitality and services sectors.

ECONOMIC OUTLOOK

Bank Negara Malaysia (BNM) projects GDP growth between 4% and 5% in 2024, supported by sustained domestic demand and a recovery in exports. However, downside risks persist, including unexpected inflationary pressures, heightened geopolitical tensions and financial market volatility.

Malaysia's focus on green energy generation and the adoption of environmental, social and governance (ESG) principles is expected to attract increased foreign direct investment (FDI), further enhancing its economic prospects. This commitment to sustainability positions Malaysia as a competitive investment destination for 2024 and beyond.

JCORP: DRIVING JOHOR'S ECONOMIC GROWTH AND DEVELOPMENT

JCorp has weathered the economic challenges and strategically assessed the impact on our diverse portfolio and responding with initiatives that ensure both resilience and sustainable growth.

As a key player in Johor's development, JCorp is deeply committed to driving the state's continued growth. With transformative infrastructure projects like the Rapid Transit System (RTS) linking Johor Bahru to Singapore, and the establishment of the Johor-Singapore Special Economic Zone (JS-SEZ), the region is poised for significant economic expansion. JCorp is well positioned to leverage its diverse portfolio and industry expertise to contribute to Johor's economic prosperity.

JCorp's robust financial standing and growth prospects are further bolstered by the recent reaffirmation of its AAA long-term and P1 short-term corporate credit ratings by RAM Ratings. Additionally, RAM Ratings has reaffirmed the AAA ratings for JCorp's RM3.5 billion Islamic Medium-Term Notes Programme (2022/-) and RM2 billion State-Guaranteed Islamic Medium Term Notes Programme (2023/2043).

Our positive performance can be attributed to the successful implementation of JCorp 3.0, our transformative programme that has strengthened the Group's resilience and future-readiness. Moving forward, we remain committed to achieving exponential growth, fulfilling our role as Johor's principal development institution, and aligning with the state's strategic vision, such as the Maju Johor 2030 plan.

To support this vision, we will continue to explore strategic partnerships and investment opportunities that act as growth accelerators, driving the state and the nation's economic progress. This commitment reflects our *Membina & Membela* mission, which focuses on creating sustainable, long-term value for stakeholders through economic development, alongside our social empowerment initiatives in education, community services, job creation and entrepreneurial opportunities.

Strategic Review: Sectoral Market Trends and Impact

AGRIBUSINESS

The year 2024 was a resounding success for JPG, marking the culmination of a comprehensive transformation undertaken since 2021. From a group with diverse operations across multiple sectors, JPG streamlined its operations, first, to focus on agriculture, and subsequently to concentrate specifically on the palm oil business.

On top of this, JPG's operational performance was highly commendable, with FFB and CPO production increasing by 9.29% and 10.06%, respectively. Together with higher CPO prices, this contributed to outstanding financial results.

Operationally, JPG reaped the results of continuous efforts over the years to enhance efficiency and productivity via the steadfast approach. This was the result of good harvesting practices combined with more efficient mill operations with reduced downtime, application of fertilisers, increased mechanisation and automation, and the use of high-yield materials in our replanting programme.

Meanwhile, the Group's Oil Extraction Rate (OER) improved to 20.02% from 19.89%, surpassing the industry average of 19.46% for Peninsular Malaysia and 19.67% for Malaysia.

In 2024 itself, favourable weather in the first three quarters, together with ample labour and a peak yielding palm age profile, boosted our FFB yield to 22.41 MT/ha from 20.25 MT/ha in 2023. Once again, JPG's yield exceeded the industry average for Johor and Peninsular Malaysia which stood at 19.84 MT/ha and 18.42 MT/ha, respectively.

In line with higher yield, JPG processed 9.36% more FFB, totalling 1,489,196 MT, of which 358,943 MT was from the external suppliers including smallholders.

JPG are taking its circular economy approach to the next level by setting up the Integrated Sustainable Palm Oil Complex (iSPOC) to be fully powered by Renewable Energy (RE). As one of the first greenfield complexes of its kind, it demonstrates JPG's commitment to more sustainable and greener operations.

Along with increased global population and demand for edible oils and fats, the price of CPO is expected to remain healthy amid persistent challenges in production, from restricted land use to unpredictable weather. While JPG will fully leverage any price increase, we will also continue to focus on rolling out the action plans identified under its 10-Year Roadmap.

Digitalisation and innovation will be key to the success of its 10-Year Roadmap, and we will be intensifying our investments into cutting-edge technologies to enhance our operational agility as well as our ability to respond effectively to dynamic market conditions.

JPG have a clearly outlined pathway for the next 10 years and, with the continued collaboration of the team as well as the support of all our stakeholders, we are set to realise our MTP, delivering sustainable essentials for a more sustainable future for everyone.

KEY MARKET TRENDS AND IMPACT

REGULATORY REQUIREMENTS

Impact	Responses	Outlook
Land use restrictions prevent large plantations from further increasing the size of their operations, limiting output, while the EUDR necessitates geolocation data down to the plots of land used to plant/nurture oil palm (and the other listed commodities). EUDR's requirement translates to having 100% traceability of a plantation's FFB, including the FFB contributed by smallholders.	• To overcome the limit to land expansion, JPG focus on enhancing productivity through better planting material, an intense replanting programme, as well as mechanisation and automation. • Committed to No Deforestation, No Peat, No Exploitation in all our operations since 2018. • JPG utilises drone technology to map its plantations and subscribes to RSPO PalmTrace to enhance supply chain transparency, currently achieving 93.96% traceability of its palm oil. • Actively encourages its smallholders to obtain RSPO certification and provides technical expertise to facilitate their certification journey.	As environmental and social concerns become more urgent, the regulatory environment on palm oil will further intensify, necessitating greater focus and investment by players. This will weed out unscrupulous plantations while promoting estates that are well managed and are operated responsibly.

INCREASING CONCERNS ON CLIMATE CHANGE

Impact	Responses	Outlook
Insufficient water supply during dry periods can induce water stress, impair growth and compromise oil palm productivity. Conversely, heavy rainfall and waterlogging pose a threat, hindering root function and exacerbating disease susceptibility.	• JPG identifies climate-related risks through climate scenario analysis, alignment with TCFD guidelines, and integration into risk management framework. • Flood prevention – Implementing infrastructure and land management strategies to mitigate flood risks. • Drought safety campaigns – Raising awareness and implementing water conservation measures. • Fire prevention strategies – Enforcing fire safety protocols and early detection systems. • Circular economy solutions – Promoting waste reduction, recycling, and resource efficiency. • Expansion of biomethane plants – Reducing GHG emissions and advancing renewable energy adoption.	The rate of global warming has been increasing substantially, and especially in the last few decades. Since 1982, the increase has been recorded at 0.20°C per decade, more than three times faster than since the beginning of the 20th century. Future warming will depend on how much CO_2 and other greenhouse gases are emitted across the world in the coming decades.

FLUCTUATING PRICE & MARGINS

Impact	Responses	Outlook
Most factors controlling palm oil price are beyond producers' control and affect their margins. This places huge pressure to enhance cost efficiencies as well as to supplement CPO sales with other revenue streams, with certain producers moving up the value chain to become vertically integrated players.	• JPG has outlined a detailed roadmap to become a sustainable integrated palm oil player with the addition of downstream operations as well as a new business in renewable energy. • In January 2024, JPG entered into a joint venture with Fuji Oil Asia to develop a palm oil refinery for specialty oils and fats, leveraging JPG partner's extensive, readymade marketing network. • JPG have also signed agreements to supply biomethane to Gas Malaysia Green Ventures Sdn Bhd, channelling the gas produced using POME at the mills. • In addition, JPG has commenced the commercialisation of red palm oil extracted from mesocarp fibre (a residue from processed FFB) at its PFOE plant at Sedenak POM, for use as feedstock in biodiesel production, supporting resource optimisation and value creation.	Although demand for palm oil is set to increase as it remains the most commercially viable vegetable oil, and is also fuelling biodiesel mandates, its price will continue to be subject to market volatilities. Conversely, the price of oils and fats are more stable and will continue to fetch higher margins being value-added products.

DEMAND FOR GREATER TRANSPARENCY

Impact	Responses	Outlook
Certifications such as the RSPO, MSPO, etc. will continue to become more stringent, requiring greater investment by players to fill any gaps that exist in their environmental and social platforms. At the same time, investors will demand greater transparency via more contact time with company representatives and more detailed reporting.	• All JPG's estates and mills comply fully with the requirements of RSPO and MSPO. • JPG has produced annual reports since 2023 and its 2023 Annual Report won the Platinum Award for Excellence in the Non-Listed Category at the National Annual Corporate Reports Awards (NACRA) 2024. • Identified its climate-related risks and provides disclosure on these in its annual Sustainability Report. • In 2024, JPG established a dedicated Investor Relations (IR) team to strengthen engagement with analysts and investors, ensuring timely and effective responses to their queries.	Demand for transparency will increase as sustainability issues become more urgent, and governments, regulators, purchasers and consumers step up their vigilance on companies that are considered to pose higher than average sustainability risks. Such vigilance will be especially greater on publicly listed companies as they have an added accountability to their shareholders.

Strategic Review: Sectoral Market Trends and Impact

HEALTHCARE & WELLNESS

In 2024, the healthcare sector continued its growth trajectory, supported by sustained demand for non-elective treatments and a stronger recovery in regional health tourism. The return of international patient flows, particularly within ASEAN, has contributed to improved patient volumes and revenue performance, reinforcing the sector's resilience and long-term fundamentals.

However, the operating environment remains challenging, with ongoing inflationary pressures, rising medical costs and external economic uncertainties impacting margins and patient spending behaviour. Despite these headwinds, the sector outlook remains positive, underpinned by structural demand, demographic trends and increasing healthcare awareness.

KPJ Healthcare Berhad (KPJ) continues to strengthen its position through ongoing digitalisation, operational optimisation and service enhancements. The Group remains focused on improving patient experience through integrated digital solutions while maintaining high standards of care, positioning itself to capture growth opportunities in an increasingly competitive and evolving healthcare landscape.

KEY MARKET TRENDS AND IMPACT

COST & QUALITY OF HEALTHCARE SERVICES

Impact	Responses	Outlook
Growing concerns over healthcare costs and quality have created opportunities for providers to offer tailored services to diverse patient groups.	• Monitor customer satisfaction to improve service quality. • Increase access to affordable healthcare services. • Offer Group-wide packages and target niche markets. • Ensure a patient-centric approach with qualified healthcare professionals. • Invest in technology and data privacy for patient information.	As demand for affordable and quality healthcare increases, providers will need to adapt by offering targeted services and leveraging technology to ensure accessibility, quality and security for diverse patient groups.

HIGHLY REGULATED ENVIRONMENT

Impact	Responses	Outlook
Non-compliance with regulations could result in legal issues, including patient claims, fines, penalties and potential suspension or loss of operating license.	• Strengthen the Enterprise Risk Management (ERM) framework, policies and procedures. • Engage regularly with the Ministry of Health (MOH) Malaysia to stay updated on potential policy changes.	The healthcare industry will continue to face increasing regulatory scrutiny, making it essential for healthcare providers to stay compliant and mitigate risks to maintain operations and reputation.

LEGAL ALLEGATIONS

Impact	Responses	Outlook
Legal actions can lead to damages and significant legal costs, impacting financial stability.	• Adequate insurance coverage for major assets and liability risks. • Medical Malpractice Insurance for all healthcare professionals to mitigate medico-legal risks.	As legal claims in healthcare rise, maintaining comprehensive insurance coverage and ensuring legal compliance will be vital for minimising financial and reputational risks.

READINESS TO RESPOND TO CRISES

Impact	Responses	Outlook
Failure to respond to internal or external incidents may disrupt operations and harm the company's reputation, negatively affecting profitability.	• Updated Business Continuity Management (BCM) Framework for disaster response planning. • Developed Crisis Management Plan (CMP) for crisis procedures. • Regular simulation exercises and trained Safety Officers (SOs).	As the risk of crises grows, robust emergency response systems and crisis management plans will be essential for minimising operational disruptions and safeguarding reputation.

CYBERSECURITY

Impact	Responses	Outlook
Vulnerabilities to unauthorised access, data breaches, and cyberattacks could disrupt operations and expose the company to legal and regulatory penalties.	• Obtained ISO/IEC 27001:2022 certification for information security. • Conducted cybersecurity training and awareness programmes for staff. • Performed penetration testing to identify and mitigate vulnerabilities.	With increasing cyber threats, ongoing investment in cybersecurity measures, training and compliance will be critical to ensure the security of patient data and prevent operational disruptions.

Strategic Review: Sectoral Market Trends and Impact

FOOD & RESTAURANTS

JCorp's Food & Restaurants segment faced considerable challenges in FY2024, with revenue experiencing a decline due to the escalating conflict in Gaza.

The ongoing conflict significantly affected consumer sentiment and spending in our key markets, leading to a decline in net profit for the segment. Importantly, the decline was driven by external factors beyond our control and does not reflect the underlying strength of our business or the progress of our ongoing transformation initiatives. The Group continues to implement mitigation strategies and remains confident that the segment will recover as conditions stabilise.

In response to the economic challenges, QSR Brands implemented several proactive measures, including the temporary closure of certain outlets to manage rising operational costs and refocus on high-engagement trade zones. Employees from the affected outlets were offered the option to relocate to stores with stronger customer traffic, optimising resources in key areas. This approach is part of a broader strategy to ensure operational efficiency, protect brand loyalty and safeguard employee well-being.

With over 50 years of service to the Malaysian public, QSR Brands remains committed to delivering high-quality products and services, contributing to the local community, supporting the livelihoods of approximately 18,000 team members, of whom 85% are Muslim, and giving back to the community through initiatives such as KFC Add Hope and the Wakalah Zakat Fund.

REAL ESTATE & INFRASTRUCTURE

JLand Group (JLG), a wholly-owned subsidiary of Johor Corporation (JCorp), continues to strengthen its position as a leading real estate solutions provider, driving sustainable and integrated developments across industrial, commercial and residential segments. In 2024, JLG sustained its growth momentum, supported by disciplined execution, strong project delivery and a resilient property market, reinforcing its role in shaping Johor's evolving real estate landscape.

The operating environment remains favourable, underpinned by ongoing urbanisation, improving investor sentiment and catalytic infrastructure developments such as the Rapid Transit System (RTS) and the Johor-Singapore Special Economic Zone (JS-SEZ). These drivers continue to stimulate demand across key segments, while also enhancing Johor's attractiveness as a regional investment destination. At the same time, cost pressures, regulatory shifts and market competition require continued focus on operational efficiency and portfolio optimisation.

JLG remains focused on long-term value creation through sustainable development and diversification. The Group continues to expand its capabilities in renewable energy, including rooftop solar, utility-scale solutions and electric vehicle (EV) charging infrastructure, while advancing smart and integrated developments such as Ibrahim Technopolis (IBTEC). Concurrently, JLG is exploring selective expansion beyond Johor to capture new growth opportunities, strengthening its position as a forward-looking and sustainability-driven real estate player.

KEY MARKET TRENDS AND IMPACT

SLOWDOWN IN GDP GROWTH

Impact	Responses	Outlook
Reduced overhang properties observed, but buyers remain cautious and selective in committing to long-term property purchases. Clients are cutting spending on facility management services.	• Introduce attractive sales packages to boost sales. • Target captive markets to secure demand. • Diversify income streams using existing asset bases. • Improve occupancy rates and expand into industrial assets.	With economic growth moderating, maintaining flexibility in property offerings and strengthening operational efficiencies will be critical for sustained performance.

DIGITALISATION (IR 4.0)

Impact	Responses	Outlook
Rapid technological innovation is pushing businesses towards digital transformation strategies to enhance competitiveness while managing cybersecurity and data privacy risks.	• Invest in advanced technology infrastructure. • Integrate smart technologies into operations. • Use tools like Building Information Modelling (BIM) to enhance project efficiency and reduce costs.	Adopting digital tools and technologies will not only improve cost efficiency but also position businesses for long-term competitiveness in a digital-first economy.

GLOBAL SUPPLY CHAIN DISRUPTION

Impact	Responses	Outlook
Persistent disruptions have increased costs and caused delays in procuring construction materials, leading to inflated project costs and extended timelines.	• Diversify procurement sources to reduce dependency. • Explore alternative materials and construction methods. • Incorporate technology like IBS and BIM for efficient project management.	Enhancing supply chain resilience through diversification and technology adoption will be key to mitigating risks and ensuring project continuity.

ENVIRONMENTAL CHANGES

Impact	Responses	Outlook
Climate change and stricter environmental standards increase costs and complexities in implementing sustainable practices. Non-compliance risks market losses and reputation damage.	• Adopt sustainable and eco-friendly practices, including using green materials, reducing waste and improving energy efficiency. • Form joint ventures and partnerships for renewable energy solutions.	As demand for sustainable investments rises, developers adopting green building practices and renewable energy solutions will gain a competitive edge in the market.

Strategic Review: Material Matters

JCorp's commitment to sustainability and long-term value creation is reflected in our proactive approach to addressing material matters. These critical aspects influence our financial performance and ability to achieve strategic objectives. By identifying, assessing and managing material matters, we enhance financial resilience, allocate resources efficiently and build stakeholder trust, positioning JCorp for sustainable growth in an interconnected business environment.

EVOLUTION OF OUR APPROACH

2021: Establishment of the ESG Framework

- Identified material issues for investee companies.
- Defined focus areas and initiatives to drive sustainability efforts across our portfolio.

Investee Corps	Decarbonisation	Equitable and Safe Workplace	Managing Natural Capital	Value Chain Resilience	Inclusive Products and Services
KULIM	Decarbonisation	Equitable business practice	• Managing impacts to biodiversity • Soil Management	• Operational resilience	• Access to nutrition
QSR Brands		Equitable workplace	• Managing environmental impacts	• Operational resilience • Supply chain resilience and sustainability	• Access to nutrition
REID	Decarbonisation	Equitable business practice	• Sustainable resource use • Responsible land use	• Physical and cyber threats	• Inclusive products
KPJ		Employee welfare and safety	• Managing environmental impacts	• Threats to operability	• Equitable and safe services

2022: Introduction of the Sustainability Framework

- Developed a comprehensive Sustainability Framework to integrate environmental, social and governance (ESG) considerations into our strategic operations.

We generate sustainable business growth, create a competitive and highly regarded business entity. We also contribute to state and national economic growth and improve the wellbeing of the community.

Principles

- Economic growth for all
- Ethical and responsible business practices
- Investing in our people
- Supporting our communities
- Adapting and preparing for the future
- Transparency and trust
- Value added strategic partnership

Strategic action areas	Environment	Social	Governance
Commitment	JCorp regularly assesses the impact of its business on the environment and mitigates any adverse impact it may have to biodiversiry, climate and the ecosystem in general.	JCorp continually seeks to uplift self-sufficient communities by contributing to livelihoods via education and other meaningful opportunities whilst also ensuring our efforts align with our strategic business priorities.	JCorp strongly upholds ethical business conduct across our supply chain by ensuring strong corporate governance practices, utmos compliance with applicable rules and regulations, as well as transparent and accountable reporting.
Focus Areas	Decarbonisation	Community Empowerment	Governance and Accountability
	Natural Conservation	Fostering Our People	Digital Transformation
	Resourse Management		

Initiatives

Initiatives to support our sustainability commitments and focus areas

2023: Preliminary Assessment of Material Matters

- Initiated a review in Q4 2023 to align with Bursa Malaysia's new materiality framework.
- Conducted stakeholder engagement surveys with key stakeholders, including the Board of Directors, Senior Management and Heads of Departments, to ensure material matters are aligned with stakeholder priorities.
- Undertook a thorough review of existing sustainability-related documents, including the JCorp Sustainability Policy and the Corporate Stewardship Framework.
- The review of material matters will extend into Q2 2024 to ensure robustness and alignment with global standards.

Strategic Review: Material Matters

KEY MATERIAL MATTERS IN 2024

In line with our strategy and sustainability objectives, the following material matters significantly impacted JCorp's operations in 2024:

1 **Pandemic Response**
Continued adaptation to post-COVID-19 measures, prioritising workforce well-being and operational continuity.

2 **Economic Recovery**
Closely monitored economic indicators and adjusted strategies to align with the dynamic recovery landscape.

3 **Supply Chain Resilience**
Strengthened supply chain adaptability to mitigate global disruptions and ensure continuity.

4 **Sustainability Initiatives**
Advanced regulatory compliance and corporate sustainability initiatives, reflecting our commitment to environmental responsibility.

5 **Competitive Landscape**
Responded to market challenges with strategic agility and innovation to maintain competitive advantage.

Future Plans and Next Steps

JCorp remains dedicated to advancing its sustainability agenda and aligning its Material Matters framework with long-term strategic goals:

- **Net Zero by 2050:** Commitment to achieving carbon neutrality through improved environmental practices and alignment with international standards.
- **Community Empowerment:** Strengthening social inclusiveness and investing in local enterprises and human capital development.
- **Enhanced Corporate Governance:** Refining governance practices to ensure transparency, accountability and alignment with stakeholder expectations.
- **Sustainable Investment and Supply Chain:** Integrating ESG considerations into investment and operational decisions to promote responsible growth.
- **Data Privacy and Cybersecurity:** Reinforcing digital safeguards and fostering a culture of awareness to protect personal and corporate data.

A Foundation for Sustainable Value Creation

Through the identification and management of material matters, JCorp continues to align its strategic direction with stakeholder expectations and sustainability priorities. This approach ensures that JCorp remains resilient, responsible and positioned to deliver value, meeting the challenges and opportunities of an evolving global landscape.

Strategic Review: Key Risks and Mitigation

RISK MANAGEMENT AND RESILIENCE

In an increasingly complex environment, risk management has become a strategic enabler, helping us secure performance while accelerating innovation and new opportunities. Globally, markets were reshaped by rapid advances in digital and AI, rising competition, and stronger sustainability demands. To manage these changes, we need more than agility — we need a disciplined, integrated enterprise risk management approach that builds resilience and drives long-term growth.

We proactively identify and manage risks through a disciplined enterprise risk management approach — strengthening resilience, safeguarding strategic priorities, and enabling future readiness by anticipating challenges, detecting them early, and deploying effective strategies and resources to mitigate exposures.

For the year 2024, the risks, impacts, and the opportunities presented are as follows:

1 Investment Risk

Risk description

The risk associated with underperforming investments poses a threat to financial stability and overall portfolio health.

Mitigation Strategies

JCorp implements a structured investment management framework to manage the risk of underperformance. The framework comprises ongoing stewardship practices, periodic portfolio reviews and risk assessments, with investment decisions guided by ESG considerations, approved investment objectives and the Group's mission of "*Membina*" and "*Membela*."

Impact

Potential financial losses, diminished shareholder value.

Opportunities

Through prudent risk management, JCorp can identify opportunities to optimise its investment portfolio, capitalise on emerging market trends, and enhance overall returns.

2 AI Adoption and Digital Transformation Risk

Risk description

JCorp is committed to accelerating its efforts to align with the rapid advancement of artificial intelligence (AI) and the fast-evolving digital landscape. However, challenges arise from limited internal capabilities and varying levels of readiness among technology providers, which may result in solutions that do not meet JCorp's operational standards, integration requirements, or digital transformation needs.

Mitigation Strategies

JCorp strengthens digital governance through enhanced data protection measures and alignment with the Digital Cybersecurity Framework. Capacity-building initiatives are undertaken to upskill employees in AI literacy, digital tools and responsible usage. In addition, robust vendor due diligence and periodic system audits are implemented to support secure and ethical AI deployment across the Group.

Impact

These challenges may moderate the pace of JCorp's digital transformation, affect operational efficiency and result in higher implementation costs.

Opportunities

As JCorp continues to strengthen its digital readiness, there is potential to develop proprietary AI solutions aligned with the Group's business requirements and strategic portfolio. The development of internal capabilities, together with partnerships with suitable technology providers, may support innovation within the Group, enhance service delivery and improve operational efficiency.

Strategic Review: Key Risks and Mitigation

3 Cybersecurity Risk

Risk description

Increasing digitisation and reliance on interconnected systems have heightened exposure to cyber threats, including data breaches, ransomware, phishing, and advanced persistent attacks, pose significant risks to JCorp operations, data integrity and stakeholder trust.

Mitigation Strategies

JCorp has adopted a structured approach to cybersecurity, which includes the implementation of established security frameworks, regular vulnerability assessments and employee training on cyber hygiene and threat awareness. The Group has also put in place incident response plans and invested in appropriate threat detection technologies. In addition, cyber threat insurance is being considered as part of the Group's overall risk management strategy.

Impact

May result in financial losses, operational disruptions, reputational impact and regulatory exposure, which could affect the Group's overall resilience.

Opportunities

Through continued investment in cybersecurity technologies and frameworks, JCorp seeks to strengthen operational resilience and data protection capabilities. These efforts may also support stakeholder confidence and enable the Group to pursue digital initiatives within a secure operating environment.

4 Compliance & Regulatory Risk

Risk description

Non-compliance with regulations and accreditation requirements may lead to legal repercussions, reputational damage and operational disruptions.

Mitigation Strategies

JCorp maintains a structured compliance framework supported by regular audits and ongoing training to support adherence to applicable regulatory requirements. The Group also engages proactively with relevant regulatory authorities to facilitate effective compliance management.

Impact

Legal penalties, reputational damage, operational disruptions.

Opportunities

Effective compliance management supports risk mitigation and contributes to maintaining stakeholder confidence in the Group's governance practices.

5 Financial Risk

Risk description

Unforeseen economic downturns or market fluctuations can adversely impact JCorp's financial performance.

Mitigation Strategies

The Group adopts prudent financial planning supported by scenario analysis and the establishment of contingency buffers to manage financial risks. Financial modelling is utilised to support the assessment of potential market developments and inform appropriate responses.

Impact

Erosion of profitability, liquidity challenges and loss of competitive advantages.

Opportunities

Strategic financial planning supports the identification of cost optimisation opportunities, the evaluation of potential revenue sources and the efficient allocation of resources, in support of sustainable growth.

6 ESG Risk

Risk description

Key ESG-related risks include climate change and carbon transition challenges, evolving regulatory and compliance requirements, and resource constraints affecting supply chains. In addition, increasing stakeholder expectations relating to transparency, ethical conduct and social responsibility may give rise to reputational considerations, while governance practices, biodiversity impacts and workforce well-being remain important focus areas for the Group.

Mitigation Strategies

The Group's ESG-related initiatives include the integration of climate resilience considerations into business operations, enhancements to governance frameworks, the adoption of responsible procurement practices and the promotion of resource efficiency across the value chain. In addition, stakeholder engagement, workforce well-being and biodiversity considerations are incorporated into the Group's sustainability approach to support long-term business continuity. Ongoing monitoring, transparent reporting and collaboration with relevant industry stakeholders further support the Group's efforts in addressing ESG-related risks.

Impact

Potential implications include higher regulatory compliance costs, supply chain disruptions and resource constraints, which may affect business continuity. Heightened stakeholder expectations relating to sustainability and ethical practices may also give rise to reputational considerations and influence investor confidence and market positioning. In addition, environmental and social factors may affect the long-term performance of the Group's investments, necessitating appropriate strategic responses to support value preservation and long-term sustainability.

Opportunities

The integration of climate resilience and resource efficiency considerations may support cost optimisation, operational efficiency and access to sustainable financing options. Strengthening governance and compliance frameworks may contribute to maintaining investor confidence and supporting market access. The adoption of sustainable supply chain practices and responsible procurement may also enhance supply chain resilience and support longer-term business relationships. In addition, alignment with stakeholder expectations relating to social responsibility and environmental stewardship may support the Group's reputation and workforce sustainability. Collectively, these measures are intended to support long-term value preservation and sustainable business performance.

Strategic Review: Key Risks and Mitigation

7 Geopolitical Risk

Risk description

Geopolitical tensions, particularly in the Middle East since October 2023, have been intensifying, leading to increased uncertainty and risks, which amplify economic volatility, disrupt supply chains, and create complex challenges for international businesses.

Mitigation Strategies

The Group monitors geopolitical developments on an ongoing basis and adopts measures to diversify supply chain and procurement sources, supported by enhancements to business continuity planning. Prudent investment management and portfolio diversification are applied to manage financial exposure, while engagement with government agencies, regulators and strategic partners supports coordinated responses to emerging risks.

Impact

May result in higher procurement costs, volatility in investment performance and potential impacts on the Group's overall operational stability, arising from market volatility and supply chain disruptions.

Opportunities

Geopolitical developments may present opportunities for the Group to explore new markets, diversify sourcing networks and strengthen supply chain resilience. Such developments may also support selective investments in ESG-aligned sectors and enhanced regional collaboration, contributing to the Group's long-term positioning and sustainability.

8 Talent Management Risk

Risk description

Evolving workforce expectations, intensified competition for specialised skills, and rapid technological advancements continue to challenge JCorp's ability to attract, retain, and develop talent. Inconsistent embedding of JCorp's DNA coupled with shifting skill requirements, may lead to capability gaps, slower innovation, and reduced employee engagement.

Mitigation Strategies

The Group continues to strengthen its talent management approach through the consistent application of its core values, enhancements to leadership and capability development programmes, and the implementation of structured succession planning. Targeted upskilling initiatives, particularly in digital and future-critical competencies, are undertaken to support workforce readiness. In addition, data-driven insights are utilised to inform talent development initiatives and support employee engagement and retention.

Impact

Misalignment in talent development may affect productivity, innovation and employee retention, with potential implications for the Group's ability to achieve its business objectives and maintain competitive positioning.

Opportunities

A structured approach to talent development supports the Group's efforts to build workforce readiness, strengthen leadership capability and promote a culture that encourages adaptability and collaboration. Clear development pathways and the consistent reinforcement of the Group's core values may contribute to employee engagement and retention, support talent attraction and enhance the Group's organisational resilience over the longer term.

Strategic Review: Our Growth Strategy

EMPOWERING GROWTH THROUGH JCORP 3.0

JCorp 3.0 serves as our strategic roadmap for sustainable expansion, guiding us to position our core businesses namely Agribusiness, Wellness & Healthcare, Food & Restaurants, and Real Estate & Infrastructure as leaders in their respective industries. Rooted in digital and ESG-driven strategies, JCorp 3.0 ensures resilience, agility and innovation to navigate dynamic market conditions and capitalise on emerging opportunities.

Thrusts Driving Growth

Our growth strategy is structured around key objectives and strategies to optimise financial performance, enhance operational efficiency and build a sustainable future.

	Financial Restructuring	Corporate Restructuring & Asset Rationalisation	Intangible Asset Development
Objective	Optimise financial resources for sustainability and efficient capital allocation.	Enhance operational efficiency and resource utilisation.	Harness the value of intangible assets, including brand reputation, intellectual property and innovation.
Strategies	Implement cost-efficiency measures, diversify revenue streams and optimise the capital structure to ensure financial resilience.	Streamline business units, divest non-core assets and rationalise the asset portfolio to improve corporate performance.	Invest in brand building, ESG integration, digital transformation and organisational redesign to create sustainable competitive advantages.

Fostering Growth Through Strategic Imperatives

	Build & Strengthen Resilience & Agility	Grow Sustainable Businesses	Knowledge-Building Proficiencies
Objective	Strengthen JCorp's capacity to adapt and thrive in dynamic environments.	Cultivate a portfolio of industry champions, positioning JCorp as a market leader.	Establish JCorp as a knowledge-driven and learning organisation.
Strategies	Enhance strategic planning, cultivate an agile mindset and ensure efficient strategy execution for optimal results.	Drive comprehensive organisational transformation, emphasise sustainability in business practices and ensure alignment with long-term growth objectives.	Strategy: Foster a culture of continuous learning, innovation, and adaptability, enhancing organisational effectiveness and decision-making capabilities.

Strategic Review: Our Growth Strategy

STRATEGIC GOALS AND INITIATIVES

Transitioning Towards an Exponential Organisation (ExO)

- Leveraging technology, strategic collaborations and ecosystem thinking to achieve exponential growth.
- Adopting Objectives and Key Results (OKRs) for performance measurement to align with a rapidly evolving business environment.

Strengthening Core Resilience

- Undertaking financial restructuring, asset monetisation and corporate exercises *(e.g., JPG IPO)* to ensure strong financial and organisational health.
- Enhancing operational efficiency through JCorp Analytics for informed decision-making.

Driving Digital Fluency

- Embracing Generative AI and JCorp AI for valuable insights and strategic decision-making.

Fostering Best Practices

- Leveraging shared resources and expertise from strategic partnerships.
- Promoting innovation through Rapid Innovation & Technology Excellence (RITE) to adapt to market changes swiftly.

Cultivating Talent as a Key Asset

- Prioritising skilled and innovative talent to drive growth and transformation.
- Strengthening a high-performance culture guided by the core values of ERTI (Excellence, Respect, Teamwork, and Integrity).

KEY STRATEGIES BY SECTOR

JCORP GROUP STRATEGY HOUSE

MEMBINA & MEMBELA

JCORP	**EXPONENTIAL AND RESILIENT GROWTH**	**STAKEHOLDER-CENTRIC LONG-TERM VALUE CREATION**	**AI AND DIGITAL INNOVATION AND TRANSFORMATION**	**SUSTAINABILITY AND ENVIRONMENTAL IMPACT**	**HIGH-PERFORMANCE CULTURE AND OPERATIONAL EXCELLENCE**
KULIM	**Optimise financials** & strategic investments, dominate agriculture, and set the **benchmark for efficiency**	Drive **exponential growth in** shareholder value by optimising financial performance and strategic investments	Transform operational model to become the industry benchmark for cost efficiency and operational excellence		
JPG	**Build Future Ready Organisation** (Integrated Sustainable Palm Oil Complex, Venture into Bioenergy)	**Strengthen Intangible Assets** (Centre of Excellence (COE), Branding & Strategic Stakeholder Engagement and Collaborations)	**Ramp up Digital** (Digital plantation management system, data analytics, cloud solutions & cyber security)	Embed **Innovation Practices** (Outside Crop Purchase (OCP) Trading Strategies & Biochar as a source of carbon credit)	**Strengthen Core Competencies** (Improve efficiencies & Expand CPO Production)
KPJ	Reinvent through **organic/inorganic growth** (COE, bed expansion, consultants etc)	**Clinical Excellence** (tiered COE hospital network with AHS)	Reinvent through **digital transformation & KPJ Health System** (nHIS, Smart ward & room, virtual care etc)	**Research** (KPJ Academic Health Centres - integration of potient care, research and education)	**Education** (KPJU)
JLG	Exponential revenue growth & profitability through innovation, cost reduction & strategic partnerships	Build trust to achieve sustainable, exponential growth & **market leadership**	**Technology transformation** to maximise operational excellence and future-proof the organisation	Achieve net-zero carbon emissions & **industry-leading sustainability**	Achieve a **high-performing culture** to produce exceptional results
QSR Brands	**Protect Market Share** and drive sustainable profit growth through Business Transformation	**Value Creation with our Assets** (Optimise store network returns and maximise FCFF)	Future-proofing the business and grow market share through **digital transformation** and leveraging data	Building a **Sustainable Business** (Ethics & Governance, Environmental Resilience, Workplace Environment, Responsible Production & Supply Chain, and Community Engagement)	**Cultural Transformation** (Delivering results through our people)

Strategic Review: Our Growth Strategy

STRATEGIC ACHIEVEMENTS IN 2024

Strategic Area	Achievements in 2024	Focus Areas for 2025
Financial Restructuring	1. State-guaranteed Sukuk issuance: Inaugural RM1.5 billion sukuk oversubscribed by 5x, with up to 20 basis point savings. 2. Loan consolidation: Consolidated SPV loans totalling RM961 million, releasing collateral worth RM2.4 billion. 3. Stamp duty exemption: RM10 million savings on sukuk stamp duty. 4. Tax exemption: 10-year tax exemption on JCorp new Sukuk programme business income and corporate exercise income.	1. Develop a sustainability sukuk framework. 2. Optimise financing costs and strengthen JPG's capital structure to support sustainable growth. 3. Assess funding strategies for JLand Group Sdn Bhd (JLG).
Corporate Restructuring & Asset Rationalisation	1. Assets rationalisation (Land): Recorded RM400 million cash proceeds & gain on disposal of approximately RM245 million at JCorp level. 2. E.A. Technique: Regularisation Plan & Scheme of Arrangement with creditors completed on 27 & 28 June 2024 respectively. Total payment received by Kulim & Sindora: RM74.86 million. 3. IPO of Agribusiness (JPG): JPG was listed on 9 July 2024 and raised approximately RM735 million making it the second largest IPO in Malaysia for the year, oversubscribed by 2.18 times.	1. Oil palm assets disposal: Target to record a gain on disposal of approximately RM291.7 million at JCorp level. 2. Asset rationalisation (Land): Completion of two Sale & Purchase Agreements (SPAs), target to generate approximately RM118 million gain on disposal. 3. REID listing preparation: Ongoing preparatory work for a potential listing exercise.
Intangible Asset Development	1. Stewardship committee: Established for enhanced governance. 2. Enhanced analytics: Implemented JCorp Analytics with a comprehensive digital dashboard. 3. Data integration: Achieved 100% cloud migration with automated data integration across investee companies. 4. Digital learning platforms: Launched two platforms for autonomous learning. 5. Workforce development: Graduated 11 data scientists, 6 analysts, and 60 practitioners.	1. Align Investment and Financial Policies with sustainability objectives. 2. Enhance Procurement and Supply Chain Frameworks to integrate ESG principles.

PLANNED STRATEGIES HAVE BEEN EXECUTED SINCE 2021

Financial Restructuring

- AAA-rated Sukuk issuance for redemption of RM1.8 billion FGG Sukuk
- Consolidation of all SPVs loans via issuance of State-guaranteed Sukuk
- Capital Structure Review
  - strike off/Disposal of dormant/ non-core companies
- Tax exemption REID and Agribusiness business reorganisation - RM1.51 billion

Corporate Restructuring

- IPO of JPG was completed on 9 July 2024. Other ongoing strategic monetisation targets:
  - REID (Q4 2026)
- REID restructuring:
  - Land: 5 Sale & Purchase Agreements completed in 2023-2024, remaining 4 targeted in 2025-2026
  - Equity: completion in 2024
- Oil palm assets disposal in 2025 - disposal value of RM790.13 mil
- Disposal of non-core companies - RM253.108 million sales value as of 2024
- Completion of Port Disposal in 2022 - RM309 million of net proceeds received
- Completion of Kulim Group plantation assets reorganisation in 2022
- Completion of E.A. Technique Regularisation Plan & Scheme of Arrangement in 2024

Digital Transformation

- Enhanced JCorp Analytics as digital dashboard to monitor the business and operational performance
- Improved digital infrastructure and policies for accessibility, connectivity speed and security at workplace and devices
- 100% data on the cloud with data lake (RITE Lake) and automated data integration with all investee companies
- Common applications across the group - Office, Analytics, HR system, Finance, SCM (Supply Chain) & cyber security
- 12.7 million pages digitised documents enhanced by Gen-AI powered knowledge management system
- AI and automation to increase work efficiency & productivity
- Various change management activities such as Tapau, RITE Talk, RITE is Live Podcast and RITE Tour

Governance

- Limits of Authority (LOA), Enterprise Risk Management. BCM and Compliance Policy
- Completion of Surveillance Audits for ISO 9001 & 37001 ABMS Recertification
- Developed JCorp Anti-Corruption (JCACP) Plan, Ethical Conduct, Anti-Bribery and Whistleblowing Policy
- Best practices knowledge transfer through intemal audit
- Establishment of Board Sustainability Committee and ESG framework
- Enhanced Insurance Management and cost savings for the Group

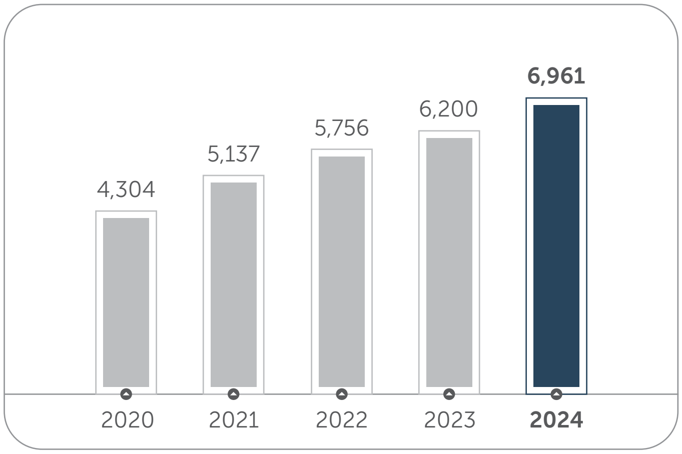
Organisational Redesign

- Completion of Rightsizing initiative: Project Dahlia & Daylily
- Completion of right, sizing exercise/MSS
- Introduction of Autonomous learning
- Establishment of Talent Council
- Flexible working arrangement of 3-2-2 workday
- Talent Assessment for new staff recruit, Staff Promotion/Salary increment and Talent Mobility
- Final stage for Redesign of Job Grading, Benchmarking and Recommendation on Reward Strategy
- A holistic Succession planning framework linked to the Leadership Competency Development Framework and the Individual Development Plan
- Introduction the concept of OKRs into our performance management

Performance Review: 5 Years Group Financial Highlights

Revenue RM (Million) **RM6,961** Million

Group



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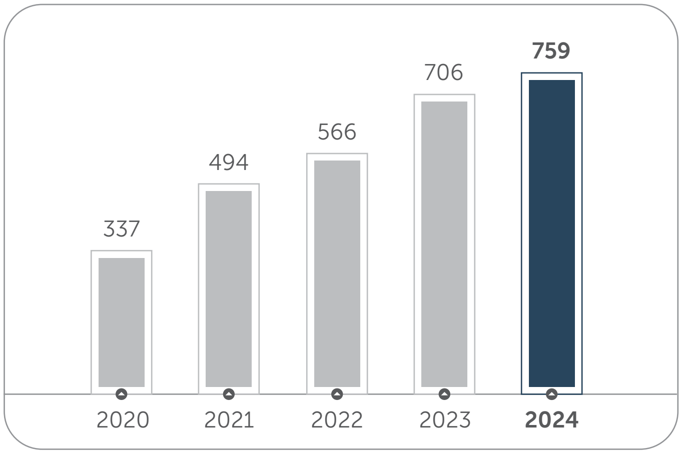
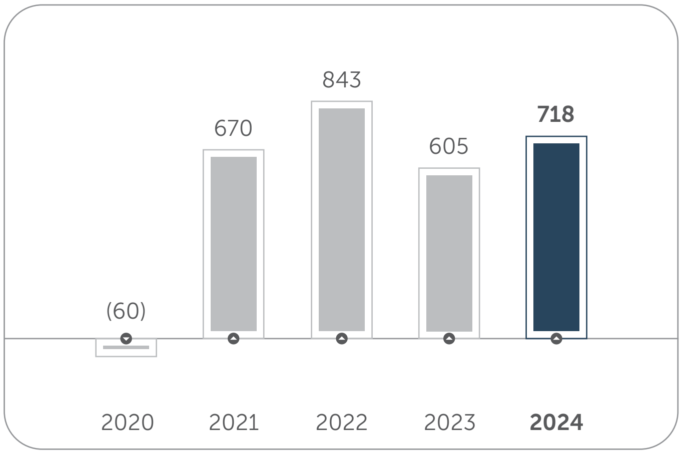


Profit Before Tax RM (Million) **RM718** Million

Group



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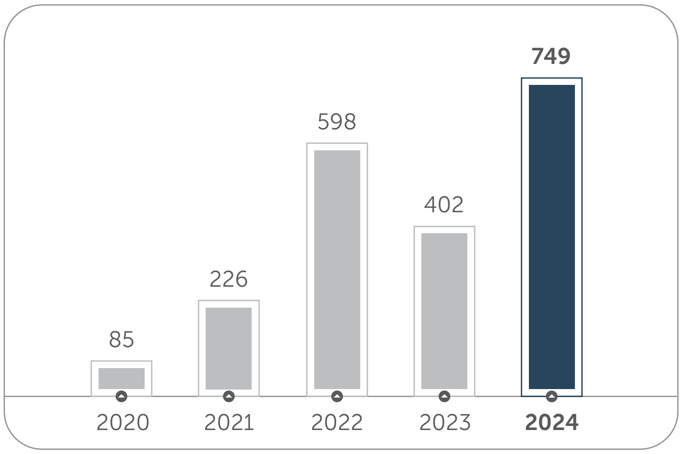
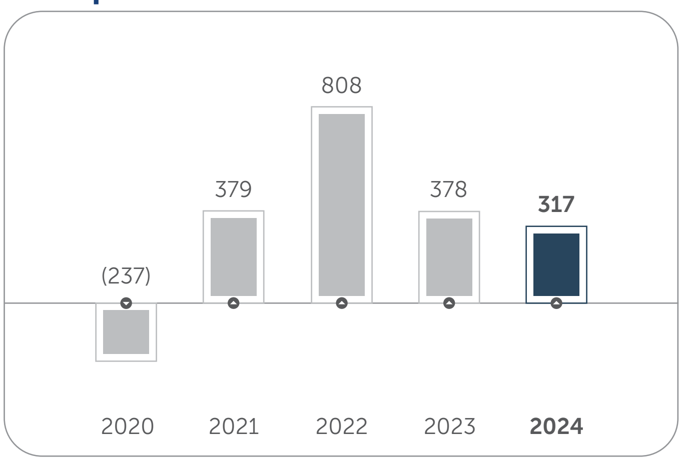


Profit After Tax RM (Million) **RM317** Million

Group



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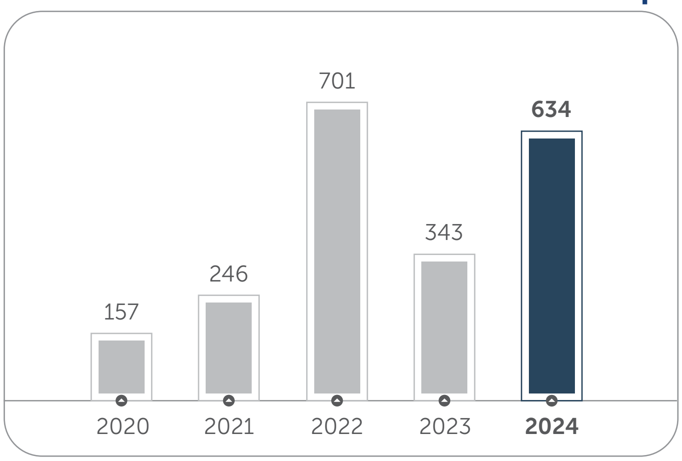
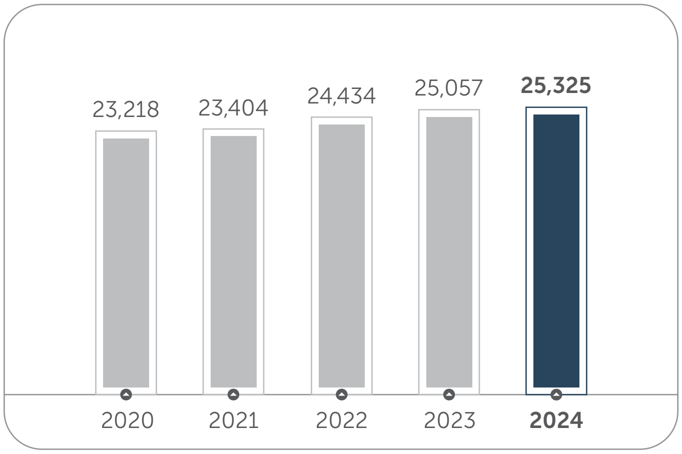


Total Assets RM (Million) **RM25,325** Million

Group



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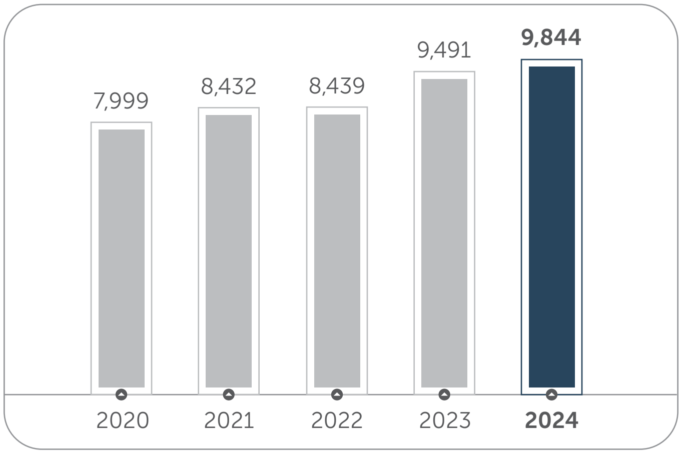
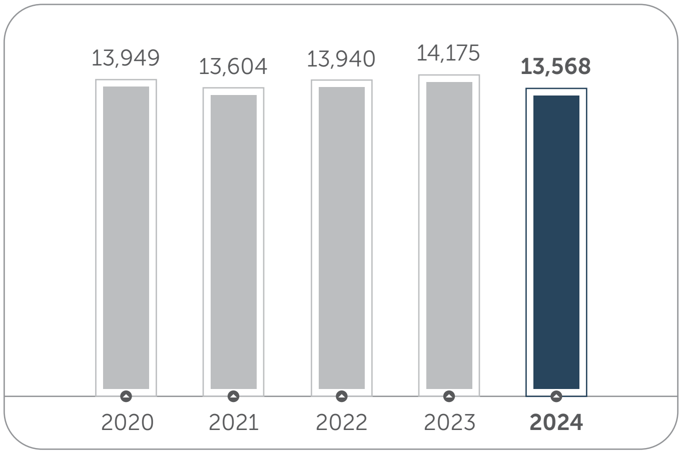


Total Liabilities RM (Million) **RM13,568** Million

Group



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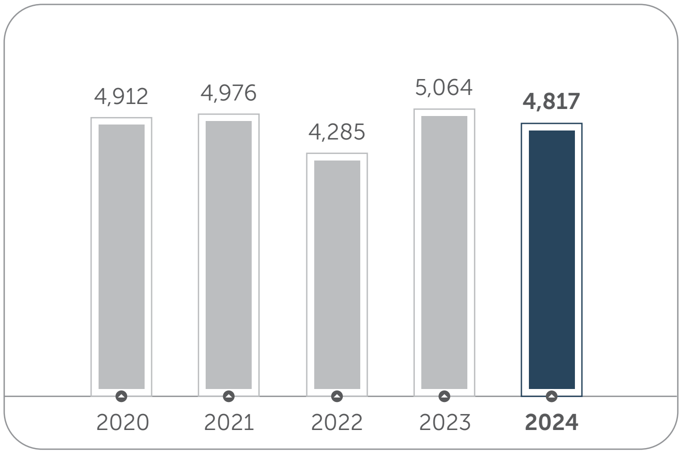
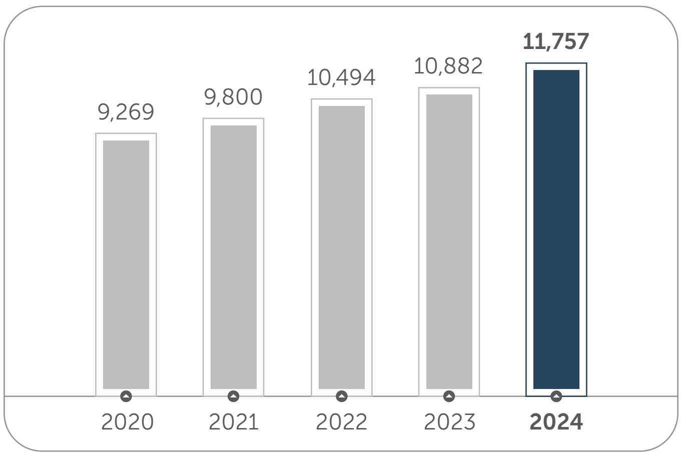


Total Equity RM (Million) **RM11,887572** Million

Group



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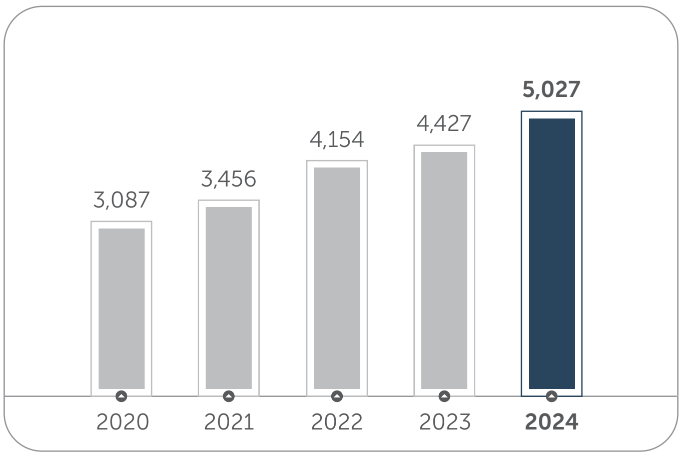
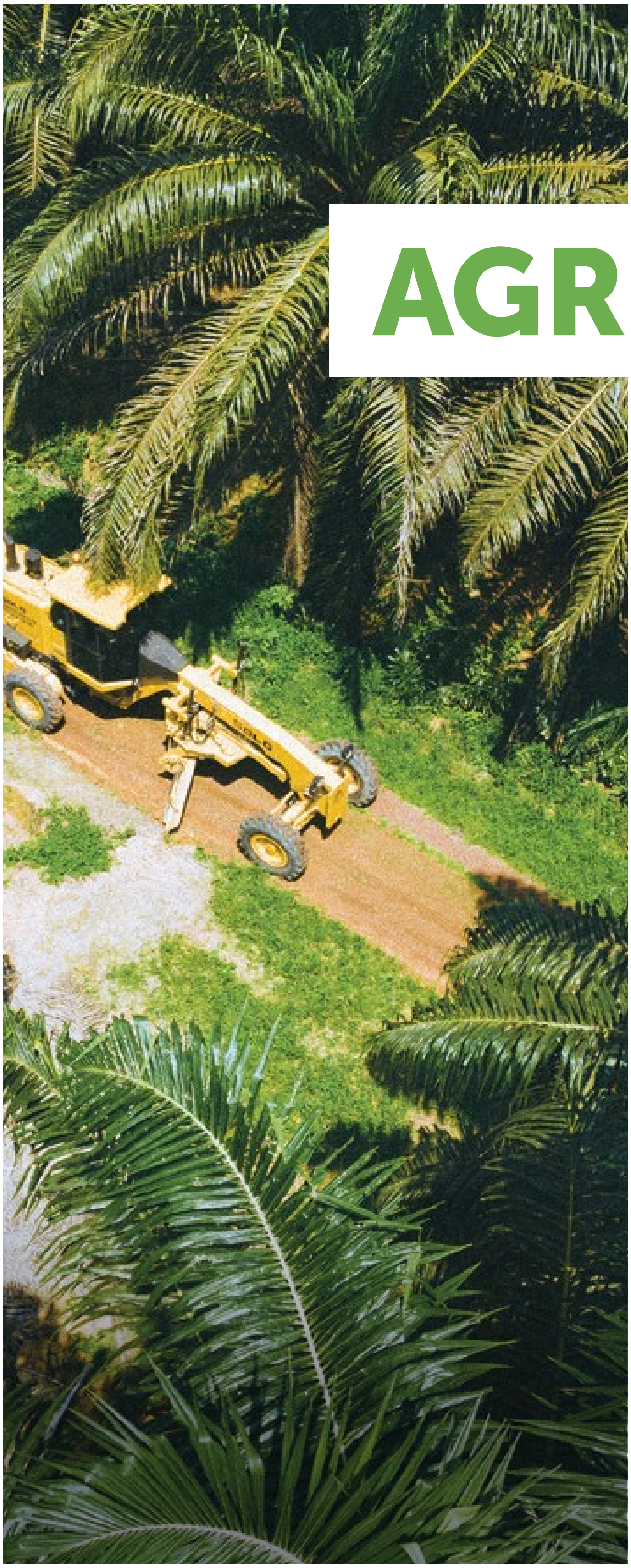


Business Review



AGRIBUSINESS

JPG A JCORP Company

Overview

JPG delivered an exceptional performance in 2024, marking one of its strongest years to date and establishing a firm foundation for long-term growth.

The year was distinguished by two major corporate milestones namely JPG's successful listing on Bursa Malaysia on 9 July 2024, raising approximately RM735 million, and its pioneering issuance of the world's first Sustainability-Linked Sukuk in the plantation sector, raising RM1.35 billion for sustainability-focused investments. These breakthroughs underscore JPG's transformation into a future-ready plantation leader anchored in transparency, innovation and sustainability.

Operationally, JPG's disciplined execution, enhanced mechanisation and progressive adoption of digital tools significantly strengthened productivity despite favourable weather, culminating in robust financial and operational results.

CORE ACTIVITIES

JPG is involved primarily in the upstream segment of the palm oil industry while strengthening its presence in midstream segment. In line with strategic growth initiatives, JPG recently expanded into the downstream segment, enhancing our capabilities across the palm oil value chain. JPG remains committed to Trading & Services, which are integral to strengthening and streamlining integrated operations.

Upstream

JPG's core strength lies in the upstream segment of the palm oil value chain, where it manages 59,783 hectares across 22 estates in Johor and one in Pahang. JPG focus is on mechanisation and automation to increase efficiencies and productivity across plantations, guided by the principles of Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) and No Deforestation, No Peat and No Exploitation commitment (NDPE) commitments. and other sustainability standards to ensure responsible operations.

JPG have a strong Research & Development (R&D) base to support various aspects of the upstream operations, from soil enhancement to the development of superior high-yielding oil palm seeds.

JPG continues to improve labour efficiency, enhance crop recovery and enhance operational flow. These advancements contribute to more resilient and future-ready plantation operations.

Supporting the Group's upstream activities is the Johor Plantations Agritech Centre (JPAC), a key hub for research and innovation. JPAC drives advancements in Agronomy Advisory, Plant Breeding, Tissue Culture and a Microbiology Laboratory to improve crop performance and elevate agricultural outcomes across JPG's estates.

Midstream

JPG's midstream segment is supported by its renewable energy initiatives. Through JPG Greenergy Ventures Sdn Bhd (JPGGV) and JPG Greenergy Sdn Bhd (JPGG), the Group converts waste from its palm oil operations into renewable energy, specifically biomethane gas.

A key initiative has been the development of renewable energy solutions such as converting biowaste to biogas and subsequently into biomethane at three of its plants. Both biomass and biogas are used internally to reduce our reliance on carbon-based fuel, while biomethane is commercialised.

These initiatives reinforce JPG's circular economy model by creating value from by-products. They also advance national energy transition efforts and underpin the Group's decarbonisation ambitions.

Downstream

JPG is expanding into the downstream segment as part of its strategy to become a fully integrated plantation company focused on Greenutrition and Greenergy. The Group is partnering with Fuji Oil Asia Pte Ltd in the development of a niche refinery, which forms part of the Integrated Sustainable Palm Oil Complex (iSPOC) located in Sedili. Through iSPOC, the Group will produce specialty oils and fats for food applications, while renewable energy generated from biomass and biogas will power the complex.

Trading & Services

JPG's Trading & Services comprises of three companies and roles to play in supporting our plantation operations; and all have great potential to grow, especially by extending their services to non-JPG clients. This is something we are looking into and are confident of seeing positive results in the near future.

Sustainability Integration Across Operations

Sustainability is embedded in every aspect of JPG's operations. The Group maintains full compliance with RSPO and MSPO standards, enforces strict NDPE policies and continues to improve supply chain traceability, particularly through the use of drones, digital mapping and smallholder engagement.

These efforts reflect JPG's commitment to operating responsibly by protecting the environment, supporting local communities and maintaining high transparency for stakeholders and investors. Sustainability is not treated as a standalone initiative but as a strategic foundation for long-term growth and value creation.

Business Review

BUSINESS ENVIRONMENT

Intensifying Regulatory Requirements

The agribusiness landscape in 2024 was shaped significantly by heightened regulatory scrutiny, particularly in relation to deforestation, land use and supply chain transparency. The introduction of the EU Deforestation Regulation (EUDR) accelerated global expectations for full traceability of Fresh Fruit Bunches (FFB), including those sourced from smallholders — a segment traditionally challenged by fragmented data and varying levels of compliance readiness.

In response, JPG strengthened its longstanding commitment to responsible sourcing through its NDPE policy. The Group expanded the use of digital tools such as drones, geospatial mapping and RSPO PalmTrace to enhance visibility across its estates.

These efforts enabled JPG to achieve 93.96% traceability to plantation level, reaffirming its ability to meet emerging global buyer requirements and positioning it as a compliant, responsible producer amid increasingly stringent international regulations.

Climate Change Variability

Climate-related challenges remained a defining feature of the plantation sector. Increasing temperatures, unpredictable rainfall patterns and localised water stress continued to exert pressure on crop performance, requiring proactive intervention to safeguard yields and maintain consistent production. JPG adopted a multi-pronged resilience strategy to manage these risks effectively.

The Group invested in flood prevention and land-management infrastructure to mitigate the impacts of intense rainfall, while drought-awareness campaigns and water-optimisation measures helped preserve soil health during prolonged dry periods. Fire-prevention systems, including surveillance and early-detection controls, were strengthened to minimise the risk of estate fires during hotter months.

At the same time, JPG advanced circular economy initiatives and expanded its biomethane facilities, reducing greenhouse gas emissions and contributing to cleaner operational processes. Collectively, these measures enhanced the Group's capacity to operate reliably despite the increasing volatility associated with climate change.

Price Volatility and Margin Pressures

Market conditions in 2024 were characterised by fluctuating CPO prices driven by geopolitical developments, changes in global supply and demand as well as climate-induced production shifts. These external pressures affected margins across the industry, underscoring the need for continuous efficiency improvements and diversified income streams.

JPG responded by enhancing operational efficiency, increasing mechanisation and strengthening field productivity. In parallel, the Group continued to expand downstream and renewable energy initiatives to reduce dependence on upstream price cycles and to capture higher-value opportunities. These strategic moves contributed to greater stability and improved profitability despite the challenging price environment.

Rising Expectations for Transparency and ESG Performance

Stakeholder expectations for transparency continued to rise, driven by global concerns around sustainability, human rights, climate impact and ethical production standards. Investors and regulators increasingly sought detailed, reliable and timely ESG disclosures from agribusiness players to evaluate long-term resilience and risk management practices.

JPG maintained its strong focus on disclosure quality and stakeholder communication throughout 2024. The Group's commitment to transparent reporting was recognised at the National Annual Corporate Report Awards (NACRA) 2024, where the JPG 2023 Annual Report received the Platinum Award in the Non-Listed Category. This recognition underscored the Group's dedication to best-in-class reporting and its alignment with evolving stakeholder expectations.

PERFORMANCE REVIEW

Key Highlights

FFB Production:
↑ 9.29%

CPO Production:
↑ 10.06%

FFB Yield:
22.41 MT/ha, above Johor and Peninsular Malaysia averages

FFB Processed:
1.49 million MT, including
0.36 million MT from external suppliers and smallholders

OER:
Improved to **20.02%,** surpassing national and Peninsular benchmarks

Operational Productivity and Field Performance

JPG delivered a strong operational performance in 2024, reflecting the effectiveness of its ongoing emphasis on disciplined field management, improved estate supervision and targeted mechanisation.

FFB production rose by 9.29%, supported by improved harvesting efficiency, greater field accessibility and more stable labour availability throughout the year. The Group's FFB yield reached 22.41 MT per hectare, outperforming both the Johor and Peninsular Malaysia averages and reaffirming the strength of JPG's agronomic practices and in-maturity palm profile.

These improvements were further bolstered by favourable weather conditions in the first three quarters of the year, which supported better crop recovery and reduced harvest disruption. JPG's structured fertiliser optimisation programme, guided by data from its agronomy teams and laboratory analysis, also contributed to sustained field performance and enhanced yield potential.

Mill Operational Efficiency and Processing Throughput

The Group's mill operations recorded notable improvements, with total FFB processed rising to 1,489,196 MT, an increase of 9.36% compared with the previous year. This figure includes 358,943 MT of external crop purchases from suppliers and smallholders, reflecting JPG's role not only as a major estate operator but also as a key processing partner within the regional agricultural ecosystem.

JPG's Oil Extraction Rate (OER) improved to 20.02%, surpassing both national and Peninsular Malaysia averages. This improvement was attributable to more consistent crop quality, disciplined harvesting intervals, refined processing controls and reduced mill downtime. Investments in mill automation, enhanced maintenance cycles and improved monitoring systems also contributed to more stable operating performance, higher throughput and reduced operational bottlenecks.

Production Performance and Output Growth

Crude Palm Oil (CPO) output increased by 10.06% in FY2024, supported by higher FFB volumes and the improved OER. The combination of stronger estate yields and heightened milling efficiency enabled JPG to achieve higher overall production despite industry-wide challenges associated with climate variability and palm age profile cycles.

Industry data indicates that Malaysia's overall CPO production grew modestly in 2024, constrained by labour shortages and climate disruptions across the region. Within this context, JPG's double-digit growth in CPO output positions the Group ahead of many peers in terms of operational recovery and performance resilience.

Drivers of Strong Performance

Several structural and operational factors underpinned JPG's performance trajectory in 2024. A significant portion of the Group's estates is now in a peak-yielding age band, allowing for stronger FFB recovery and improved consistency in bunch formation.

Enhanced digitalisation particularly through drone monitoring, GIS-based field mapping and real-time operational dashboards, provided estate managers with improved visibility and more precise decision-making capabilities.

The Group's renewed focus on mechanisation also mitigated labour-related risks and contributed to more predictable harvesting cycles. Meanwhile, workforce stability improved compared with the previous two years, helping to reduce harvesting backlogs and improve field discipline.

Business Review

Strategic Alignment and Operational Resilience

The operational results achieved in 2024 underscore the resilience of JPG's estate and mill operations and the effectiveness of its efforts to optimise productivity across a maturing plantation profile. The year's performance highlights the benefits of the Group's sustainability-led agronomic practices, enhanced mechanisation and greater integration of digital tools across its operations.

These outcomes validate JPG's current operating approach, particularly its focus on digital agriculture, improved mill efficiency and disciplined replanting. Together, they contributed to the strong operational showing in 2024 and reinforced the Group's standing as a well-managed and efficiency-driven plantation business.

FINANCIAL PERFORMANCE

Key Financial Highlights

Revenue:
RM1.52 billion
↑ **21.65%** year-on-year

Profit Before Tax & Zakat:
RM346.22 million
↑ **85.22%** year-on-year

Profit After Tax:
RM256.05 million
↑ **54.50%** year-on-year

Total Assets:
RM4.96 billion
↑ **8.30%** year-on-year

EBITDA:
RM533.61 billion
↑ **38.59%** year-on-year

Market Capitalisation:
RM3.38 billion

Revenue Growth and Income Strengthening

JPG delivered a strong financial performance in FY2024, reflecting the combined impact of higher production volumes, improved oil extraction rates and favourable CPO prices, particularly in the earlier part of the year.

Revenue rose to RM1.52 billion, representing a 21.65% increase compared with FY2023. This growth trajectory demonstrates the effectiveness of the Group's operational strategies and its ability to translate productivity gains into stronger top-line performance despite ongoing market volatility.

Profitability and Margin Expansion

The Group achieved significant improvements in profitability, supported by enhanced operational efficiency, disciplined cost management and higher value capture across its mills. Net profit increased by 54.50%, buoyed by stronger estate yields, improved mill efficiency and continued optimisation of field operations.

Profit Before Tax and Zakat increased significantly to RM346.22 million, representing growth of 85.22%. This improvement highlights the Group's stronger margin profile and the enhanced contribution from maturing estates, mechanisation efforts and digital solutions that improved operational efficiency.

Capital Structure and Strategic Financing

JPG's financial position was further enhanced through two major corporate milestones in 2024: the Group's successful listing on Bursa Malaysia and the issuance of a pioneering Sustainability-Linked Sukuk. The listing exercise raised RM735 million, providing the Group with enhanced financial flexibility and strengthened access to capital markets.

Meanwhile, the RM1.35 billion Sustainability-Linked Sukuk reinforced JPG's commitment to responsible financing while supporting long-term investments aligned with the Group's ESG aspirations.

Together, these capital-raising initiatives bolstered the Group's balance sheet and provided the financial capacity to pursue strategic reinvestments, including productivity enhancements, estate modernisation, renewable energy development and downstream growth opportunities. This strengthened capital structure positions JPG to navigate future market dynamics from a position of resilience and discipline.

KEY ACHIEVEMENTS

2024 marked a defining year for JPG, characterised by major corporate milestones, strong operational performance and meaningful progress in downstream diversification and sustainability leadership. Together, these achievements strengthened the Group's position as a modern, integrated and responsible plantation enterprise.

1. Major Corporate Milestones

JPG achieved several transformative milestones that enhanced its financial capacity and market visibility.

- Successfully listed on Bursa Malaysia on 9 July 2024, raising RM735 million.
- Issued the world's first Sustainability-Linked Sukuk in the plantation sector, raising RM1.35 billion to support sustainability-driven investments.

2. Operational Excellence

The Group delivered improved operating performance across estates and mills.

- Achieved higher yields and increased production across key metrics.
- Expanded mechanisation and automation across estates to improve efficiency.
- Recorded stronger OER and reduced mill downtime through disciplined plant management.
- Enhanced smallholder engagement to strengthen traceability and supply chain visibility.

3. Downstream & Renewable Energy Expansion

JPG advanced its strategic ambition to move further along the value chain.

- Formed a joint venture with Fuji Oil Asia to develop a specialty oils and fats refinery.
- Commercialised red palm oil extracted from mesocarp fibre for new revenue streams, which we intend to grow into a separate business vertical.
- Entered agreements to supply biomethane to Gas Malaysia Green Ventures, reinforcing its renewable energy footprint.

4. Sustainability & Transparency Leadership

The Group strengthened its ESG performance and reporting standards.

- Maintained 100% compliance with RSPO and MSPO certification requirements.
- Enhanced TCFD-aligned climate risk disclosures and ESG transparency.
- Established a dedicated Investor Relations team to improve engagement with analysts and investors.

Business Review

CHALLENGES AND MITIGATION

Key Challenges	Impact on the Group	Mitigation Actions	Outcome
Project Risk	Project delays, cost overruns, quality risks, reduced income, reputational impact.	Vendor due diligence; dedicated project teams; milestone monitoring; detailed contracts; third-party verification; KRIs; project risk training.	Key project milestones achieved despite challenges; strong governance and alignment with strategic goals maintained.
Suboptimal Productivity Yield	Higher per-unit costs, reduced profitability, inability to fully meet demand.	Task force to reduce crop losses; enhanced FFB grading; harvester compliance; OER incentives; mechanisation; supplier engagement.	Crop production increased 9% YoY to 1.13 million MT; OER improved to 20.02%, reflecting stronger efficiency.
Cybersecurity Risk	Operational disruption, financial loss, reputational damage, loss of stakeholder trust.	Cybersecurity Policy & Framework; Digital Governance Framework; periodic reviews; server hardening; vulnerability management.	Cyber incidents resolved with zero data loss, validating framework effectiveness.
Regulatory and Compliance Risk	Penalties, operational disruption, reputational damage.	Regular compliance reporting; mitigation tracking; regulatory monitoring; refresher training; compliance audits.	Full compliance with new and amended regulations in 2024 maintained.
Volatility of CPO Prices	Revenue instability, forecasting challenges, margin pressure.	Forward pricing; spot and long-term contracts; cost optimisation; inventory management.	Maintained pricing above MPOB benchmark despite volatility; leveraged favourable market movements.
Occupational Safety & Health Risk	Injuries, legal exposure, productivity loss, reputational risk.	ISO 45001 certification; OSH Days; PPE awareness; audits; safety alerts; national safety participation.	Severity rate improved to 2.82 (from 5.17); zero fatalities; LTIR well below target.
Climate Change	Crop losses, yield volatility, operational disruption, higher costs.	Flood mitigation; adaptive work planning; fire prevention; biodiversity and water stewardship; biogas energy.	Minimal crop losses despite Q4 floods; zero climate-related fatalities; emissions intensity reduced by 49%.
Community and Social Risk	Certification risk, operational delays, reputational and regulatory exposure.	Ethical labour practices; supplier due diligence; DIWA recruitment fee mapping; grievance mechanisms; CSR initiatives.	SPOTT ranking improved to 14th globally (88.88%); recruitment fees reimbursed; RSPO & MSPO maintained.
Under Optimisation of Mechanisation	Inefficiencies, high operating costs, scalability constraints.	Expanded mechanised FFB evacuation; contractor mechanisation; staff training.	Mechanisation implemented across a total area of about 40,000 ha, reducing losses and improving operational efficiency.

OUTLOOK

Market Outlook and Industry Fundamentals

The long-term fundamentals of the palm oil sector remain resilient, supported by sustained global demand for edible oils, expanding population growth and rising consumption across emerging markets.

Palm oil continues to play an essential role as a versatile and cost-effective ingredient in the global food supply chain, while maintaining its position as a stable feedstock in biodiesel mandates across key producing and importing countries. At the same time, structural limitations on new plantation land globally are expected to support future price stability by constraining supply expansion.

In the near term, CPO prices are anticipated to remain firm, underpinned by tight global inventories and moderated output growth from major producing regions. Although concerns over potential adverse weather in the later part of the year persist, market fundamentals continue to indicate a relatively supportive pricing environment for producers such as JPG.

Strategic Priorities and Business Expansion

Looking ahead, JPG will continue to focus on initiatives that enhance operational capacity, improve value capture and strengthen its position as an integrated plantation enterprise. Key priorities include expanding milling capacity to support the Group's maturing estates and evaluating opportunities for new mill developments where they are operationally and economically viable. These measures are expected to improve processing efficiency and ensure optimal utilisation of the Group's growing crop base.

The Group will also accelerate its downstream plans, particularly its entry into specialty oils and fats, which offer higher-margin potential and increased resilience against commodity price volatility. This move is aligned with JPG's broader ambition to participate more meaningfully across the palm oil value chain and diversify its earnings profile.

Advancing Renewable Energy and Circular Economy Solutions

JPG will continue to scale its renewable energy initiatives, particularly the expansion of biomethane production and other circular economy solutions that convert operational by-products into commercial energy resources.

These initiatives not only strengthen the Group's sustainability credentials but also position it to participate in emerging low-carbon energy markets, in line with Malaysia's broader energy transition agenda.

Digitalisation and Operational Excellence

Technology adoption will remain central to JPG's operational improvement efforts. The Group plans to deepen its utilisation of Artificial Intelligence (AI), Internet of Things (IoT) applications and advanced automation technologies to enhance field oversight, optimise resource allocation and reduce operational inefficiencies.

Strengthening digital agriculture capabilities will also support traceability requirements, ensuring full visibility across company-managed estates and smallholder supply chains as regulatory expectations intensify globally.

Sustainability, Climate Resilience and Responsible Growth

Sustainability will continue to guide the Group's strategic direction, especially as climate change introduces greater variability into plantation operations. JPG intends to further strengthen its climate resilience through improved water management, enhanced disease-prevention frameworks and the adoption of regenerative agricultural practices. These initiatives will reinforce long-term asset health while supporting compliance with leading environmental standards and investor expectations.

Conclusion

Overall, JPG remains well-positioned to deliver sustainable long-term value, underpinned by strong governance, disciplined capital deployment and a clear strategic focus on operational efficiency, downstream integration and environmental stewardship. As global markets evolve, the Group's commitment to responsible plantation management and continuous improvement will remain key to driving growth and resilience in the years ahead.

Business Review

WELLNESS AND HEALTHCARE

KPJ healthcare
A JCorp Company

Overview

KPJ Healthcare Berhad (KPJ) remains a core pillar of Johor Corporation's wellness and healthcare portfolio, anchored by over four decades of clinical excellence, strong governance and a deep commitment to patient-centred care. Since its establishment in 1981, KPJ has evolved into one of the largest private healthcare providers in the region, guided by its enduring purpose of "Care for Life" – a philosophy that extends beyond the treatment of illness to holistic well-being, prevention and lifelong health outcomes.

In 2024, KPJ responded to a dynamic healthcare landscape with strategic clarity and renewed purpose, embedding its Care for Life ethos across clinical delivery, patient experience, education, research and stakeholder engagement. The year marked a decisive phase of consolidation and value creation, supported by robust financial performance, operational discipline and targeted investments in future-ready healthcare capabilities.

CORE ACTIVITIES AND NETWORK

KPJ Healthcare is focused on providing comprehensive private healthcare and medical services through its network of specialist hospitals, allied healthcare facilities, diagnostics, education, and patient-care support services.

Hospital Operations

Hospital operations remain the cornerstone of KPJ Healthcare Berhad's business and value creation model. As at 31 December 2024, KPJ operates 30 hospitals across Malaysia, supported by one hospital in Bangladesh, providing comprehensive secondary and tertiary care across a wide range of medical and surgical specialties.

The Group is supported by a strong clinical workforce of 1,647 medical consultants and multidisciplinary healthcare professionals, enabling the delivery of timely, high-quality and patient-centred care.

Quality assurance and patient safety are central to operations, with 19 hospitals accredited by the Malaysian Society for Quality in Health (MSQH) and four hospitals accredited by Joint Commission International (JCI), underscoring KPJ's adherence to stringent local and international healthcare standards. Continuous investments in infrastructure, technology and specialist capabilities have strengthened operational resilience and supported sustained growth across the network.

Ambulatory and Community Care

Complementing its hospital operations, KPJ continues to expand its ambulatory and community-based care offerings in response to growing demand for accessible, efficient and preventive healthcare services.

The Group operates three Ambulatory Care Centres (ACCs), strategically located to provide outpatient consultations, diagnostics, day surgeries and follow-up care, offering patients greater convenience and cost efficiency while maintaining clinical excellence.

Community outreach remains an integral part of KPJ's Care for Life commitment through 11 Klinik Waqaf An-Nur (KWAN) clinics and nine KWAN Mobile Clinics, which provide affordable healthcare services to underserved communities, including low-income and rural populations. In 2024, more than 61,400 underserved patients were treated through these initiatives, reinforcing KPJ's role in advancing inclusive healthcare and supporting national public health objectives.

Allied Health and Support Services

KPJ's healthcare delivery model is reinforced by its Group Allied and Retail Health Operations (GARHO), which play a critical role in enhancing clinical efficiency, service consistency and cost optimisation across the Group. GARHO encompasses a suite of integrated support services, including diagnostic testing, pharmaceutical procurement and distribution, sterilisation services, hospital infrastructure and project management, inpatient meal solutions and retail pharmacy operations.

By centralising key support functions and leveraging economies of scale, GARHO strengthens supply chain resilience, improves operational efficiency and supports consistent standards of care across KPJ's hospital network.

Collectively, these operations contributed close to RM150 million in revenue in 2024, while delivering meaningful operational synergies that enhance the Group's overall value proposition.

Education and Talent Development

Education and talent development form a strategic pillar of KPJ's long-term sustainability and clinical excellence agenda. The KPJ Healthcare University Group, comprising KPJ Healthcare University and two healthcare colleges, plays a vital role in developing future-ready healthcare professionals and strengthening the Group's internal talent pipeline.

Closely integrated with KPJ's hospital network, the university supports undergraduate and postgraduate programmes, clinical training, specialty education and applied research. This integration underpins KPJ's broader aspiration to evolve into a fully integrated learning healthcare organisation under the KPJ Health System framework, ensuring a continuous supply of skilled professionals while advancing clinical innovation, research capabilities and long-term workforce resilience.

Business Review

BUSINESS ENVIRONMENT

The healthcare sector continues to undergo structural transformation globally, driven by ageing populations, the rising prevalence of non-communicable diseases and sustained growth in healthcare expenditure, which is projected to increase at approximately 4–5% annually worldwide.

At the same time, rapid technological advancement including digital health platforms, data analytics and automation, is reshaping care delivery models, patient engagement and operational efficiency across the industry.

These global trends are mirrored in Malaysia, where the population is expected to reach 34.3 million in 2025, with the proportion of older persons projected to rise steadily over the coming decade. Coupled with an expanding middle class and rising expectations for quality and specialised healthcare, these dynamics continue to support long-term demand for private healthcare services, particularly in urban and high-growth regional centres.

Health tourism remains a key growth driver for the sector. Malaysia's reputation as a destination for high-quality, cost-competitive medical services strengthened further in 2024, supported by proactive government promotion, strategic partnerships and service innovation within the private healthcare ecosystem. This positive momentum has been complemented by growing regional demand for specialist treatments and cross-border care, reinforcing Malaysia's position as a leading medical tourism hub in Southeast Asia.

At the regulatory level, developments such as the ongoing discussions surrounding Diagnosis-Related Group (DRG) pricing and the gradual transition towards Value-Based Care (VBC) underscore the increasing emphasis on cost efficiency, clinical outcomes transparency and pricing discipline. These shifts require healthcare providers to balance affordability with quality, while maintaining operational resilience and sustainable margins.

Against this backdrop, KPJ continued to invest in digital health solutions, advanced medical technologies and subspecialty services to enhance clinical outcomes, patient experience and operational efficiency. At the same time, the Group sharpened its strategic focus on its core Malaysian operations following the divestment of non-core overseas assets, positioning KPJ to capitalise on long-term structural growth in the domestic healthcare market.

PERFORMANCE REVIEW

Key Highlights

Total Patients Visits:	Inpatient admissions	Surgical procedures	Medical Consultants:	Net additions
3.39 million	**↑ 7%**	**↑ 5%**	**1,647**	**>200**

Operating Beds	New beds commissioned	Average bed occupancy	Health Tourism Revenue:
3,847	**204**	**69%**	**RM232.0 million** **↑ 22%** year-on-year

KPJ delivered a strong operational performance in 2024, supported by sustained patient demand, expanded capacity and continued investments in clinical capability.

Total patient visits reached 3.39 million, with inpatient admissions increasing by 7% and surgical procedures rising by 5%, reflecting higher utilisation across the hospital network. To support growing demand, KPJ commissioned 204 new beds during the year, bringing total operating beds to 3,847, while maintaining an average bed occupancy rate of 69%.

Clinical capacity was further strengthened through the recruitment of more than 200 medical consultants, increasing total consultant strength to 1,647.

Health tourism remained a key contributor to growth, with international patient revenue rising by 22% to RM232.0 million, underpinned by expanded specialist offerings, strengthened regional market presence and targeted engagement with insurers, referral agents and expatriate communities.

Strategic Developments

A defining milestone in 2024 was the launch of the KPJ Health System (KPJHS) in October, integrating practice, education, research and innovation into a unified learning healthcare framework. KPJHS is designed to support precision medicine, high-acuity care, translational research and continuous professional development, strengthening KPJ's long-term clinical differentiation.

The Group also unveiled a refreshed brand identity in August 2024, reinforcing market recognition and aligning KPJ's positioning with its long-term value creation pillars: Patients, People, Partners, Physicians and Planet.

Strategic portfolio realignment continued with the completion of the divestment of Jeta Gardens, KPJ's aged care business in Australia, following its exit from Indonesia in 2023. This sharpened KPJ's focus on its core healthcare markets and ensured optimal deployment of capital.

FINANCIAL PERFORMANCE

Key Highlights

Revenue:
RM3.92 billion
↑ **15%** year-on-year

Profit Before Tax:
RM531.0 million
↑ **41%** year-on-year

EBITDA:
RM987.8 million
↑ **18%** year-on-year

Net Profit (Continuing Operations):
RM364.8 million
↑ **21%** year-on-year

PATAMI:
RM353.8 million
↑ **34%** year-on-year

KPJ recorded a robust financial performance in 2024, underpinned by higher patient volumes, disciplined cost management and improved operational efficiency across the Group. Revenue increased by 15% to RM3.92 million (2023: RM3.42 million), while profit before tax rose to RM531.0 million, reflecting sustained demand for healthcare services and effective execution of growth initiatives.

Earnings quality continued to strengthen during the year. EBITDA grew by 18% to RM987.8 million, supported by cost optimisation initiatives and scale efficiencies, resulting in an improved EBITDA margin of 25.2%.

Net profit from continuing operations increased by 21% to RM364.8 million, while profit after tax and minority interests (PATAMI) surged by 34% to RM353.8 million, driven by strong fourth-quarter earnings and sustained performance across the Group's core operations.

Prudent financial management remained a key focus area. Centralised procurement and disciplined cost controls delivered meaningful efficiencies, with cost savings of up to 70% achieved for selected equipment, consumables and pharmaceuticals through open tenders and long-term vendor agreements. These measures strengthened margin resilience amid inflationary pressures and supported sustainable earnings growth.

Shareholder Returns

In line with its commitment to delivering consistent value to shareholders, KPJ declared four interim dividends totalling RM181.1 million during the year, representing a dividend payout of 4.15 sen per share, compared with 3.35 sen in 2023.

The higher payout reflects the Board's confidence in the Group's financial strength, cash flow sustainability and long-term earnings visibility.

KPJ's disciplined capital management approach continues to balance reinvestment for growth with attractive shareholder returns, reinforcing its ability to generate sustainable long-term value for investors while supporting ongoing expansion and service enhancement across its healthcare network.

Business Review

KEY ACHIEVEMENTS

KPJ received multiple national and international recognitions in 2024, reflecting excellence across clinical care, ESG, talent management and shareholder value creation. Notable accolades include:

- **The Edge Billion Ringgit Club & Corporate Awards** – Highest Return to Shareholders (Healthcare)
- **The Edge ESG Awards** – Silver for Outstanding ESG Performance and Dividend Return
- **The Asset Triple A Awards** – Best Sustainability Sukuk (Healthcare)
- **CSR Malaysia Award** – Sustainability and CSR (Klinik Waqaf An-Nur)
- **HR Asia Best Companies to Work for in Asia**
- **Graduates' Choice Awards** – Champion, Healthcare (Hospitals)
- **SEEK People & Purpose Awards** – Platinum, Top Voted Employer

CHALLENGES AND MITIGATION

Challenge	Mitigation Strategy
Talent availability and retention	Strengthened talent pipelines through the establishment of the KPJ Health System, expanded specialty training programmes and enhanced consultant recruitment efforts to ensure a sustainable pool of medical professionals and clinical leaders.
Clinical governance and patient safety	Maintained robust clinical governance oversight through the Group Medical Advisory & Clinical Governance Committee, supported by continuous accreditation efforts and adherence to local and international healthcare standards.
Regulatory compliance and operational risk	Implemented centralised regulatory monitoring, strengthened the Enterprise Risk Management (ERM) framework and enhanced process discipline through the adoption of the ISO 9001:2015 Quality Management System.
Cybersecurity and data protection risks	Upgraded cybersecurity frameworks and network security, advanced cloud modernisation initiatives and maintained cybersecurity insurance coverage to safeguard patient data, system integrity and service continuity.
Environmental, Social and Governance (ESG) requirements	Accelerated ESG integration through energy efficiency initiatives, strengthened emissions monitoring and reporting, expanded community health programmes and reinforced sustainability governance across the Group.

OUTLOOK

The healthcare industry is poised for sustained growth, driven by demographic trends, rising healthcare expenditure and accelerating digital adoption. Malaysia's healthcare sector is expected to benefit from increased government allocation under Budget 2025, continued health tourism momentum and expanding demand for specialised and long-term care services.

Looking ahead, KPJ will continue to expand capacity, develop Centres of Excellence and invest in AI-enabled diagnostics, robotic-assisted procedures and precision medicine. Digital innovation, predictive analytics and data-driven care models will play a central role in enhancing clinical outcomes, patient experience and operational efficiency.

With a strong balance sheet, disciplined capital deployment and an unwavering commitment to C.A.R.E. – Committed, Accountable, Respectful and Excellent, KPJ is well-positioned to deliver sustainable long-term value for patients, shareholders and society, while advancing JCorp's broader aspiration of building a resilient and future-ready wellness ecosystem.

KEY PRIORITIES FOR 2025

Capacity Expansion and Service Optimisation

In 2025, KPJ continues to prioritise the strengthening of its core healthcare operations through targeted capacity expansion and service optimisation initiatives. This includes the commissioning of additional operating beds, upgrading of medical infrastructure and the continued development of Centres of Excellence to address rising demand for specialised and high-acuity care across its hospital network.

Clinical Excellence and Talent Sustainability

Ensuring clinical excellence and a sustainable talent pipeline remains central to KPJ's long-term strategy. The Group deepens the integration of the KPJ Health System by enhancing clinical governance, expanding specialist training programmes and strengthening consultant recruitment and retention efforts, supporting consistent standards of care and long-term workforce resilience.

Digital Transformation and Innovation

KPJ accelerates its digital transformation agenda to enhance patient experience, improve clinical outcomes and drive operational efficiency. Investment focus is on digital health platforms, data analytics, AI-enabled diagnostics and automation, enabling more personalised, efficient and value-based care delivery across the Group.

Financial Discipline and Operational Efficiency

Maintaining strong financial discipline will remain a key priority amid a dynamic operating environment. KPJ continues to leverage centralised procurement, cost optimisation initiatives and disciplined capital allocation to preserve margins, strengthen cash flow resilience and support sustainable earnings growth.

Sustainability and ESG Integration

Sustainability remains embedded in KPJ's strategic priorities. The Group will advance energy efficiency initiatives, strengthen emissions monitoring and reporting, expand community health outreach programmes and embed sustainable practices across operations, in alignment with national sustainability agendas and evolving stakeholder expectations.

FOOD AND BEVERAGES

Overview

QSR Brands stands as a leader in the integrated food service industry, with an unparalleled presence across the entire farm-to-fork value chain. From feed production to poultry breeding, rearing and processing, the company ensures quality and efficiency at every stage. Beyond supplying its iconic brands, QSR Brands also extends its services to third party partners, demonstrating its versatility and commitment to industry excellence.

With a robust network of 1,415 KFC and Pizza Hut restaurants strategically located across Malaysia, Singapore, Brunei and Cambodia, QSR Brands continues to deliver exceptional dining experiences to millions of customers.

Upstream (Integrated Poultry & Food Manufacturing)

Anchored by Ayamas' integrated poultry operations and manufacturing entities, Upstream focuses on quality, Halal assurance, supply reliability and cost discipline, supporting downstream restaurant requirements while managing capacity and demand variability.

Midstream (Trading & Market-Facing Distribution)

Through QSR Trading Sdn. Bhd. (QSRT), the Group monetises upstream SKUs into retail and international channels, building market presence for key heritage brands such as Ayamas, Ayamas Kitchen and Life through in-store execution and channel partnerships.

Downstream (Quick Service Restaurants)

Downstream comprises KFC and Pizza Hut restaurants across Malaysia and selected regional markets, serving customers via dine-in, takeaway, drive-thru and delivery, supported by omnichannel ordering, marketing and customer data capabilities.

Across the year, operating conditions were shaped by heightened cost pressures, shifting consumer preferences and geopolitical-linked sentiment, requiring agile commercial execution, disciplined cost management and strengthened community relevance across markets.

DOWNSTREAM: QUICK SERVICE RESTAURANTS

KFC MALAYSIA

Who we are and what we do

KFC Malaysia is a leading quick service restaurant specialising in fried chicken with a broad menu offering. Since the first restaurant opened at Jalan Tunku Abdul Rahman, Kuala Lumpur in 1973, the brand has expanded to over 774 restaurants nationwide, serving customers year-round.

Business Review

BUSINESS ENVIRONMENT

The operating environment was heavily influenced by geopolitical-related sentiment and boycott calls that began in late 2023, which impacted brand perception and customer traffic especially in the early part of 2024. Through calibrated recovery measures and targeted brand-building, the business arrested sales and transaction decline from Q2 onwards, with clear recovery signals by Q4 versus Q1.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Stabilise demand and rebuild transaction momentum	Menu & Product Strategy: strengthened value accessibility; accelerated product innovation; intensified off-premise promotions (own channels and co-funded aggregator campaigns); localised marketing in selected locations; youth/ Gen Z activation to future-proof the brand.	Improved resilience and stabilised demand trajectory, contributing to sales and transaction recovery by Q4.
Reinforce trust and "brand love" through nation and community building	Expanded community outreach and CSR, including Sehati monthly food support for 1,400 families; KFC Scholarships supporting 40 B40 students; education partnerships; relief support during natural calamities; strengthened community connection initiatives; introduced a Taste Guarantee campaign to rebuild confidence in quality.	Strengthened local relevance and trust, helping to contain negative sentiment and support gradual recovery.
Accelerate digital, data and martech for retention and engagement	Activated a Customer Data Platform (single customer view); upgraded CRM journeys from mass targeting to lifecycle-based retention and reactivation; kickstarted omnichannel loyalty enablement including in-store kiosk point earnings.	Improved precision in customer engagement and strengthened foundations for growth in 2025.
Protect profitability through cost optimisation	COGS management via supplier renegotiations; rental/ equipment/tech review and negotiations; labour and operating hour optimisation; temporary closures and resource reassignment; deferral of non-urgent expenditures.	Reduced cost pressure and protected margin resilience during demand disruption.

CHALLENGES AND MITIGATION

Risk/Challenge	Mitigation Actions
Prolonged boycott-related sentiment affecting revenue and brand trust	• Maintain neutrality while re-emphasising and communicating Malaysian ownership, more than 80% local Muslim workforce, and the Group's contributions through zakat and taxation. • Sustain and accelerate nation-building and CSR initiatives to strengthen community outreach and engagement. • Drive menu innovation and compelling value offers to enhance brand visibility, accessibility and relevance. • Maintain consistently high standards of product quality and service excellence. • Improved sales and transaction trajectory into Q4, establishing a stronger platform for recovery and rebuilding brand confidence.

KEY ACHIEVEMENTS

- **PUTRA Brand Awards 2024 –** Gold (10th consecutive Gold since 2015)
- **Adobe Experience Maker Award 2024 –** *The Disruptor*
- Strong recognition across multiple marketing and media platforms, including **Malaysia Media Awards** (Advertiser of the Year and category wins), **MARKies, MDA d Awards, Marketing Excellence Awards,** and **The Drum Awards.**

OUTLOOK

Building on the signs of recovery recorded in Q4 2024, 2025 is positioned as a pivotal year to grow new customers while protecting and deepening engagement with the existing base. Key priorities include accelerating growth through strategic menu innovation and value propositions, supported by targeted offerings for youth and children and continued brand modernisation.

The business will also scale digital and CRM capabilities through omnichannel rewards and loyalty programmes, segmented CRM and Customer Data Platform (CDP) activation, including transaction-led and gamified engagement.

In parallel, nation and community-building initiatives will be sustained, with continued investment in education, nutrition and well-being, strengthened community care programmes, and initiatives that celebrate KFC superfans.

KFC SINGAPORE

Who we are and what we do

KFC Singapore is a long-established quick service restaurant brand that has been a cornerstone of Singapore's food landscape for 48 years, proudly recognised as the #1 fried chicken fast food brand and the second-largest player in the Quick-Service Restaurant (QSR) segment. The brand's commitment to quality and inclusivity is underscored by its Halal certification, ensuring its offerings are accessible to all communities.

Operating a network of 73 strategically located outlets across Singapore, KFC Singapore nearly 3,000 dedicated employees, contributing meaningfully to the local economy and supporting vibrant communities across Singapore.

Business Review

BUSINESS ENVIRONMENT

In 2024, KFC Singapore operated in a highly challenging and volatile operating environment, characterised by rising cost pressures and intensified competition across Singapore's food and beverage (F&B) landscape. The year saw the entry of nearly 3,800 new F&B operators, resulting in market oversupply and reduced footfall, particularly for fast-food operators. At the same time, more than 3,000 F&B businesses exited the market, marking the highest number of closures in the past 19 years and underscoring the structural pressures facing the sector.

Macroeconomic factors further shaped consumer behaviour during the year. The 1% increase in Goods and Services Tax (GST) implemented in January 2024 prompted households to adopt more cautious spending patterns. While additional government support vouchers were extended to Singaporean households to help offset daily living expenses, these vouchers were largely redeemable at heartland merchants and hawkers. As KFC Singapore was not an eligible merchant, a portion of discretionary food spending was diverted away from quick service restaurants, adding pressure to industry demand.

The labour market remained tight throughout the year, with the F&B sector facing persistent workforce shortages. An ageing population and higher educational attainment reduced the pool of local jobseekers willing to enter the industry, while rising labour costs were driven by the continued rollout of minimum wage policies for lower-waged workers and tighter quotas for foreign labour. These factors collectively increased operating costs and constrained manpower availability across the sector.

Competitive intensity also escalated, with heightened entry by both international and local brands competing aggressively for consumer spend. Elevated rental costs further compounded expansion challenges, limiting the viability of footprint growth and placing greater emphasis on productivity and return on investment at existing locations. Concurrently, consumers became increasingly price-sensitive amid inflationary pressures and rising living costs, shifting demand towards stronger value propositions, novelty, variety and convenience. This accelerated the need for fast food operators to innovate beyond core offerings to remain relevant.

In addition, travel trends influenced domestic consumption patterns during the year. The strengthening of the Singapore dollar encouraged higher overseas spending and increased cross-border travel to Malaysia, where favourable exchange rates made shopping and dining more attractive. This trend further diverted discretionary spending away from the domestic F&B sector, reinforcing the challenging demand environment in which KFC Singapore operated in 2024.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Modernise the Brand to be more relevant	• Developed more portable menu formats, including LTOs such as Trio Pocketts and Meltz. • Launched new core burgers (ETC Burger and Smokey Hot Burger) with strong marketing support. • Re-launched cult favourites such as Chizza and Zinger Double Down to drive relevance and excitement among younger consumers. • Executed the Mala Goldspice campaign ahead of National Day, refreshing a crowd favourite.	• Early-year sales were impacted by the Israeli-Palestinian conflict and silent protests, with backlash affecting selected campaigns and resulting in weaker Q1 performance. • Portable offerings were well received, particularly the ETC Burger; however, new burgers were unable to sustain sales momentum, highlighting the need for a longer-term and more sustained effort to build credibility in the burger segment.
Accessible value	• Introduced an Everyday Value platform through $5 Real Deals. • Increased frequency of Disruptive Value promotions to support traffic and promote new core products. • Continued Chicken Tuesday (5-piece chicken for $9.95) twice during the year to drive transactions and value equity.	• The highly competitive value environment, led by aggressive competitor promotions, diluted the impact of KFC's value initiatives. • As a new platform, $5 Real Deals required time to build awareness and equity, with a significant portion of sales driven by existing customers and lower-than-expected incrementality in 2024.

PERFORMANCE REVIEW (CONT'D.)

Strategic Objective	Key initiatives	Outcome
Ease with Digital	• Promoted aggressive, app-exclusive deals with media support. • Designed and launched in-app games to enhance digital engagement. • Deployed in-store POSM across all restaurants to encourage app ordering.	• App visits and usage increased in line with 2024 objectives. • Contribution from own-app delivery to the overall sales mix remained low, due to stronger value propositions offered by third-party delivery aggregators, which continued to affect value perception of KFC's own delivery channel.
Improve Cost Efficiency and Labour Productivity	• Reduced PCA gap to manage cost of sales and wastage. • Introduced a labour forecaster for RGMs to improve Sales Per Man Hour (SPMH) management. • Implemented a weekly operations readiness matrix to reduce overtime and late logistics changes. • Reviewed incentive structures to improve restaurant performance. • Optimised delivery pod mapping to improve U30 performance and reduce delivery costs.	• Labour cost improved from 23.9% to 23.2%, resulting in stronger restaurant margins and profit flow-through. • PCA gap narrowed to -0.73% through tighter controls, improved inventory discipline and focused coaching with Area Coaches and RGMs.
Deliver continuous improvement in Cost-of-Sales (COS)	• Qualified new business partners to enhance pricing competitiveness, including onboarding Tyson as a new chicken supplier. • Conducted a Strategic Sourcing Review with YUM and QSR Brands to streamline category priorities and strengthen negotiation leverage. • Strengthened relationships with key business partners.	• Savings from reduced chicken costs contributed to an improvement in COS from 29.6% in 2023 to 28.8%, supporting stronger gross profit margins.
Portfolio Rationalisation	• Reviewed performance of all stores using financial and operational benchmarks to identify recoverable and non-recoverable locations. • Implemented decisive closures with impact mitigation for structurally non-profitable stores and sites with unreasonable rental increases. • Identified new potential sites and network gaps in alignment with internal stakeholders and YUM!	• Loss-making stores reduced from 35 in 2023 to 26 in 2024. • A total of 5 stores were closed during the year. • Ending store count stood at 73 outlets (vs 77 as at 1 January 2024).

Business Review

CHALLENGES AND MITIGATION

Risk/Challenge Area	Key Risks & Challenges	Mitigation Actions	Outcome/Status
Intensified Competition & Evolving Consumer Behaviour	• **Brand relevance:** High awareness but lower consideration; need to improve brand modernity to appeal to younger consumers and create more visit occasions. • **Geopolitical sensitivity (Gaza):** Ongoing Israeli-Palestinian conflict poses reputational and demand risks, particularly given a sizable Muslim customer base. • **Value-seeking behaviour:** Cautious consumer spending amidst macroeconomic uncertainty; CDC vouchers divert spending away as KFC is not an eligible merchant. • **Increasing global competition:** Influx of well-funded Chinese and Korean F&B brands intensifying advertising and promotional pressure.	• **Fight for brand relevance:** Shift brand planning towards trend-setting, with modernised menu innovation and refreshed brand tone of voice anchored by distinctive KFC offerings. • **Enhance value perception:** Continue developing the $5 Real Deal Everyday Value platform and test-and-learn Disruptive Value promotions without excessive discounting. • **Constant listening:** Work closely with YUM! and social media agencies to monitor sentiment through social listening tools and brand dashboards, enabling faster response and pivoting when needed.	• **Brand Index recovery in Q4 2024**, with early signs of improvement in brand scores and sales trends following mitigation efforts initiated during the year.
Rising Labour Costs	• Tight labour market due to reduced foreign worker quotas and ongoing implementation of the **Progressive Wage Model (PWM)**, increasing wage costs and manpower constraints across the F&B sector.	• **Productivity improvements:** Optimise job scopes and workflows. • **Labour forecaster tool:** Support restaurant managers in labour planning and achieving sales-per-man-hour targets. • **Delivery efficiency:** Shift from full-time riders to last-mile delivery partners. • **Manpower management:** Increase part-time hiring to improve workforce mix.	• Improved labour productivity and tighter overtime control. • **Labour cost reduced from 23.9% to 23.2%**, with reduced reliance on foreign labour in line with government initiatives.
Real Estate Challenges	• **Highly competitive retail landscape:** Preference for newer concepts driving higher rentals and pressuring new store viability. • **Shorter lease tenures and tighter terms:** Increased investment risk for capital-intensive formats. • **High fit-out costs:** Higher refresh requirements on renewals affecting ROI. • **Post-Covid footfall shifts:** Greater uncertainty in traditional site selection criteria.	• **Growth alignment:** Align capital deployment and expansion pacing with internal teams and YUM! to ensure disciplined growth. • **Landlord & agent engagement:** Strengthen relationships by sharing updated brand positioning and future direction. • **Customer experience enhancement:** Engage new interior designers and consultants to refine store concepts, focusing on front-of-house elements such as lighting, signage and ambience; conduct market studies to better understand younger consumers.	• Net new store count of -4, ending the year with 73 stores (vs 77 as at 1 January 2024). • Deprioritisation of IE initiatives in prior years affected sales uplift and resulted in an IE shortfall under the YUM! Transformation Agreement. • **Phased modernised refresh planned for 2025/2026** to enhance store image, strengthen brand relevance and competitiveness. • Continued exploration of new sites while maintaining strong landlord and agent relationships.

KEY ACHIEVEMENTS

- YUM! Supply Chain Management (SCM) Spend Smarter Champion 2023, recognising disciplined cost management, procurement efficiency and strong collaboration within the YUM! global supply chain network.
- MARKies Awards 2024 – Gold Award for Most Creative Launch, awarded for the "Lucky Undie (HUATwear)" campaign, reflecting the brand's creativity and ability to deliver culturally relevant, high-impact marketing executions in a highly competitive market.

OUTLOOK

In 2025, the business focuses on improving performance, driving sustainable growth and building brand love. Key priorities centre on getting the core right through strong product execution, ensuring brand-standard chicken cooked in store, and promoting core products to rekindle affinity for the brand, supported by a more strategic and thematically driven approach to Limited Time Offers.

Brand engagement deepens through stronger cultural relevance, including on-trend merchandise collaborations with recognised intellectual properties and local designers, immersive activations around key occasions such as International Fried Chicken Day, and grassroots community engagement anchored on interest pillars such as gaming, sports and music.

The value proposition remains central, with continued efforts to build equity for $5 Real Deals and the testing of new Disruptive Value offers to maintain a strong pipeline of effective value drivers.

Digital expansion accelerates via an expanded footprint of self-service kiosks and an enhanced app experience, supported by the onboarding of a CRM platform to improve conversion rates, purchase frequency and customer stickiness.

Asset strategy strengthens further through a more rigorous site selection process, leveraging tools such as Geolytics and cross-functional evaluation to prioritise higher-profitability locations, alongside the exit of non-performing stores and the reallocation of resources.

Operational priorities include a sustained focus on labour productivity, with continued optimisation of labour scheduling and job design in collaboration with HR, complemented by experimentation with wage structures to manage costs effectively.

Cost management is reinforced through closer collaboration with YUM! and QSR Brands, leveraging economies of scale in procurement and identifying alternative suppliers to enhance cost competitiveness.

In parallel, the business invests in building people capabilities, equipping teams with both technical and soft skills under clear, performance-based KPIs, while embedding a heart-led, high-performance culture through the rollout of the QSR Brands Flywheel, including among Restaurant General Managers.

Collectively, these initiatives support a stronger market position, enhanced operational efficiency and a motivated, skilled workforce committed to delivering improved sales and profitability.

Business Review

KFC BRUNEI

Who we are & what we do

KFC Brunei operates a network of 18 outlets nationwide, serving customers through a comprehensive range of service channels including dine-in, takeaway, drive-thru and delivery. The brand maintains a strong presence in the local quick-service restaurant segment, with all restaurants Halal certified in line with Brunei's dietary standards and community expectations.

BUSINESS ENVIRONMENT

The operating environment in 2024 remained challenging, as fast-food boycott sentiment that emerged towards the end of 2023 persisted throughout the year. This prolonged situation continued to weigh on consumer sentiment, resulting in softer customer traffic and sustained pressure on revenue performance across the business.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome (2023)
Cost optimisation	Rental negotiations to reduce operating costs across the outlet network.	Reduction in rental expenses of approximately B$64,000.

CHALLENGES AND MITIGATION

Risk/Challenge	Mitigation Action	Result / Impact
Prolonged boycott pressure and softer consumer spending	Focus on community engagement and CSR initiatives as well as localised marketing campaigns and national value offers.	Sales gradually showed improvement in late 2024.

KEY ACHIEVEMENTS

- Maintained uninterrupted ingredient supply throughout 2024, ensuring operational continuity and consistent product availability despite a challenging operating environment.
- Strengthened brand equity through ongoing CSR and community outreach initiatives, reinforcing trust, local relevance and positive brand perception among customers and stakeholders.

OUTLOOK

The focus in 2025 remains on strengthening operational resilience, deepening local market relevance and supporting sustainable growth in a measured and disciplined manner.

Key priorities include embedding localised offerings that resonate with customer preferences, continuing menu innovation to refresh the brand proposition, and enhancing digital channels to improve accessibility, engagement and service convenience.

Together, these efforts are aimed at reinforcing the brand's position in the local market while supporting stable, long-term business performance.

KFC CAMBODIA

Who we are and what we do

KFC Cambodia commenced operations in 2008 through a partnership with The Royal Group Cambodia and operates as a recognised quick service restaurant brand in the Cambodian market. As at 2024, KFC Cambodia operates a network of 13 restaurants across key urban and tourism centres, comprising nine outlets in Phnom Penh, two in Sihanoukville, and one outlet each in Siem Reap and Battambang. KFC Cambodia is also among the few Halal-certified restaurant operators in Cambodia, underscoring its commitment to food quality, safety and inclusivity, while serving the needs of diverse customer segments within the local market.

Business Review

BUSINESS ENVIRONMENT

In 2024, KFC Cambodia operated in a generally improving macroeconomic and operating environment, supported by a broad-based recovery in Cambodia's economy following the post-pandemic transition to an endemic phase.

A key positive driver during the year was the strong rebound in tourism, led primarily by international visitors returning to major urban and leisure destinations such as Phnom Penh, Siem Reap and Sihanoukville. This recovery in tourist arrivals benefited established international brands, including KFC Cambodia, through increased footfall and dining demand in high-traffic locations.

The operating landscape was further strengthened by greater political and policy stability following the formation of the new government, which helped restore investor confidence and encouraged renewed capital inflows into the country. This stabilisation supported business sentiment, infrastructure development and consumer activity, contributing to a more favourable environment for retail and food service operators.

From an industry perspective, supply chain conditions continued to normalise in 2024, with improved availability of key inputs and logistics reliability compared to the immediate post-pandemic period. While cost pressures remained present, particularly in areas such as rentals and selected operating expenses, the overall environment was more predictable and manageable. The labour market also showed signs of gradual recovery, supporting operational continuity across the sector.

Overall, the combination of tourism recovery, improved investor confidence and a more stable operating backdrop created a supportive environment for growth in 2024, positioning KFC Cambodia to benefit from increased demand while continuing to manage costs and operational efficiency prudently.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Business hour optimisation	Extended operating hours at selected restaurants to capture additional customer segments and late-day demand.	Contributed over 10% of total sales, reflecting successful capture of incremental demand.
Review menu offering and pricing to meet customer needs	Enhanced delivery menu offerings and optimised pricing across in-store and delivery channels.	Gross profit remained strong and stable, despite incremental cost of sales pressures.

CHALLENGES AND MITIGATION

Challenge/Risk	Mitigation Actions	Result/Outcome
Rising business costs, including higher rentals arising from tenancy agreement clauses, and supply chain challenges due to changes in government policies	Maintained ongoing negotiations with landlords to manage and reduce rental costs; worked closely with forwarders and relevant government ministries to ensure supply continuity.	Rental costs were kept at a lower percentile compared to the prior year, with no major supply disruptions experienced during 2024.

KEY ACHIEVEMENTS

Achieved 11% sales growth in 2024, contributing positively to EBITDA and profit growth.

OUTLOOK

KFC Cambodia is cautiously optimistic for 2025, with projections targeting double-digit sales growth, supported by a more stable macroeconomic backdrop and the continued recovery of tourism and consumer activity.

The business expects demand to remain underpinned by Cambodia's growing urban population, steady inflow of international visitors and rising preference for established international quick service restaurant brands. At the same time, the operating environment will continue to be closely monitored, particularly in relation to the ongoing border tensions between Cambodia and Thailand, to ensure any potential operational or demand-related risks are identified early and mitigated appropriately.

Key priorities for the year centre on menu innovation and relevant, impactful brand and marketing communication, aimed at sustaining customer interest and reinforcing brand differentiation in a competitive market. Strong emphasis is be placed on customer experience and product quality, ensuring consistency and service standards across all touchpoints. From an efficiency perspective, the business continues to pursue cost optimisation, with focused attention on selling and distribution expenses as well as the cost of goods, to protect margins while supporting growth.

In parallel, KFC Cambodia will seek to unlock additional growth opportunities through extended operating hours at selected locations, optimising the contribution of various sales channels, and pursuing selective new store openings in high-potential areas. These initiatives are expected to strengthen the business's market position, support sustainable expansion and deliver improved financial performance in 2025 while maintaining prudent risk management.

PIZZA HUT MALAYSIA

Who we are and what we do

Pizza Hut Malaysia has been operating in Malaysia since 1982 and is well established as a leading player in the Quick-Service Restaurant (QSR) pizza segment. As at 2024, the business operates 475 Halal-certified outlets nationwide, supported by robust digital platforms for omnichannel ordering and partnerships with major food delivery aggregators. The store network comprises a mix of dine-in Pizza Hut Restaurants and Pizza Hut Delivery formats, with customer behaviour increasingly skewed towards off-premise consumption. Delivery and takeaway now account for approximately 82% of total revenue, reflecting a structural shift in dining preferences accelerated since the pandemic and reinforced by recent market sentiment.

Business Review

BUSINESS ENVIRONMENT

The operating environment in 2024 was significantly shaped by Gaza-related sentiment and boycott dynamics, which disproportionately affected international food and beverage brands and reshaped consumer behaviour.

Global Quick-Service Restaurant (QSR) chains experienced heightened brand sensitivity and reputational pressure amplified by the Boycott, Divestment and Sanctions (BDS) movement, resulting in softer demand, sales declines and margin pressure. These conditions necessitated decisive measures to protect business performance, while consumer preferences increasingly shifted toward local brands perceived to be more closely aligned with community and solidarity values, enabling homegrown players to capture market share.

Collectively, these dynamics heightened the importance of trust-building, community relevance, operational agility and cost protection across the sector.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Drive recovery of sales and win back customers impacted by the Israeli-Palestinian conflict	• Shifted from large-scale disruptive brand campaigns to a hyper-localised approach, focusing on on-ground store marketing in lower-tension regions and selected trade zones for more personalised community engagement. • Formed strategic partnerships with telecommunication companies, banks, malls and retailers to broaden outreach and attract new customer segments. • Intensified sales efforts in the delivery channel, in less-affected geographical areas and among non-Muslim audiences, supported by refreshed communication and targeted media plans. • Repivoted marketing campaigns from disruptive social excitement to a "community and togetherness" theme centred on core products, guided by ongoing sentiment monitoring. • Increased promotion frequency of iconic core products to reinforce familiarity and relevance through the togetherness message. • Introduced new Limited Time Offers, including Melts Burger and Cheesy Buldak Pizza, as sentiment softened, targeting non-Muslim customers.	Brand Index (YouGov) in Q4 2024 increased by 23% compared with the first three quarters, indicating early signs of recovery from earlier negative sentiment.

CHALLENGES AND MITIGATION

Challenge/Risk	Mitigation Actions	Outcome
Prolonged geopolitical conflict and boycott impacting business sustainability	• Implemented operating cost mitigation by focusing spend and execution on higher-potential growth stores to optimise ROI. • Temporarily deprioritised highly impacted stores through temporary closures. • Reduced operating hours based on sales impact analysis. • Optimised labour hours to align with lower sales volumes and shortened operating hours. • Actively managed repairs & maintenance (R&M) and utilities costs.	• Reduction in overall business costs through targeted cost mitigation measures. • Lower monthly expenses for labour, R&M preventative maintenance and utilities across the store network.
Risk of brand reputational damage arising from prolonged boycott sentiment	• Protected brand safety by withdrawing brand communications in Muslim- and high-tension–concentrated areas. • Intensified personalised engagement with existing customers through CRM and call centre outreach. • Emphasised holding company values, highlighting local ownership and nation-building initiatives. • Sustained community involvement through CSR initiatives, including educational scholarships, child-focused programmes and the Sehati campaign.	• Brand sentiment and Brand Index improved, recording a 23% increase in Q4 2024, indicating recovery from earlier negative sentiment. • Strengthened trust and containment of reputational risk by year-end.

KEY ACHIEVEMENTS

2024 Putra Aria Awards – Silver Award in the *Restaurants & Fast Food Outlets* category, recognising strong brand equity and market presence.

2024 Effie Awards Malaysia – Multiple wins reflecting marketing effectiveness and innovation:
– **Silver** for *Business / Product / Service Innovation (Melts – Genshin Impact)*
– **Silver** for *Engaged Community (Melts – Genshin Impact)*
– **Silver** for *New Product (Service) / Line Extension (Melts)*
– **Bronze** for *Experiential Marketing – Hybrid (Melts – Genshin Impact)*

2024 MSA Awards – Broad recognition across media, creativity and technology-led marketing:
– **Silver** for *Integrated Media (Melts, Dolla, Genshin, Cola)*
– **Silver** for *Smart Impact (Black Heart Pizza)*
– **Bronze** for *Artificial Intelligence*
– **Bronze** for *Martech*
– **Bronze** for *Branded Entertainment & Content (Melts, Dolla, Genshin, Cola)*
– **Advertiser of the Year –** awarded to **QSR Brands (KFC & Pizza Hut)**

Business Review

OUTLOOK

Against a complex and evolving geopolitical backdrop, the business enters 2025 with a clear focus on operational agility, efficiency and sustainable recovery, while prioritising efforts to win back customers and rebuild brand trust. The year is positioned as a critical phase in strengthening the core business, restoring momentum and laying the foundation for longer-term growth.

A key priority for 2025 is the recovery of customers and reinforcement of the core business. This will be driven through targeted trade zone activation and localised store marketing, designed to deepen community relationships and stimulate specific consumption occasions at the neighbourhood level.

Menu innovation will play a central role, with renewed emphasis on iconic taste platforms such as Stuffed Crust pizzas, Melts and carefully curated limited-time offers aligned with key festivals and cultural moments. In parallel, the business will continue to build a base of loyal, known customers through the Hut's Rewards programme, supported by lifecycle customer relationship management, while maintaining strong community engagement rooted in QSR Brands' Malaysian heritage and ongoing CSR initiatives.

Pizza Hut Malaysia also focuses on driving frequency and expanding usage occasions beyond pizza, recognising the importance of everyday relevance in a value-conscious environment. Entry-level value propositions will be strengthened to encourage more frequent visits, supported by the Hari Hari RM 8 Campaign and a broader daily-meal positioning. To complement this, menu development will extend beyond pizza into offerings such as baked rice and pasta, providing greater variety and supporting repeat consumption across different meal occasions.

In addition, 2025 will see continued efforts to acquire and engage new customer segments, particularly young adults and children. Growth in individual and on-the-go consumption will be supported through single, portable formats tailored to solo dining occasions. Brand relevance among young adults will be strengthened through pop culture collaborations and social-led campaigns, while family engagement will be deepened through initiatives such as Junior Pizza Maker, Hut's to School programmes and dedicated kids' meal offerings.

Collectively, these priorities position Pizza Hut Malaysia to navigate external uncertainties with resilience, rebuild customer affinity, and deliver a more balanced, frequency-driven growth profile in 2025.

PIZZA HUT SINGAPORE

Who we are and what we do

Pizza Hut Singapore has operated in Singapore since 1981 and is a well-established leader in the local Quick-Service Restaurant (QSR) pizza segment. As at 2024, Pizza Hut Singapore operates 63 Halal-certified outlets nationwide, supported by a strong delivery infrastructure and a fully integrated omnichannel model that combines proprietary digital platforms with partnerships across all major food delivery aggregators. Delivery and takeaway contribute approximately 90% of total revenue, reflecting a structurally off-premise–led business model. Differentiation continues to be driven by value-focused pricing, deal-led campaigns and a steady pipeline of Limited Time Offers, complemented by the launch of a customer rewards programme in 2024 to strengthen loyalty and repeat engagement, alongside ongoing community and responsible business initiatives.

BUSINESS ENVIRONMENT

The operating environment for the food and beverage (F&B) industry in Singapore remained highly challenging in 2024, shaped by a combination of persistent cost pressures, intense competitive dynamics and evolving consumer behaviours.

During the year, a significant number of F&B operators exited the market, highlighting the structural strain across the sector. At the same time, food continues to be deeply embedded in Singapore's culture, attracting a steady influx of new brands and concepts seeking to capture market share, which further intensified competition.

Cost pressures remained a key challenge, with elevated ingredient, utility and operating costs continuing to weigh on margins. Labour costs increased year-on-year, driven largely by the implementation of the Progressive Wage Model (PWM), alongside tighter foreign labour quotas that constrained workforce availability and heightened hiring challenges across the industry. In parallel, intensified competition particularly from new international entrants, including brands from China, added pressure on both pricing and rentals, while the pizza category experienced further fragmentation due to the proliferation of smaller independent operators.

Consumer behaviour also shifted markedly during the year. Following multiple rounds of price increases across the industry in prior years, consumers became increasingly value-conscious, placing greater emphasis on affordability and perceived value. Improved cross-border mobility encouraged higher discretionary spending in neighbouring Malaysia, impacting domestic consumption across retail and F&B. In addition, busier lifestyles and cost sensitivity drove greater preference for value-oriented dining and individual meal occasions, accelerating the shift away from traditional dine-in and group-sharing formats.

These trends were reinforced by ongoing changes in retail and operating formats, including smaller store footprints, reduced mall space and wider adoption of self-service and digital ordering solutions, which continued to reshape traditional dine-in economics.

These dynamics created a demanding yet opportunity-rich environment, underscoring the importance of disciplined cost management, compelling value propositions and operational excellence in navigating the year and positioning the business for sustainable performance.

Business Review

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Strengthen customer lifetime value through digital, CRM and loyalty	• Launched a new customer rewards programme to drive repeat usage and retention. • Enhanced CRM segmentation and targeting, supported by improved owned-channel communications. • Upgraded app and website UI/UX to improve conversion, usability and engagement. • Strengthened presence and promotional effectiveness across all three national food delivery aggregators	• Member visit frequency increased by 11%. • Sales contribution from loyalty members increased by 15% heading into 2025. • Established a stronger first-party data foundation for future personalisation. • Food delivery aggregator sales grew 7% year-on-year versus 2023
Drive relevance and increase frequency through menu innovation	• Introduced distinctive, locally relevant LTOs targeting mass and youth segments, including Rendang Chicken Pizza, achieving a record 20.2% sales mix (+7ppt vs prior Raya LTOs). • Integrated local flavours into seasonal LTOs, including Har Cheong Gai Pizza for Chinese New Year (Bronze Markies Award – Best Launch Campaign). • Launched Cheesy 7 Chilli Crab and Cheesy 7 Best Hits, delivering record sales and earning a Gold PR Award (first Gold recognition). • Introduced Cheesy Pockets as a Christmas LTO, achieving a 27.2% sales mix. • Expanded menu variety for solo, sharing and experiential occasions (e.g. MyBox, Melts).	• Sustained menu-led traffic and frequency uplift across key campaigns. • Strengthened brand relevance through culturally resonant innovation. • Reinforced positioning as an innovation-led brand within the pizza category.
Strengthen value perception through simplified and compelling core value offers	• Refreshed always-on value architecture with simplified mechanics, including $0.10 second pizza (Q2–Q3) and 1-for-1 pizzas. • Introduced Hut Savers, a dine-in value platform to stimulate visits. • Launched Takeaway Tuesday to drive transactions on lower-traffic weekdays.	• YouGov Value scores increased 7% YoY. • Value deal mix increased by 178%. • Dine-in transactions grew 10%; dine-in sales increased 4%. • Takeaway Tuesday delivered +117% sales and +142% transactions.
Build youth relevance and brand salience through culturally resonant creative executions	• Executed youth-focused campaigns centred on campus activations and student engagement. • Deployed the culturally resonant "Mama Diam" activation.	• Brand Buzz (YouGov) increased 23% versus 2023. • Word-of-mouth scores improved 19%, reflecting stronger organic advocacy.
Operations		
Drive structural cost efficiency and productivity through operating model optimisation	• Rationalised incentive structures and tightened manpower scheduling. • Eliminated non-core recurring third-party services, reducing monthly overheads by ~S$14,000. • Optimised delivery cost structure by transitioning selected stores to partner-based last-mile delivery (nine outlets). • Introduced PCA reporting in Q4 2024. • Established Transactions per Labour Hour (TPLH) as a core productivity metric. • Optimised manager deployment based on sales bands and productivity mapping.	• Labour cost and COS improved by 1.9% and 2.0% respectively versus 2023. • PCA gap narrowed to 1.3% through tighter controls and focused coaching. • Improved restaurant margins and stronger profit flow-through.

PERFORMANCE REVIEW (CONT'D.)

Strategic Objective	Key initiatives	Outcome
Development		
Build a profitable store portfolio with sustainable earnings quality	• Instituted bi-weekly cross-functional reviews with Operations and Marketing by cluster. • Focused turnaround efforts on underperforming ("red") stores. • Closed structurally non-viable units while managing franchisor expectations.	• Reduced eight loss-making stores through closures and targeted turnarounds. • Improved portfolio health and strengthened P&L sustainability.
Optimise menu and sourcing to sustain or reduce COS while improving BOH efficiency	• Rationalised toppings and standardised usage via revised SOPs. • Actively managed Leprino cheese pricing and volume allocation with Yum. • Implemented alternative sourcing for high-spend SKUs (e.g. chicken appetisers, toppings). • Strengthened inventory discipline and reduced menu complexity (sauces, bases, toppings). • Reviewed pizza box specifications to reduce material usage and storage inefficiencies.	• Implemented 20% reduction in cheese topping usage, improving cheese COS by 0.4% vs FY2023. • Reduced contractual Leprino allocation for FY2025, delivering ~S$32,000 savings. • Approved capex to automate chicken chunk cutting, generating ~S$34,000 annualised savings. • Secured alternative sourcing with FY2025 savings of up to S$165,000. • Optimised packaging (B-flute to E-flute), delivering ~S$50,000 annual savings.

CHALLENGES AND MITIGATION

Risk Area	Challenges	Mitigation Actions	Result/Expected Outcome
Category contraction and intensified competition	The pizza category declined by an estimated ~7% in 2024, reflecting softer discretionary spending and evolving dining behaviours. Growth shifted from category expansion to share capture, increasing competitive intensity, promotional noise and price-led competition.	• Recalibrated strategic focus towards customer lifetime value via digital, CRM and loyalty-led engagement. • Accelerated menu and platform innovation to stimulate trial and broaden consumption occasions. • Prioritised crust-led and flavour-led innovation to differentiate in a crowded market. • Balanced disciplined value strategies with youth-focused creative platforms to sustain brand salience without over-reliance on deep discounting.	• Improved engagement, frequency and sales contribution from loyalty and registered customers. • Stronger brand differentiation and relevance, particularly among younger consumers. • Clear strategic foundation to compete effectively in a low-growth category while protecting long-term brand equity into 2025.
Rising labour and rental costs	Structural pressure from rising labour costs under the Progressive Wage Model (PWM) and tighter foreign labour policies, alongside sustained high rentals, particularly in prime mall locations.	• Implemented operating model optimisation and productivity initiatives, including tighter manpower scheduling, revised incentive structures and labour productivity metrics (e.g. TPLH). • Increased focus on digitalisation and automation to improve store-level productivity (e.g. pizza projection technology, AI-enabled inventory ordering). • Adopted a more disciplined site strategy, prioritising secondary and non-prime locations aligned with delivery coverage and sales requirements.	• Improved labour efficiency and cost control, supporting margin resilience despite wage inflation. • More sustainable store economics through a balanced location portfolio aligned with delivery-led demand. • Enhanced operational scalability and productivity over the medium term.

Business Review

CHALLENGES AND MITIGATION (CONT'D.)

Risk Area	Challenges	Mitigation Actions	Result/Expected Outcome
Supply cost inflation and input price volatility	Ongoing input cost inflation and supply volatility pressured food costs, while menu complexity constrained back-of-house efficiency and operational consistency.	• Leveraged group-scale procurement through QSR Brands and YUM for joint negotiations and cost efficiencies. • Rationalised toppings, sauces and pastas to optimise usage and drive savings. • Maintained alternative sourcing for high-spend SKUs (e.g. chicken appetisers, toppings). • Tightened monitoring of holding stock levels to improve distribution and warehousing efficiency. • Strengthened supplier engagement and cost governance.	• Improved purchasing leverage and cost mitigation versus standalone sourcing • Greater resilience against short-term price fluctuations while maintaining product quality and supply reliability.
Changing consumer expectations and digital dependence	Growing reliance on digital platforms heightened expectations for seamless user experience, data security and system reliability, with potential impact on trust and transactions if unmet.	• Continued investment in app and web enhancements to improve stability, usability and conversion. • Strengthened first-party data capabilities and governance to support personalisation while ensuring data security and compliance.	• Higher digital conversion and engagement rates. • Stronger customer trust and readiness to scale CRM-led initiatives in 2025.

KEY ACHIEVEMENTS

- Marketing and Brand Excellence – Achieved strong recognition for the successful launch of Melts, winning four MARKies Awards, including:
  – **Gold** for *Best Campaign Launch*
  – **Silver** for *Most Effective Use of Content*
  – **Silver** for *Most Creative Content Marketing*
  – **Bronze** for *Most Effective Use – Consumer Insights*

- Marketing Effectiveness – Further recognised at the Marketing Excellence Awards, securing two awards for Melts:
  – Silver for *Excellence in Marketing to a Specific Audience*
  – Bronze for *Excellence in Launch Marketing*

OUTLOOK

In 2025, Pizza Hut Singapore will focus on accelerating profitable and sustainable growth by deepening customer lifetime value and reinforcing its position as an accessible, value-led pizza brand, while maintaining disciplined cost management and operational excellence in a structurally challenging environment. The business will remain predominantly delivery- and takeaway-led, supported by a more selective and economically disciplined dine-in footprint, with growth driven by share gains, higher customer frequency and productivity improvements across stores and digital platforms rather than category expansion.

Key priorities are on menu and value leadership, with continued innovation across proven platforms, relevant Limited Time Offers and refreshed dine-in propositions to broaden consumption occasions and support affordability. Brand relevance and salience will be strengthened through youth-led, culture-first creative platforms and a concurrent brand refresh to drive earned attention and sustained resonance. Loyalty and digital engagement will be deepened through enhanced personalisation, lifecycle-based CRM, and ongoing app and UI/UX enhancements to improve conversion, retention and first-party data capabilities.

The business also continues to optimise its asset portfolio, leveraging analytics to ensure store formats, locations and delivery catchments meet defined commercial and strategic criteria.

Operational priorities remain focused on labour productivity, cost discipline and supply chain resilience, supported by technology enablement, procurement scale through Yum and QSR Brands, and robust cost governance. Meanwhile, continued investment in people capability and culture will strengthen leadership depth, execution excellence and engagement, anchored by the QSR Brands Flywheel and the Leading with Heart programme.

MIDSTREAM: QSR TRADING SDN. BHD. (QSRT)

Who we are and what we do

Established in 2008, QSRT is a key midstream subsidiary operating alongside the Group's food ecosystem. It is a leading player in frozen processed food within Malaysia's consumer retail sector, anchored by heritage brands Ayamas and Life, serving both domestic and international markets.

Business Review

BUSINESS ENVIRONMENT

The operating environment for QSR Trading Sdn. Bhd. (QSRT) in 2024 was shaped by a combination of geopolitical developments and domestic economic conditions, which together influenced consumer sentiment, cost dynamics and market behaviour.

Global and regional geopolitical tensions, particularly the Israeli–Palestinian conflict, created a challenging backdrop for businesses across multiple sectors. These developments led to heightened economic pressure and instances of commercial disengagement, with a noticeable increase in consumer avoidance of brands perceived to be linked to the conflict. Against this backdrop, QSRT remained focused on strengthening in-store execution and defending market share, while reinforcing its positioning through trusted, locally rooted brands such as Ayamas and Life, which continue to resonate strongly with Malaysian consumers as heritage brands.

At the same time, Malaysia's macroeconomic environment in 2024 was relatively supportive. The national economy recorded robust GDP growth of 5.1%, exceeding the initial forecast range of 4.0%–5.0%, driven by resilient private consumption, higher investment levels and steady trade activity. Improved fiscal discipline was also evident, with the government achieving a fiscal deficit of 4.1%, better than the projected 4.3%, signalling enhanced macroeconomic stability.

Nevertheless, the operating landscape remained tempered by inflationary pressures and currency volatility, particularly movements in the Malaysian Ringgit against the US Dollar, which necessitated disciplined cost management and prudent pricing strategies to protect margins. Within this context, QSRT capitalised on lower costs for selected raw materials, enabling the business to optimise profitability while navigating a complex and evolving operating environment.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Business Model Transformation & Premiumisation.	Launched Ayamas Kitchen as a premium frozen food range to capture evolving consumer preferences for quality and convenience. The initiative reduced reliance on core products by expanding into new categories that drive incremental revenue, while strengthening presence across Internal Key Accounts (IKA) and Local Modern Trade (LMT) channels to maximise reach and visibility.	• Ayamas Kitchen contributed an additional 20% of overall sales revenue in the frozen category. • The nugget category achieved 8% market share within six months of launch, strengthening QSRT's position in the frozen food segments.
In-Store Execution.	Executed targeted campaigns and contests during key festive periods such as Chinese New Year, Hari Raya Puasa, Merdeka and Hari Malaysia to boost consumer engagement, capture seasonal demand and reinforce brand visibility at the point of sale.	Achieved average growth of 15% year-on-year, driven by strong execution across core brands and strategic channel expansion.
Strengthen Brand Resilience and Market Share.	Leveraged clear differentiation through trusted local heritage brands, notably Life and Ayamas, while continuing marketing initiatives to reinforce brand trust and close market share gaps amid geopolitical challenges.	Supported steady growth of +7% in 2023, laying a strong foundation for continued momentum into 2024.

CHALLENGES AND MITIGATION

Challenges	Mitigation Actions	Result / Expected Result
New product influx from competitors.	Responded to increased competitive launches by securing frozen food shelf space, optimising freezer placement and strengthening in-store execution to drive visibility and sales.	Continued growth in product performance and revenue despite heightened competitive activity.
Rising cost of goods.	Maintained pricing discipline without increases, while emphasising cost optimisation through controlled spending and focused in-store execution.	Sustained gross profit at an average of approximately 14%, supporting margin stability.

KEY ACHIEVEMENTS

- Delivered solid financial performance, closing 2024 with net sales of RM381 million, representing a 4% year-on-year growth, driven by disciplined execution across core brands and channels.
- Achieved regional recognition for operational excellence, being named by Kewpie Malaysia as one of the Top 3 best-performing countries in the region, underscoring QSRT's strong market execution, effective partnerships and commitment to high performance.

OUTLOOK

QSR Trading Sdn. Bhd. (QSRT) expects to operate in a dynamic environment in 2025, characterised by a balance of cost pressures and market opportunities. On the cost front, raw material prices are anticipated to stabilise, with expected reductions in sugar and liquid sugar prices providing some relief to input costs and supporting margin management. However, this benefit is expected to be partially offset by industry-wide cost pressures arising from the phased increase in the national minimum wage to RM1,700, which will continue to impact labour-related expenses across the food manufacturing and retail sectors.

Despite these headwinds, the broader macroeconomic outlook for Malaysia remains supportive. The country's economy is projected to maintain strong growth momentum of around 5%, underpinned by resilient domestic consumption, continued investment activity and stable trade performance. These fundamentals provide confidence in sustained consumer demand and a favourable long-term growth trajectory for the packaged and frozen food segment.

Within this context, QSRT will continue to focus on disciplined cost management, operational efficiency and pricing optimisation, while leveraging its strong portfolio of trusted local brands to capture growth opportunities. The business is well positioned to benefit from steady demand for convenient, value-driven food solutions, supported by robust in-store execution and strategic channel presence. These factors position QSRT to navigate near-term cost challenges while maintaining confidence in its long-term growth potential and earnings resilience.

Business Review

UPSTREAM: AYAMAS FOOD CORPORATION SDN. BHD. (AFSB) AND RELATED OPERATIONS

Who we are and what we do

QSR Brands' upstream operations are structured around integrated poultry and food manufacturing, designed to support downstream supply needs, mitigate external supplier risk and uphold product quality and Halal compliance. Integrated poultry operations include the contract farming ecosystem and processing facilities, while food manufacturing includes branded and support manufacturing capabilities (e.g., Life products, commissary and contract packing).

BUSINESS ENVIRONMENT

The operating environment for the Upstream segment was characterised by a fundamental shift in demand patterns, driven by increased volatility from Downstream operations. This created challenges in responding swiftly to sharp demand fluctuations, both surges and slowdowns, occasionally necessitating the use of alternative sourcing arrangements to meet sudden increases in demand.

In contrast to prior years, where the food manufacturing segment was primarily growth-oriented, the focus in the current period shifted decisively towards cost management and capacity discipline, reflecting softer and more uneven utilisation levels. As a result, the Upstream segment increasingly operated as a parallel supplier, rather than the sole supplier within the Group's ecosystem.

At the same time, the Midstream segment assumed a stronger market-facing role, taking the lead in driving brand value, commercial strategy and channel execution. This evolution allowed Upstream operations to transition more clearly into a manufacturing-centric role, with emphasis placed on operational efficiency, product quality assurance and strict adherence to Halal compliance standards.

Collectively, these changes reflect a realignment of roles across the value chain, aimed at enhancing resilience, flexibility and sustainability amid a more uncertain demand environment.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome
Cost Management	Transitioned from a fixed-cost operating model to a variable-cost structure to better respond to demand fluctuations from Downstream operations.	Operating expenditure was right-sized to align with available cashflow requirements.
Physical Rightsizing of Operations	Scaled operations to match variable demand planning, including revised approaches to raw material management, workforce deployment and operational planning.	Reduced reliance on contract workers and monetised non-essential inventory to lower cash burn.
Mis-matched Inventory Management	Cleared selected inventory items to release working capital and improve liquidity.	Inventory flushing undertaken to free up cash and strengthen the liquidity position.
Critical CAPEX Discipline	Deferred all non-critical capital expenditure and prioritised spending on items essential to business continuity.	CAPEX limited to essential investments, preserving cash and supporting operational stability.

CHALLENGES AND MITIGATION

Risk/Challenge	Description	Mitigation/Management Response
Uncertain demand and capacity utilisation	Volatile demand patterns, coupled with the presence of external suppliers during demand surges, created challenges in maximising utilisation of production facilities.	Adopted a more flexible operating and capacity planning approach, including variable cost structures, selective production scaling and closer coordination with Midstream and Downstream to improve demand visibility and responsiveness.
Limited external market flexibility	Close affiliation with the restaurant segment and bespoke manufacturing requirements constrained the integrated poultry operations' ability to transact externally, effectively keeping these businesses captive within the Group.	Repositioned Upstream operations to function more clearly as a manufacturer, while exploring selective external supply opportunities where feasible, alongside continued focus on quality assurance, Halal compliance and cost discipline to support internal demand sustainably.

OUTLOOK

The operating environment in 2025 is expected to remain challenging, with the Group continuing to navigate capital and resource constraints amidst ongoing demand uncertainty. In response, the Group will maintain an active approach to right-sizing selected business entities, while seeking to capitalise on ad-hoc supply opportunities and gradually expand its customer base where commercially viable. Cash flow constraints are expected to persist and will continue to influence day-to-day operations, including the timing and extent of equipment maintenance and servicing activities.

Against this backdrop, strategic priorities for the year will centre on three key areas. First, the Group will focus on actively meeting customer demand to preserve customer relationships and sustain baseline capacity utilisation. Second, continued emphasis will be placed on cost discipline and expense optimisation to protect liquidity and ensure operational continuity. Third, brand recovery initiatives will be pursued to reinforce market presence, rebuild confidence and support gradual gains in market share.

Taken together, these measures are intended to strengthen resilience and position the Group to navigate near-term challenges while laying the groundwork for longer-term recovery.

Business Review

REAL ESTATE AND INFRASTRUCTURE

Overview

Johor Corporation's real estate and infrastructure ecosystem comprised several related entities operating across the wider Group. This reflected the breadth of JCorp's real estate interests and the opportunity to create a more integrated platform to strengthen coordination, streamline the value chain and unlock greater long-term value from its portfolio.

Looking ahead, JLand Group (JLG) will play a more prominent role in driving JCorp's real estate growth by building scale, enhancing portfolio resilience and creating long-term value across the ecosystem. Anchored by its purpose, "Build. Create. Thrive.", JLG continues to embed sustainability and digital enablement at the core of its strategy.

CORE ACTIVITIES AND NETWORK

JLand Group's operations are anchored on a holistic business model spanning development, investment, operations, and infrastructure organised across five key pillars:

Property Development

Development of residential, commercial, and industrial properties with a strong emphasis on sustainable design, functionality and long-term value creation. Projects integrate smart planning principles and environmental stewardship to support economic growth while enhancing liveability.

Integrated Facilities Management

Delivery of comprehensive facilities and asset management services covering engineering maintenance, custodial and housekeeping services, property and parking management, smart waste management, security services, and Food & Beverage–related facilities services, delivering efficient, people-centric, and sustainable operations.

Property Investment

Driving sustainable and superior risk-adjusted value creation across the property investment lifecycle through integrated investment, asset management and disciplined capital deployment through Real Estate Investment Trust (REIT) and Private Equity Real Estate (PERE) platforms.

Infrastructure & Utilities

Provision of essential infrastructure and utility solutions, covering digital connectivity, renewable energy and mobility infrastructure. These are led by JLG Infratech to support the Group's integrated real estate ecosystem.

Outsourced Services

JLG's Outsourced Services division operates as an integrated corporate services, delivering support across key functions including human resource, legal, information technology, finance, as well as event management, among others. By consolidating these capabilities, the division strengthens governance, promotes uniform practices across the Group, and allows business units to concentrate on their primary operational priorities.

In addition, the Group leads a landmark Urban Renewal initiative through the rejuvenation of the Ibrahim International Business District (IIBD). This initiative reinforces the Group's role in shaping vibrant, inclusive, and future-ready cities.

Business Review

BUSINESS ENVIRONMENT

FY2024 unfolded against a challenging global and domestic operating environment characterised by persistent inflationary pressures, elevated interest rates, currency volatility and rising construction costs. These conditions moderated demand in certain residential and commercial segments while increasing development and material input costs.

Nevertheless, structural tailwinds emerged from Malaysia's accelerating green and digital transitions. Strong inflows of foreign and domestic direct investment into data centres, advanced manufacturing and digital infrastructure created new growth opportunities particularly in Johor.

National policy frameworks such as the National Energy Policy 2022–2040, the New Industrial Master Plan (NIMP 2030), National Energy Transition Roadmap (NETR) 2023, as well as incentives including the Green Investment Tax Allowance (GITA), Green Income Tax Exemption (GITE) and Malaysia Digital scheme provided greater clarity and confidence for sustainable and technology-driven investments. Our efforts are equally grounded in supporting the nation's long-term transformation agenda. JLand Group's aspiration to achieve Net Zero by 2050 aligns with Malaysia's priorities under the NETR 2023 and NIMP 2030, with an interim target of reducing 45% carbon emissions by 2030.

Against this landscape, JLG adopted a disciplined and adaptive approach of balancing growth ambitions with prudent capital deployment while strengthening execution capabilities and sustainability performance.

PERFORMANCE REVIEW

The year 2024 marked a pivotal phase in JLG's evolution. Leveraging off its strong foundations, the Group shifted gears to capitalise on synergies across its business pillars, spearheading innovation and digital adoption to enhance operational excellence and prepare for a more circular real estate economy.

The Group's **Property Development** portfolio now spans over 11,303 acres, anchored by Ibrahim Technopolis (IBTEC) in Sedenak, a 7,290 acre flagship sustainable and innovation-driven development. Supported by a robust digital backbone and dedicated data centre ecosystem, IBTEC is positioned to become a regional hub for high-impact industries, with the potential to create over 330,000 job opportunities by 2047 across sectors such as advanced electrical and electronics, life sciences, MedTech and logistics.

Within IBTEC, Sedenak Tech Park (STeP) East has emerged as a major integrated data centre hub, housing eight leading global operators with a combined IT load capacity of 1.7 gigawatts (GW). Building on this momentum, the expansion into STeP West, a 700 acre master-planned data centre provides long-term, scalable capacity to support continued hyperscale growth.

Township developments continued to progress steadily, led by Bandar Dato' Onn (BDO), JLG's flagship integrated township in Johor Bahru. BDO expanded with new neighbourhoods designed to balance inclusivity and liveability, complemented by initiatives such as urban farming, and renewable energy integration. Bandar Tiram, a 1,103 acre township along the Tebrau growth corridor and Arena Larkin, a mixed-use urban precinct, further strengthened the Group's township portfolio.

Integrated Facilities Management strengthened its project portfolio with high-impact contracts, including integrated facilities management at Bangunan Sultan Iskandar and RAPID Pengerang, property management at Menara JLand and Menara KOMTAR, and smart waste management services with Majlis Perbandaran Pengerang. These projects reinforced the Group's role in ensuring efficiency, safety, and sustainability across diverse institutional and industrial environments.

The Group's **Property Investment (PI)** Pillar delivers performance through a recurring income model anchored on active asset management, portfolio optimisation, and fee-based income generation. In FY2024, this was primarily achieved via its role as the manager of Al-Salām Real Estate Investment Trust (Al-Salām REIT), where the Group drives value by enhancing asset performance, maintaining portfolio quality, and optimising returns across a diversified base of income-producing properties spanning retail, food and beverage, industrial, office, and education segments.

The Pillar's earnings are generated through a combination of recurring rental income, capital value creation, and management fees. This approach enables the Group to scale its portfolio while maintaining capital efficiency, supported by ongoing efforts to expand its private equity real estate (PERE) platform to capture higher-growth opportunities and further diversify income streams beyond traditional REIT structures.

Led by JLG Infratech, the **Infrastructure & Utilities** pillar enhanced the Group's integrated ecosystem by advancing clean energy, digital connectivity, and sustainable utility solutions. The Group is targeting a combined solar capacity of 100 MWp, with the potential to avoid more than 33,000 tonnes of CO_2 emissions annually, supporting Johor's low-carbon transition and digital integration agenda.

Under the **Urban Renewal** segment, the Group, through Ibrahim International Business District Johor Sdn Bhd, advanced the master planning of the 240 acre IIBD within Johor Bahru's CBD. The initiative envisions a smart, sustainable and culturally vibrant district that connects people, ideas, and opportunities while preserving heritage and fostering inclusive economic participation.

The **Outsourced Services** division continued to provide centralised and standardised support functions across the Group, enabling business units to focus on core activities while enhancing operational efficiency and consistency. The division's capabilities remain positioned to support potential extension of selected services to external parties in the future.

PERFORMANCE REVIEW

Strategic Objective	Key initiatives	Outcome (2024)
Strengthen an integrated, future-ready real estate ecosystem	Leveraged synergies across business pillars; accelerated innovation and digital adoption; embedded sustainability and circular economy principles.	Established strong foundations for long-term growth, enhanced operational excellence and readiness for a more circular real estate economy.
Scale sustainable and innovation-led real estate development	Expanded development portfolio to over 7,290 acres; advanced Ibrahim Technopolis (IBTEC) as a flagship sustainable industrial ecosystem.	Positioned IBTEC as a regional hub for high-impact industries with potential to create over 330,000 jobs by 2047.
Accelerate digital and industrial infrastructure growth	Developed Sedenak Tech Park (STeP) as an integrated data centre hub; progressed planning for STeP West.	Attracted eight global data centre operators with 1.7 GW IT load capacity; strengthened Johor's position in the digital infrastructure value chain.
Deliver liveable and inclusive township developments	Continued expansion of Bandar Dato' Onn with smart, sustainable neighbourhoods; advanced Bandar Tiram and Arena Larkin developments.	Enhanced township liveability through urban farming, smart mobility, renewable energy integration, and mixed-use urban offerings.
Strengthen Integrated Facilities Management (IFM) capabilities	Secured high-impact contracts in facilities management, property management, and smart waste services.	Reinforced role as a trusted provider of efficient, safe, and sustainable community and institutional solutions.
Generate stable recurring income through real estate investment	Actively managed Al-Salām REIT portfolio; progressed sustainability initiatives; expanded Private Equity Real Estate (PERE) platform.	Grew REIT portfolio to 54 assets valued at approximately RM1.24 billion, delivering consistent income and long-term value.
Future-proof developments through infrastructure and utilities	Advanced clean energy, digital connectivity, and sustainable utility solutions via JLG Infratech.	Targeted combined solar capacity of 100 MWp with potential annual avoidance of over 33,000 tonnes of CO_2 emissions.
Drive urban regeneration and inclusive economic participation	Advanced master planning of the 240 acre Ibrahim International Business District (IIBD).	Positioned IIBD as a smart, sustainable, culturally vibrant CBD district that connects people, ideas, and opportunities.

FINANCIAL PERFORMANCE

Despite a challenging operating environment, the FY2024 outlook remained positive as JCorp continued to strengthen its real estate and infrastructure ecosystem, with JLG positioned to become the future anchor of JCorp REID. JLG's performance during the year reflected this momentum, recording revenue of **RM420 million** and total assets of **RM3.87 billion**, supported by diversified business contributions, disciplined capital management, efficient landbank utilisation and strategic investments. This sets the future JLG on a stronger footing to scale its portfolio, unlock long-term value and support JCorp's broader growth agenda moving forward.

Business Review

KEY ACHIEVEMENTS

- Expansion of development portfolio to over 11,300 acres, anchored by IBTEC.
- Recognition of IBTEC with the Five-Diamond Certification under the Low Carbon Cities Framework 2024 by Malaysian Green Technology and Climate Change Corporation.
- Advancement of STeP as a major integrated data centre hub with over 1.7 GW IT load capacity.
- Continued progress of flagship townships, including BDO and Bandar Tiram, with strong sustainability and community-centric features.
- Strengthened IFM portfolio with high-impact institutional and industrial contracts.
- Stable income generation and sustainability enhancements within Al-Salām REIT.
- Advancement of clean energy initiatives targeting 100 MWp of solar capacity.

CHALLENGES AND MITIGATION

Key Challenges	Impact on the Group	Mitigation Measures
Elevated construction material costs	Increased development costs and margin pressure.	Strengthened procurement discipline, improved cost control, and optimised resource deployment across projects.
Labour shortages	Potential delays in project execution and increased operating costs.	Enhanced operational efficiency, improved workforce planning and engagement with contractors to ensure continuity.
Longer approval lead times	Extended project timelines and slower time-to-market.	Proactive engagement with relevant authorities and early-stage planning to streamline approvals.
Rising power and water requirements for large-scale data centres	Increased infrastructure complexity and capital requirements.	Integrated infrastructure planning, collaboration with utility providers on renewal energy options and phased capacity development.
ESG and decarbonisation expectations	Heightened compliance requirements and transition risks.	Introduced preliminary ESG requirements in procurement, adopted green leases across selected properties, and initiated preparations for internal carbon pricing for Scope 1 and Scope 2 emissions.

OUTLOOK

Looking ahead to 2025, JLG remains cautiously optimistic underpinned by improving execution readiness following the foundational and integration efforts undertaken in FY2024. According to major economic forecasts, Malaysia's economy is expected to expand in 2025, supported by continued domestic demand and investment activity. The International Monetary Fund (IMF) projects Malaysia's real gross domestic product (GDP) growth at around 4.5% in 2025, with ongoing resilience despite global uncertainties, before moderating to approximately 4.0% in 2026.

This outlook aligns with projections by Bank Negara Malaysia (BNM) and other institutional forecasters, which anticipate balanced growth underpinned by continued services and manufacturing sector activity as well as stable domestic consumption.

While global economic conditions are expected to remain subject to cost pressures, interest rate considerations and external supply chain volatility, Malaysia's macroeconomic framework is supported by diversified demand drivers and broad policy measures that aim to sustain economic expansion. At the same time, the fundamentals of Malaysia's real estate and infrastructure markets remain supportive, with core sub sectors such as industrial and logistics property showing underlying strength and adaptive growth amid evolving market conditions.

Within this context, sector specific indicators point to steady momentum in key property and infrastructure related segments. Industry reports suggest that the Malaysian construction sector is projected to record notable expansion in 2025, with both residential and non-residential building activity contributing to overall output growth. The industrial property segment continues to demonstrate resilience supported by sustained demand for logistics, advanced manufacturing and specialised industrial facilities. This demand is driven by regional economic expansion, ongoing industrial relocation trends and increased investment activity, particularly within Johor's strategic growth corridors.

At the same time, Malaysia's digital infrastructure industry is gaining significant traction, with Johor emerging as a key data centre hub in Southeast Asia. The state has seen rapid expansion in data centre capacity is forecast to grow materially by 2025. This growth is supported by competitive cost dynamics, proximity to Singapore and inflows of foreign investment in cloud, hyperscale, and AI-related infrastructure.

Against this backdrop, the Group will continue to prioritise disciplined execution, sustainability-led innovation and integrated delivery across its real estate and infrastructure ecosystem. By leveraging its end-to-end capabilities across development, investment, operations, infrastructure and urban renewal, JLG is well positioned to support Johor's long-term growth agenda. This integrated approach enables the Group to contribute meaningfully to Malaysia's green and digital transition while creating enduring value for its stakeholders.

SECTION

05

Sustainability Statement

OUR SUSTAINABILITY

Sustainability Statement

Johor Corporation ("JCorp" or "the Group") remains steadfast in its commitment to delivering sustainable value through responsible investment, sound governance and long-term stewardship of economic, social and environmental capital.

Johor Corporation's sustainability efforts are guided by a **robust governance structure** that promotes responsible and ethical decision making across all business segments. By integrating sustainability considerations into our governance and management frameworks, we uphold transparency, accountability and long term resilience, thereby fostering trust and creating value for our stakeholders.

This Sustainability Statement presents Johor Corporation's environmental, social and governance (ESG) performance and progress for the financial year ended 31 December 2024, covering the Company and its principal subsidiaries. It focuses on the material sustainability matters that significantly influence stakeholder assessments and decisions and that reflect JCorp's most significant economic, environmental and social impacts.

Sustainability is embedded within our corporate strategy, investment decision-making and governance processes, ensuring alignment between financial performance and sustainable outcomes.

The Statement has been prepared with reference to Bursa Malaysia Securities Berhad's Main Market Listing Requirements and Sustainability Reporting Guide (3rd edition), and is informed by the Global Reporting Initiative (GRI) Standards. Climate related disclosures are progressively aligned with the recommendations of Malaysia's National Sustainability Reporting Framework (NSRF), which adopts IFRS S1 and IFRS S2 as the baseline for sustainability related and climate related disclosures.

Further details on our sustainability governance, material matters, climate related risks and opportunities, and performance indicators are provided in the subsequent sections of this Integrated Report.

Reporting Scope and Basis

This Sustainability Statement covers Johor Corporation and its key subsidiaries in agribusiness, healthcare, real estate and infrastructure, and food and restaurant operations, consistent with the financial reporting scope unless otherwise stated. Disclosures focus on financial year 2024 performance, with 2023 data used as baselines for greenhouse gas (GHG) emissions and selected ESG indicators where relevant. Where data limitations exist, estimates are used and clearly indicated, and we are progressively enhancing data coverage and quality to meet evolving Bursa Malaysia and NSRF requirements.

Vision, Strategy and Framework

Advancing Our Sustainability Vision

In 2024, Johor Corporation (JCorp) continued to strengthen and refine its sustainability vision to reflect evolving stakeholder expectations, regulatory developments and global sustainability priorities. While our overarching commitment to responsible and inclusive growth remains unchanged, the year marked a significant enhancement in how sustainability is embedded into the Group's strategic and operational frameworks.

Key developments included the formulation of a comprehensive **Materiality Matrix**, providing a structured basis for identifying and prioritising sustainability matters most significant to JCorp and its stakeholders. Sustainability elements were formally integrated into the **Finance Policy** and **Group Procurement Policy**, reinforcing ESG considerations in financial decision-making and supply chain practices.

In addition, JCorp advanced the development of a **Sustainable Investment Policy**, ESG questionnaires and assessment procedures for new investments, and established a **greenhouse gas (GHG) emissions baseline**. Collectively, these initiatives signal JCorp's transition from aspiration to structured execution in advancing its long-term sustainability agenda.

Progress on the Sustainability Roadmap

Since the publication of the Annual Report 2021, JCorp has progressed steadily along its sustainability roadmap. In 2024, the Group transitioned from foundational planning to active implementation of its **five-year sustainability roadmap**.

Building on the groundwork established in 2023, JCorp introduced a formal **Sustainability Policy framework** and operationalised the **Sustainability Department** to drive Group-wide initiatives.

Key milestones achieved during the year included the identification of material sustainability matters and the establishment of a Scope 1 and Scope 2 greenhouse gas (GHG) emissions baseline using 2023 data. In parallel, ESG principles were integrated into procurement policy to strengthen responsible sourcing and operational decision-making.

Governance was further strengthened through the integration of sustainability requirements into Group policies and by aligning the Group's approach with global frameworks such as the United Nations Sustainable Development Goals (SDGs). In June 2024, JCorp also became a participant of the United Nations Global Compact (UNGC), a voluntary initiative that calls on companies to align strategies and operations with Ten Principles covering human rights, labour, environment, and anti-corruption, and to take action in support of the SDGs. This participation strengthens transparency and accountability through ongoing progress reporting, while reinforcing responsible growth and long-term value creation across the three sustainability pillars of Profit, People and Planet for all stakeholders.

As Malaysia transitions to the National Sustainability Reporting Framework (NSRF), JCorp has commenced mapping its existing disclosures to the IFRS S1 and IFRS S2 requirements. Sustainability-related risks and opportunities are expected to influence JCorp's financial performance, including capital expenditure, operating costs, asset valuation and investment returns.

The Group integrates sustainability considerations into its financial planning, investment screening and risk assessment processes to enhance long-term financial resilience.

Vision, Strategy and Framework

Balancing Profit, People and Planet

In 2024, JCorp reinforced its commitment to balanced and sustainable growth by introducing initiatives across all three sustainability pillars.

Under the **Profit** pillar, JCorp advanced its Sustainable Investment Policy and integrated sustainability considerations into its Finance Policy to ensure ESG factors are incorporated into investment and financial decisions without compromising performance.

For the **People** pillar, capacity building remained a key focus. We launched ESG e-learning modules to strengthen employee awareness and competencies, complemented by stakeholder engagement sessions and materiality assessments.

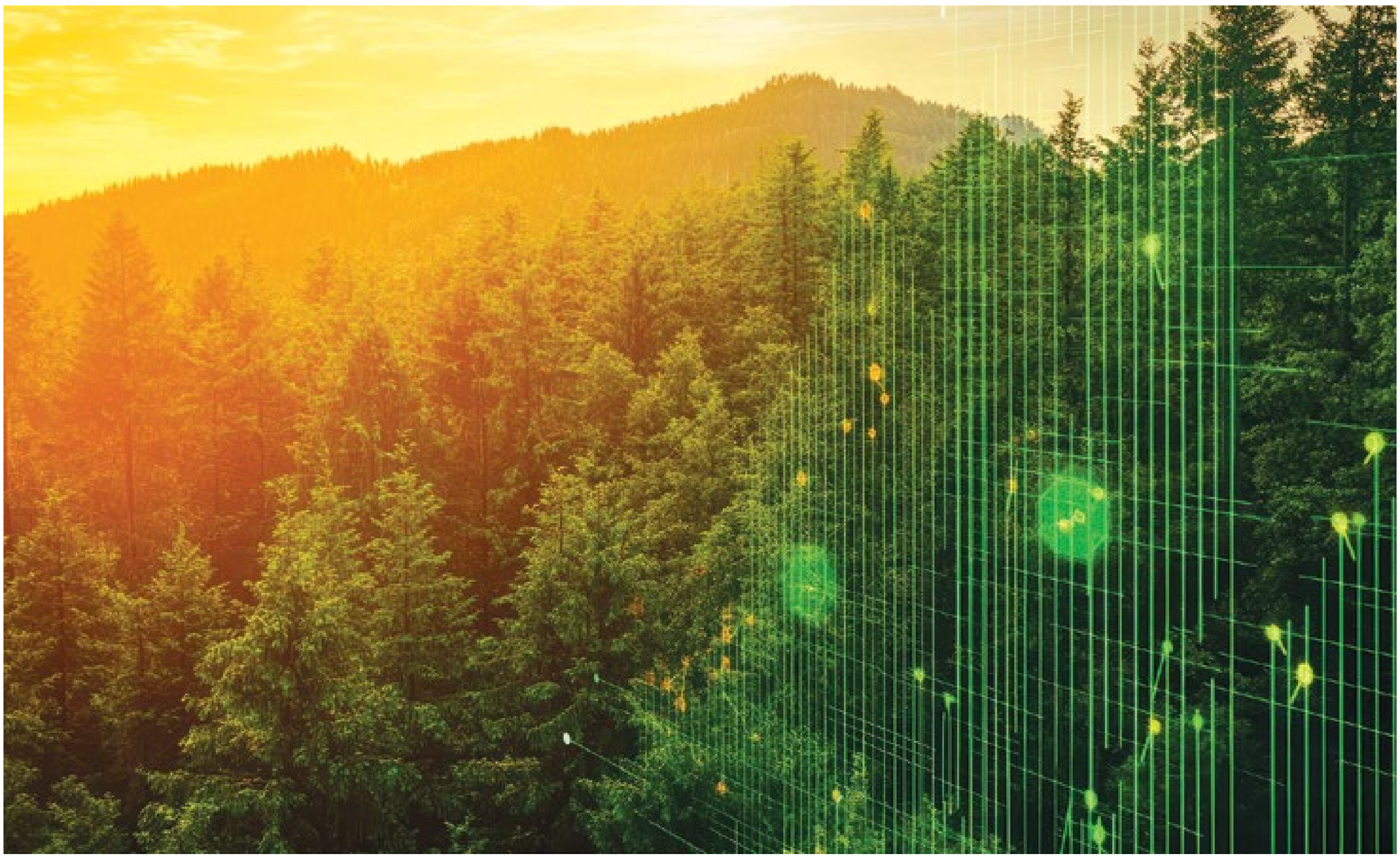
In collaboration with Yayasan Johor Corporation, we conducted a **Social Return on Investment (SROI)** analysis to evaluate the impact of community-focused investments. These initiatives were supported by policies promoting diversity, equality and social inclusion to foster a fair and inclusive workplace.

Under the **Planet** pillar, we continued to demonstrate environmental stewardship through initiatives such as mangrove and coral planting, river cleaning programmes and tree planting projects. The integration of sustainability elements into procurement practices aimed to reduce environmental impact across operations.

A major milestone was the establishment of a comprehensive GHG emissions baseline covering Scope 1 and Scope 2 emissions across business units. This baseline provides a critical reference point for setting future targets, tracking performance and informing the Group's decarbonisation strategy.

We also initiated work on a **decarbonisation roadmap**, including preliminary development of an internal carbon pricing framework. ESG considerations were progressively incorporated into enterprise risk management processes, laying the foundation for more resilient and responsible growth.

Together, these initiatives reflect JCorp's holistic approach to sustainability by balancing economic performance with social responsibility and environmental care, thereby supporting responsible growth and long-term value creation for all stakeholders.



Sustainability Framework

We generate sustainable business growth, create a competitive and highly regarded business entity. We also contribute to state and national economic growth and improve the wellbeing of the community.

Principles

- Economic growth for all
- Ethical and responsible business practices
- Investing in our people
- Supporting our communities
- Adapting and preparing for the future
- Transparency and trust
- Value added strategic partnerships

Strategic action areas

ENVIRONMENT

To Achieve Net Zero By 2050 And Align With Internationally Recognised Environmental Standards

SOCIAL

To Uplift Local Community, Enterprises And Human Capital

GOVERNANCE

To Continually Refine Corporate Governance Practices In Alignment With Industry Recognised Standards

Focus Areas & Targets

Decarbonisation

- Achieve Net Zero emissions at the portfolio level by **2050**
- Achieve Net Zero emissions by **2050**
- Increase renewable energy usage by 2030
- Launch Task Force on Climate related Financial Disclosures related ("TCFD") disclosures by **2025**

Natural Conservation

- Establish a biodiversity policy by **2025**
- Create a resource usage reduction plan; i.e., material, energy, water, etc. by **2025**
- Establish a waste baseline to track all types of generated waste by **2023**

Community Empowerment

- Adopt policies and practices adhering to the UN principles of human rights by **2025**
- Initiate Social Return On Investments assessments on community related activities by **2025**

Fostering Our People

- Launch Employee Happiness Index by **2025**
- Achieve 30% of female representation in the workforce by **2023**

Governance and Accountability

- Conduct ESG disclosure external independent assurance activities by **2025**
- Launch ESG assessment criteria for suppliers by **2025**
- Launch ESG assessment criteria for investee companies by **2025**

Information Technology

- To reduce harmful environment activities by using digital transformation

Sustainability Framework

Alignment with Bursa Malaysia's Common Sustainability Matters

JCorp's sustainability framework remains consistent with that adopted in 2023 and continues to guide strategic and operational decision-making through the integration of Environmental, Social and Governance (ESG) considerations.

In 2024, this framework was strengthened through the formalisation of a Sustainability Policy, a structured ESG framework and a governance structure to ensure accountability and oversight. A stakeholder engagement exercise and materiality assessment were conducted during the year, with the significance of identified material matters plotted into a **Materiality Matrix** developed in reference to Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

JCorp adopts a double materiality approach, considering both:

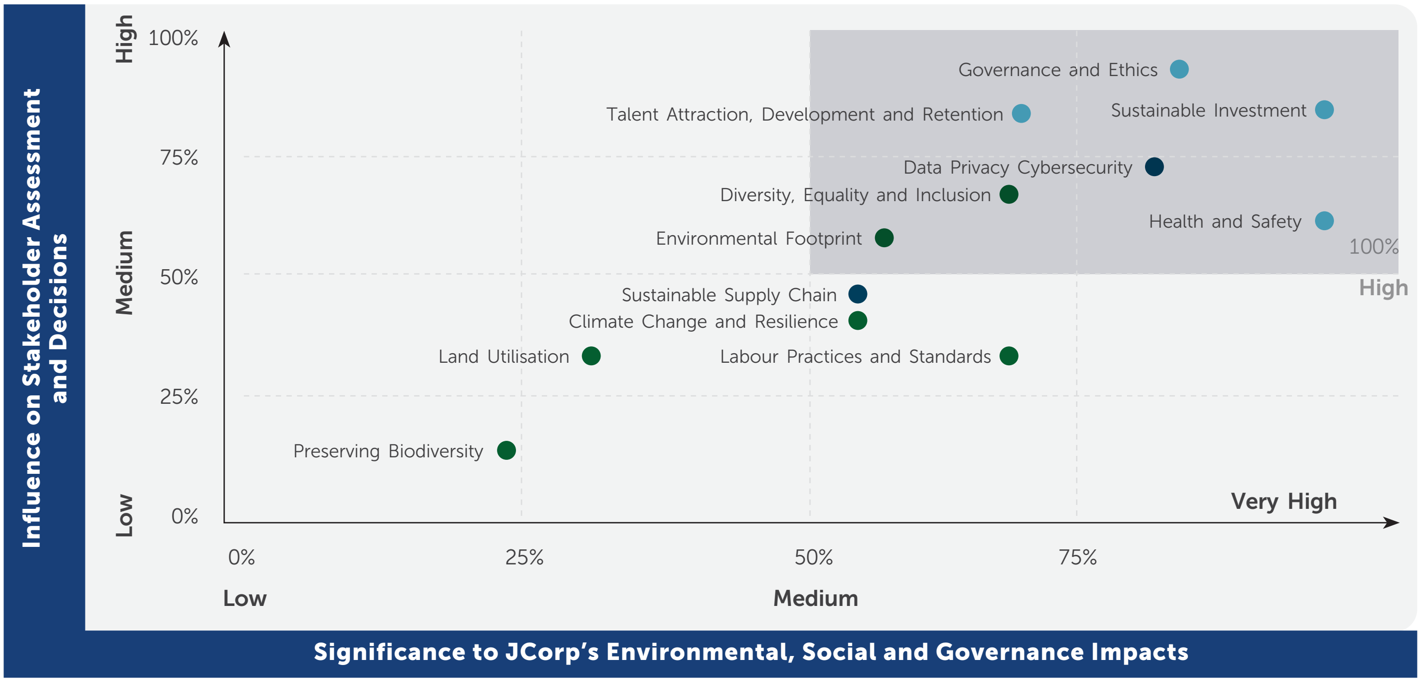
- The impact of sustainability matters on JCorp's financial performance, and
- The impact of JCorp's activities on the environment and society

This approach aligns with national sustainability reporting requirements and international best practices.

Bursa common sustainability matter	JCorp material matter(s)	Where disclosed
Economic performance	Economic Impact; Sustainable Investment	Economic Impact (p.125); Profit pillar narrative (p.120)
Climate change	Climate Change & Resilience; Decarbonisation	Environmental Stewardship and GHG emissions baseline (p.126)
Energy	Environmental Footprint (energy and emissions)	Environmental Stewardship (p.126)
Water	Environmental Footprint (resource use)	Environmental Stewardship (p.126)
Waste	Environmental Footprint; Natural Capital Conservation	Environmental Stewardship (p.126)
Occupational safety and health	Health and Safety	Fostering Our People section (p.129)
Labour practices	Labour Practices and Standards; Talent Attraction, Development & Retention	Fostering Our People (p.129)
Anti corruption	Governance and Ethics	Governance and Compliance (p.126)
Diversity	Diversity, Equality and Inclusion	Fostering Our People (p.129)

The matrix illustrates the relative importance of sustainability matters to JCorp and their impact on stakeholders, with the most significant matters positioned in the top-right quadrant. This approach ensures that sustainability considerations are systematically embedded into strategic planning and decision-making.

MATERIALITY MATRIX



Sustainability Pillar	Focus Area	Material Matter	Sustainable Development Goals
Environmental	Decabonisation	Environmental Footprint	7 12 13
		Climate Change and Resilience	13
	Natural Capital Conservation	Land Utilisation	11 15
		Preserving Biodiversity	14 15
Social	Community Empowerment	Labour Practices and Standards	8
		Diversity, Equality and Inclusion	5 10 16
	Fostering Our People	Health and Safety	3
		Talent Attraction, Development and Retention	4 8
Governance	Governance and Accountability	Governance and Ethics	5 10 16
		Sustainable Investment	8 9 11
		Sustainable Supply Chain	12
		Data Privacy Cybersecurity	9 16

Material Matter of JCorp (based on materiality)
Sustainable Investment
Governance and Ethics
Health and Safety
Data Privacy Cybersecurity
Talent Attraction, Development and Retention
Diversity, Equality and Inclusion
Labour Practices and Standards
Environmental Footprint
Sustainable Supply Chain
Climate Change and Resilience
Land Utilisation
Preserving Biodiversity

MM Social Pillar MM Governance Pillar MM Environmental Pillar

Sustainability Framework

Alignment with Global Standards

JCorp's sustainability framework is aligned with globally recognised standards to ensure credibility, transparency and impact. Sustainability initiatives are mapped to the United Nations Sustainable Development Goals (SDGs), with each material matter linked to relevant SDGs to support global sustainability objectives.

Environmental priorities such as decarbonisation and climate resilience align with SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).

Social priorities including diversity, equality and inclusion, as well as health and safety, align with SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality) and SDG 10 (Reduced Inequalities).

Governance priorities such as ethics, data privacy and cybersecurity align with SDG 16 (Peace, Justice and Strong Institutions).

The Sustainability Policy and framework are aligned with international standards such as the SDGs and IFRS S1 & S2, as well as national requirements including Bursa Malaysia guidelines.

Embedding Sustainability into Operations

Sustainability is embedded across JCorp's operations through a structured and integrated approach:
- **Investment and Finance:** Sustainability considerations integrated into the Sustainable Investment Policy and Finance Policy.
- **Risk Management:** Reviewed Risk Management for ESG considerations.
- **Procurement and Supply Chain:** Introduction of sustainability elements into Group Procurement Policy to reduce environmental impact.
- **Human Capital Development:** ESG training and talent development programmes to cultivate a sustainability-driven culture.
- **Environmental Stewardship:** Establishment of a GHG emissions baseline to inform decarbonisation strategies and future targets.

Governance Structure

Sustainability governance is anchored by a clear structure that cascades oversight from the Board to management and operations. The roles and responsibilities of key governance bodies are summarised below.

Sustainability governance structure

Governance level	Body	Key responsibilities	2024 focus areas
Board	Board Sustainability Committee (BSC)	Provides strategic oversight of sustainability and climate related matters; approves the Sustainability Policy, sustainability roadmap, material matters, and key ESG and climate targets; reviews sustainability related risks and performance at least twice a year.	Endorsed Sustainability Policy and five year roadmap; reviewed materiality assessment results; noted establishment of GHG baseline and progress on decarbonisation roadmap.
Management	Group Sustainability Committee (GSC)	Translates Board direction into implementation plans; coordinates ESG initiatives across business units; monitors progress on material matters, risks and KPIs; meets at least three times a year.	Oversaw ESG integration into Finance and Group Procurement Policies; guided stakeholder engagement and SROI work; monitored implementation of ESG e learning modules.
Executive/ Operational	Sustainability Department under the Chief Sustainability & Impact Officer	Leads day to day execution of sustainability strategy; manages data collection, analysis and reporting; drives capacity building and stakeholder engagement; supports business units in implementing ESG initiatives.	Established GHG emissions baseline (Scopes 1 and 2, selected Scope 3); coordinated materiality assessment; rolled out ESG e learning and GHG quantification knowledge sessions; supported community and environmental programmes.

The Sustainability Framework approved by the Board continues to guide practices across the Group, ensuring alignment with ESG objectives, Bursa Malaysia's requirements and emerging NSRF expectations.

Stakeholder Engagement

JCorp recognises the pivotal role its diverse stakeholder groups play in shaping its strategic direction, sustainability initiatives and overall success. We engage with a broad spectrum of stakeholders, including government and regulators, shareholders and investors, employees, subsidiaries and investee companies, customers, local communities, suppliers, non-governmental organisations (NGOs), financial institutions, the media and the public. This multifaceted approach to engagement ensures inclusivity and alignment with the Group's organisational goals.

During the year, we conducted structured stakeholder engagement exercises and materiality assessments. These processes ensured that stakeholder perspectives were systematically incorporated into the identification of material sustainability matters, as well as into sustainability priorities and decision-making processes.

Engagement with Key Stakeholder Groups

Stakeholder Group	Key Engagement Methods	Key Sustainability Topics Raised	Linkage to Material Sustainability Matters	Influence on Strategy & Decision-Making
Government and Regulatory Bodies	Regulatory engagements, briefings, compliance reporting	Regulatory compliance, governance, economic development, climate policy alignment	Governance & Ethics; Climate Change & Resilience; Economic Performance	Informed alignment with national and state sustainability priorities; strengthened policy integration and governance oversight.
Shareholders and Investors	Briefings, disclosures, integrated reporting	Financial performance, ESG integration, risk management, long-term value creation	Economic Performance; Governance & Ethics; Risk Management	Guided integration of ESG into Finance Policy and Sustainable Investment Policy.
Employees	Surveys, workshops, ESG training and e-learning	Workplace safety, skills development, inclusion, sustainability awareness	Human Capital Development; Diversity, Equality & Inclusion	Shaped ESG capacity-building programmes and sustainability culture initiatives.
Subsidiaries and Investee Companies	Group committees, internal consultations, reporting requirements	ESG expectations, governance standards, operational alignment	Governance & Ethics; Environmental Management; Social Impact	Informed Group-wide sustainability framework and governance cascading mechanisms.
Customers and Clients	Feedback channels, service engagement	Product quality, service reliability, responsible business practices	Customer Satisfaction; Responsible Business Conduct	Reinforced focus on sustainability-aligned service delivery and responsible operations.
Local Communities	Community programmes, engagement through Yayasan Johor Corporation	Community wellbeing, environmental conservation, education and skills	Community Investment; Environmental Stewardship	Guided community investment priorities and SROI assessment focus.
Suppliers and Business Partners	Procurement processes, supplier assessments	Ethical sourcing, environmental impact, supply chain standards	Sustainable Procurement; Supply Chain Management	Informed integration of sustainability elements into Group Procurement Policy.
Non-Governmental Organisations (NGOs) and Civil Society	Collaborative initiatives, programme participation	Environmental protection, social inclusion, transparency	Environmental Stewardship; Social Impact; Governance & Transparency	Supported conservation initiatives and strengthened sustainability disclosure practices.
Financial Institutions	Financing engagements, risk assessments	Financial resilience, ESG risk exposure, compliance	Risk Management; Governance & Ethics	Reinforced incorporation of ESG considerations into enterprise risk management.
Media and Public	Public disclosures, reporting, communication platforms	Transparency, accountability, environmental and social impact	Transparency & Disclosure; Corporate Reputation	Influenced emphasis on integrated reporting and enhanced sustainability disclosures.

Economic Impact

In 2024, Johor Corporation (JCorp) generated significant economic value through its core sectors, namely agribusiness, healthcare, real estate and infrastructure, and food and restaurant operations. These sectors collectively underpin the Group's contribution to sustainable economic development by supporting food security, access to healthcare, community infrastructure development and employment generation across Johor.

Sustainability considerations are integrated into JCorp's capital allocation, investment evaluation and financial planning processes. The Group assesses sustainability risks and opportunities when evaluating investments to ensure long-term financial resilience and value creation.

For the financial year, the Group recorded **RM7.0 billion in revenue**, representing a **13% year-on-year increase**, and achieved a **profit after tax of RM317 million**. This performance reflects the resilience of JCorp's diversified portfolio and provides the financial capacity to reinvest in business growth, community development and sustainability initiatives.

Investments across agribusiness, wellness and healthcare, and real estate and infrastructure continued to play a pivotal role in stimulating local economic activity, supporting job creation and strengthening community welfare.

JCorp's direct economic contribution to the state and local economy remained significant. In 2024, approximately **RM34 million in dividends** was contributed to the state, supporting public services, local communities, and broader economic development.

In parallel, the Group's philanthropic arm channelled approximately **RM6 million** into community programmes, including skills development initiatives such as the **Sistem Latihan Dual Nasional (SLDN)** programme implemented in collaboration with QSR Brands. These contributions were complemented by ongoing procurement activities and engagement with local suppliers and service providers, further amplifying our economic footprint within the region.

Beyond direct financial contributions, JCorp generated meaningful **indirect economic impacts**, encompassing both monetary and non-monetary outcomes. These included employment opportunities arising from investments and strategic projects, as well as community-focused initiatives delivered through Yayasan Johor Corporation.

Programmes such as SLDN, Pentas Seni Johor, and Wonderful Nusantara supported skills development, talent empowerment and sustainable livelihoods. Community investments also extended to environmental conservation initiatives, including mangrove planting, coral planting, and river cleaning programmes, with total contributions of RM6 million, including RM376,000 for STEM education programmes and RM70,000 in support of Autism Awareness Day.

Knowledge sharing and capacity building formed an integral component of JCorp's indirect economic impact. In 2024, we strengthened sustainability awareness and competencies among employees through ESG e-learning modules and conducted knowledge transfer sessions on GHG emissions quantification, providing participants with insights into methodologies, data requirements and baseline assessment processes. These initiatives support organisational capability, informed decision-making and long-term sustainability performance.

Collectively, JCorp's direct and indirect economic contributions in 2024 reflect its holistic approach to economic sustainability. These contributions extend beyond financial performance to include outcomes related to employment, skills development, community resilience, environmental conservation and inclusive growth.

Economic Value Created in 2024

Revenue Generated	**RM7.0 billion** (13% year-on-year growth)
Profit After Tax	**RM317 million**

Key Sectors Contributing Value

- Agribusiness
- Wellness & Healthcare
- Real Estate & Infrastructure
- Food & Restaurants

Direct Value Distributed

RM34 million	in dividends contributed to the state
RM6 million	channelled to community programmes via philanthropic initiatives

Indirect Economic Impact

- Job creation and skills development, including the Sistem Latihan Dual Nasional (SLDN) programme
- Community investments and environmental conservation initiatives
- ESG capability building and GHG quantification knowledge transfer

Overall Outcome

Supporting inclusive growth, community resilience, and long-term economic sustainability across Johor

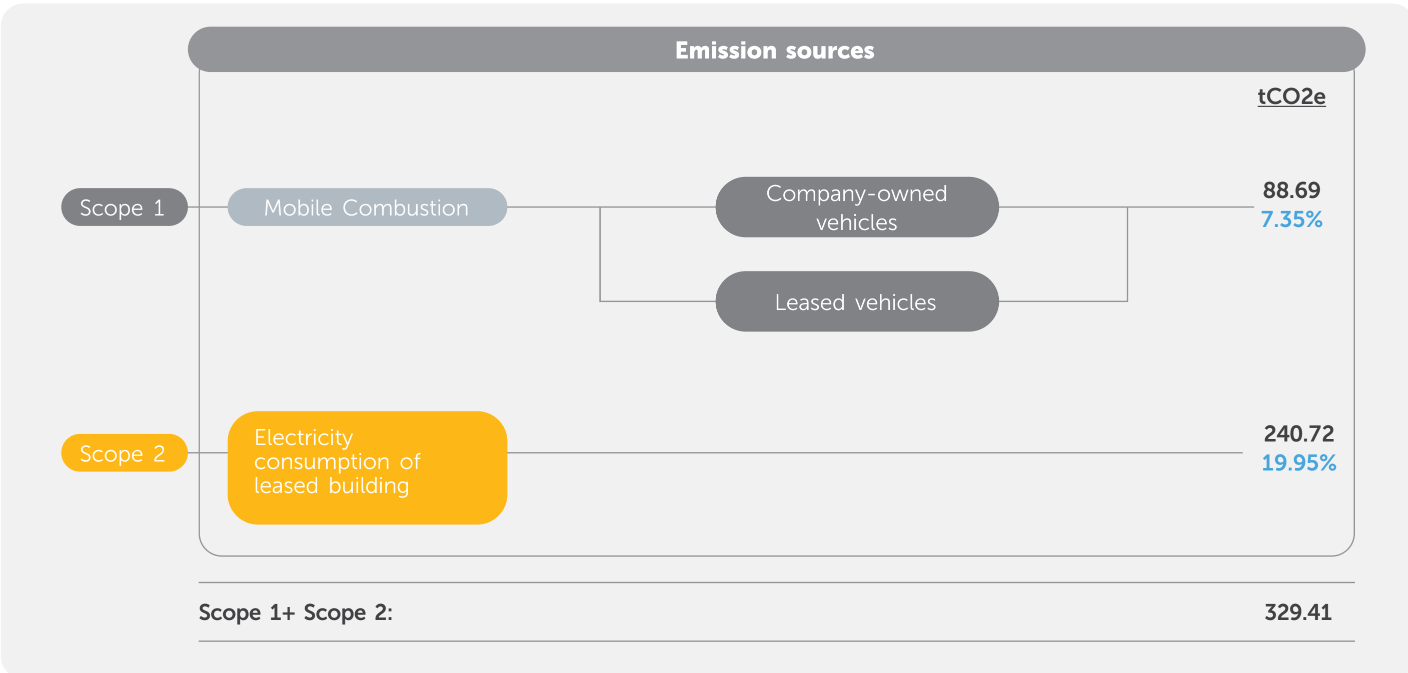
Environmental Stewardship

JCorp's approach to environmental stewardship is anchored on understanding and managing its environmental footprint. In 2024, we established a GHG emissions baseline using 2023 data, covering Scope 1 and Scope 2 emissions. This baseline provides a foundation for setting reduction targets, monitoring progress and aligning with internationally recognised standards such as the GHG Protocol.

JCorp is progressively enhancing its measurement of emissions across its investment portfolio, including financed emissions. This will enable the Group to assess climate-related risks and opportunities across its investments and support the development of portfolio decarbonisation strategies.

Environmental initiatives undertaken through Yayasan Johor Corporation, including mangrove and coral planting and river cleaning programmes, further supported conservation efforts and community engagement.

Overview of JCorp's GHG emission calculation results



Environmental Stewardship

Illustrative table (to sit near existing GHG chart):

Metric	2023 baseline	Coverage and notes
Scope 1 GHG emissions	88.69 tCO_2e	Mobile combustion from company owned vehicles.
Scope 2 GHG emissions (location based)	240.72 tCO_2e	Electricity consumption in owned and controlled facilities.

Environmental Advocacy and Transparency

JCorp promotes sustainability awareness through ESG knowledge-sharing initiatives, integrated reporting and transparent disclosures. Sustainability reporting involved cross-functional collaboration to ensure accurate and comprehensive disclosure of ESG performance. These efforts support stakeholder trust and reinforce our commitment to transparency and accountability.

ISSB Aligned Climate and Sustainability Disclosures Summary

Governance (IFRS S1/S2)

Sustainability related and climate related risks and opportunities are overseen at Board level through the Board Sustainability Committee, which reviews material sustainability matters, including climate, as part of its mandate. At management level, the Group Sustainability Committee and Sustainability Department, led by the Head of Sustainability, coordinate identification, assessment and management of sustainability related risks and opportunities across JCorp's core sectors and integrate them into enterprise risk management and strategic planning.

Strategy (IFRS S2)

Sustainability related and climate related risks and opportunities are considered in JCorp's strategy, particularly in sectors that are sensitive to transition and physical risks such as agribusiness, healthcare, real estate and food operations. In response, JCorp has committed to achieve Net Zero emissions by 2050 at portfolio level, is developing a decarbonisation roadmap (including preliminary work on internal carbon pricing), and is strengthening resilience through resource efficiency, environmental conservation and community focused initiatives.

Risk Management (IFRS S1/S2)

Sustainability related risks, including climate related risks, are progressively embedded in the Group's enterprise risk management framework, with ESG and climate considerations incorporated into risk registers, assessment processes and mitigation plans. These risks are also addressed in investment and procurement decisions through the Sustainable Investment Policy, ESG questionnaires for new investments and the integration of sustainability criteria into the Group Procurement Policy.

Metrics and Targets (IFRS S2)

In 2024, JCorp established a greenhouse gas (GHG) emissions baseline using 2023 data, covering Scope 1 and Scope 2 emissions and selected categories of emissions in line with the GHG Protocol. The Group has set long term targets to achieve Net Zero emissions by 2050, increase renewable energy usage by 2030 and progressively expand coverage and granularity of GHG emissions, including high priority categories such as purchased goods and services, capital goods, business travel, employee commuting and upstream leased assets, in line with the direction of Malaysia's NSRF and IFRS S2.

ISSB Aligned Climate and Sustainability Disclosures Summary

Governance and Compliance

Sustainability governance structure remains unchanged from 2023, with clearly defined roles and responsibilities across the Board Sustainability Committee, Group Sustainability Committee and management. The Sustainability Framework approved by the Board continues to guide sustainability practices across the Group, ensuring consistent alignment with ESG objectives and long-term value creation.

Selected sustainability information, including GHG emissions data and key health and safety indicators, has been subject to internal review to support data reliability. JCorp plans to progressively enhance the robustness of its sustainability information, including obtaining limited external assurance on priority ESG indicators in line with Bursa Malaysia's enhanced sustainability reporting requirements and the NSRF.

In A Nutshell

JCorp remains committed to strengthening its sustainability practices, enhancing ESG integration across operations, and delivering positive economic, social and environmental outcomes. Guided by a structured framework, robust governance and stakeholder engagement, the Group will continue to advance sustainable value creation in support of Johor's development and broader national and global sustainability goals.

Fostering Alignment: How JCorp's Investee Companies Support Sustainability Goals

JCorp has cultivated a comprehensive sustainability framework that extends to its investee companies, guiding them to achieve ESG goals in alignment with JCorp's overarching sustainability targets. This alignment is fostered through specific strategies and requirements that embed sustainability into the core operations of these entities.

Adoption of ESG Criteria

Investee companies are encouraged to integrate ESG principles into their business strategies, promoting practices that drive environmental sustainability, social impact and governance excellence. Examples include reporting on carbon footprints, adopting sustainable waste management practices, and ensuring ethical labour conditions. These measures ensure that investee companies actively support JCorp's ESG vision.

Encouraging Green Innovation and Circular Economy Practices

JCorp advocates for green innovation and circular economy initiatives among its investee companies. These include developing energy-efficient technologies, designing products with sustainability in mind, reducing waste and recycling materials to create closed-loop systems that enhance resource efficiency.

Sustainability Performance of Our Investee Companies

JCorp and its group of companies operate across four core business sectors namely agribusiness, wellness and healthcare, real estate and infrastructure, and food and restaurant services nationwide. As a responsible steward, we are committed to a long-term outlook, integrating sustainability principles into every aspect of our investments and operations. We actively collaborate with industry peers, community partners and key stakeholders to drive sustainable practices and achieve meaningful outcomes.

JOHOR PLANTATIONS GROUP BERHAD

Category	Key Initiatives/Highlights
Environment	
50% carbon intensity reduction against 2012 baseline	– 49% reduction in our operational carbon emissions compared to our 2012 baseline year.
Maintain annual mill water consumption at or below the 2013 baseline of 1.2 m^3/MT FFB	– Mill water consumption was at 1.09 m^3/MT FFB.
2% year-on-year reduction in the use of glyphosate on one-year-old palms	– 16% reduction in the use of glyphosate in plantation areas from 0.32 litres/ha in 2023 to 0.27 litres/ha in 2024.
Achieve consistent reduction of effluent generated	– We continue to work towards optimisation of our plants to improve FFB processing efficiency, aiming to lower effluent generated per tonne of FFB while simultaneously increasing our renewable energy production.
Increase renewable energy conversion by 2025	– We achieved a 5% increase in renewable energy consumption compared to 2023 performance.
Complete assessment on water footprint by 2025	– We will be conducting a water footprint assessment with plans to integrate rainwater harvesting at operating units by 2025.
Evaluation of SBTi requirements and targets by 2025	– We have evaluated SBTi requirements and developed a comprehensive response plan, including a gap analysis, identification of necessary components for commitments, and a clear timeline for SBTi validation. Moving forward, we will address the identified gaps to ensure full alignment with SBTi standards, reinforcing our commitment to achieving science-based emission reduction targets.
No increase in peat development	– We have maintained and will continue to maintain our commitment to no increase in peat development.
NDPE of FFB suppliers	– **Enhanced Monitoring** – In 2024, JPG has intensified satellite monitoring to detect deforestation and fire hotspots across owned estates and external FFB suppliers, ensuring full compliance with NDPE policies and EUDR requirements.
	– **Strengthened Traceability** – Leveraging government resources like I-Plan Malaysia and MyLot by JUPEM, JPG is mapping smallholders while maintaining full traceability of company-owned estates with established polygons.
	– **Supplier Collaboration** – JPG continues to work closely with suppliers to drive responsible sourcing, support market access for producers, and uphold a 100% deforestation-free supply chain.
No development in land containing one or more HCV	– Maintained and enhanced 1,131.10 ha of HCV and 276.25 ha of conservation areas in accordance with JPG's Sustainability Policy and Biodiversity Policy.

JOHOR PLANTATIONS GROUP BERHAD (CONTINUED)

Category	Key Initiatives/Highlights
Social	
Completion of labour transformation programme	– The Labour Transformation Programme was completed in 2024. Based on Labour Transformation Project (LTP) outcome, we progressively improved and enhanced our labour conditions. We upgraded the standard basic amenities to meet the new standards in accordance with Act 446 of the Employees' Minimum Standards of Housing Accommodations and Amenities Act 1990. Approximately RM7.0 million was allocated for this purpose. The implementation addressing the outcome of this programme was completed in December 2024.
Achieve 30% of women representation in Senior Management	– 22 % Female representation in Senior Management as of 2024. – The percentage decrease in female representation compared to our 2023 performance was due to organisational restructuring at the Senior Management level. Whilst this restructuring decreases female representation in our senior management, we remain committed to ensuring equal opportunities at JPG and continue our efforts to support women's empowerment across all levels of the organisation.
Maintain a Lost Time Incident Rate (LTIR) below 10 (per 200,000 working hours)	– LTIR was recorded at 1.91, well below 10. Nonetheless, we continue to strive for ZERO LTIR.
Maintain a severity rate below 3.5 year-on-year	– 2.82 severity rate recorded in 2024.
Zero fatalities	– ZERO fatalities recorded in 2024.
Governance	
Completion of financial agreement on green financing with financial institutions	– On 6 August 2024, JPG established the ICP Programme and the IMTN Programme with a combined aggregate limit of up to RM3.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar, which are collectively referred as the "Sukuk Wakalah Programmes".
Annual conduct of anti-bribery awareness training for existing and new business associates	– 70% of our employees received training on anticorruption policies and procedures in 2024.
Achieve a SPOTT score of 85%	– We achieved an improved SPOTT score of 88.8% in 2024.
100% traceability to Plantation by 2025	– Overall traceability increased to 93.96% in 2024.
100% RSPO certification for all FFB supply by 2035	– 11% of external FFB sources are RSPO certified as of 2024. We continue to support and drive RSPO certification for our smallholder suppliers through our SIP
Achieve 100% RSPO, MSPO, Halal and ISCC certification for the Group's POMs and estates	– All the Group's POMs and estates maintained their RSPO, MSPO, Halal and ISCC certification.
Achieve completion of key strategic ESG initiatives by 2025	– Seven initiatives have been completed in 2024. In total, 22 from 30 strategic initiatives have been completed since 2022.

Sustainability Performance Of Our Investee Companies

KPJ HEALTHCARE BERHAD

Category	Key Initiatives/Highlights
Strategy	
Implementation of Green Healthcare Sustainability Framework	Green Healthcare Sustainability Framework embedded across KPJ's strategy, aligned to business priorities and 10 material matters, anchored on four pillars: Protecting Our Environment, Uplifting Our Patients & Communities, Fostering Our People and Upholding Good Governance.
Embedding Sustainability Across the KPJ Health System	KPJ Health System integrates sustainability across clinical care, education, and research through green hospital designs, energy efficiency, workforce development and climate-resilient healthcare innovation.
Sustainability Policy	KPJ launched its group-wide Sustainability Policy, outlining KPJ's principles on environmental stewardship, community well-being, employee engagement and corporate governance.
Environment	
Climate Change Resilience	– 25.49% GHG reduction in 2024, ahead of the 2025 target. – Net Zero roadmap aligned with Malaysia's Net Zero 2050 ambition. – Renewable energy via solar PV (Phase 1 – 5 hospitals) and TNB Green Electricity Tariff (GET), offsetting 33.6% of Scope 2 emissions. – 31 EV chargers installed across 10 premises. – Energy efficiency measures implemented (LEDs, HVAC upgrades, VFDs, solar lighting). – 3 hospitals certified as Green Buildings.
Resource and Waste Management	– 22.78% waste reduction from 2022 baseline (10,354.82 tonnes in 2024). – Scheduled waste managed with Cenviro in compliance with DOE requirements. – Group-wide recycling, food composting, and paperless digital solutions (HIS, e-billing, e-prescriptions). – Enhanced water management, including STP monitoring upgrades, conservation initiatives, rainwater harvesting and water-efficient fixtures.
Social	
Service Quality and Safety	The Customer Satisfaction Index consistently exceeded 94 for services and facilities, staff care and inpatient treatment, while doctors' care surpassed 95.
	– KPJ's approach to service quality and patient safety focuses on strong clinical governance, medication safety and transparent patient engagement. Regular training and awareness programmes were conducted, and strict controls were maintained for Look Alike, Sound Alike (LASA) and High Alert Medications (HAM). – Upgrades to the KPJ CARES mobile app that enable easier access such as appointment bookings, electronic guarantee letter applications and access to medical and billing records, complemented by standardised package pricing across digital platforms. – KPJ hospitals are accredited by recognised bodies such as MSQH and JCI, with regular audits and surveillance surveys to ensure continuous compliance and quality improvement.
Community Outreach	– In 2024, KPJ Healthcare invested RM14.9 million in CSR and community outreach initiatives. – Through Klinik Waqaf An-Nur (KWAN), KPJ enhanced healthcare access by expanding dialysis capacity with additional chairs, introducing a third dialysis shift to serve more patients from underserved communities and launching a new mobile clinic in Pahang in collaboration with Waqaf An-Nur Corporation and local religious authorities.
Diversity, Inclusion and Human Rights	– Inclusive workplace aligned with DEI Policy, zero tolerance for discrimination and comprehensive employee benefits. – Robust OSH governance with an OSH Committee reporting quarterly to top management and a long-standing web-based incident reporting system (Q-Radar) covering both clinical and non-clinical incidents.

KPJ HEALTHCARE BERHAD (CONTINUED)

Category	Key Initiatives/Highlights
Social (cont'd.)	
Employee Engagement and Development	– Culture survey recorded 94% employee satisfaction score. – Conducted regular townhalls, leadership engagement platforms, internal communication channels and the Group's shared values framework (C.A.R.E.). – Guided by its Training and Development Policy, KPJ invested in continuous learning, averaging 32 training hours per employee in 2024. – KPJ University (KPJU) strengthened its role within the KPJ healthcare ecosystem through curriculum enhancements in digital health, AI-assisted diagnostics and patient-centred care, expanded clinical training, increased student enrolment and an inclusive scholarship programme to support access to higher education.
Governance	
Governance, Ethics and Integrity	– A dedicated Integrity Unit oversees compliance with Section 17A of the MACC Act 2009, manages anti-bribery controls and coordinates integrity and whistleblowing initiatives. In 2024, the unit conducted regular anti-corruption training for employees and stakeholders, on-site subsidiary validations, internal audits and external ISO 37001:2016 ABMS assessments, supported by ongoing integrity communications across internal platforms. – Conducted Ikrar Bebas Rasuah (IBR) sessions with the Malaysian Anti-Corruption Commission (MACC) as witness. Its Whistleblowing Policy, in place since 2013, is periodically reviewed, with a Whistleblowing Committee established in 2023. In 2024, 98% of employees completed anti-corruption training, 100% of operations were assessed for corruption risks, and no corruption incidents were reported. – Ranked in the top 18% globally (healthcare sector) for ESG performance under the FTSE4Good Bursa Malaysia Index.
Technology, Innovation and Collaboration	– The KPJNET SD-WAN Exchange Ceremony at MIH Megatrends 2024 marked KPJ's strategic collaboration with TM One to strengthen digital connectivity across its nationwide healthcare network. – KPJ continues to advance digital transformation through Smart Hospital initiatives that leverage 5G, AI-driven monitoring, and automation to enhance patient care, operational efficiency and cybersecurity. – Customer Experience Projects further improved accessibility and engagement through the KPJ CARES mobile app, alongside upgrades to website UI/UX, queue management systems and AI-enabled support tools, delivering a more seamless and efficient patient journey.
Data Privacy and Security	– Safeguarding patient data confidentiality through a comprehensive data security framework. The implementation of the User Access Matrix (UAM) within the KPJ Clinical Information System 2 (KPJ CIS 2) and Hospital Information Technology System 2 (HITS 2) enhances security measures, ensuring that patient information is accessed only by authorised personnel. – Zero complaints concerning breaches of customer privacy and losses of customer data.
Supply Chain Management	– KPJ has an established Supplier Code of Conduct in place since 2023. – Vendor onboarding and procurement processes are managed through an e-Procurement platform, where vendors must go through a pre-qualification process. The process mandates that vendors/suppliers address critical areas such as labour rights (no child/forced labour), anti-corruption and sustainable practices as well as being aligned with KPJ's Supplier Code of Conduct.

Sustainability Performance Of Our Investee Companies

QSR BRANDS (M) HOLDINGS BHD

Category	Key Initiatives/Highlights
Environment	
Sustainable Packaging	– Reduced the number of Plastic SKU to 31 from 39 in 2022.
Waste Management	– Recycled 100% of Our Used Cooking Oil in Downstream, Amounting to Over 2,000 MT During the Year in Review. – Expanded the Harvest Programme from 30 to 84 stores as of 2024. Diverted 6445 KG of Surplus Food to Under-Served Communities through Kechara Soup Kitchen and The Lost Food Project.
Social	
Workplace Environment	– Received Jobstreet Seek People & Purpose Awards 2024.
Diversity and Inclusion	– Maintained A Diverse Workforce with Over 46% Female Representation and 150 employees who are a person with disabilities.
Employee Health, Safety and Wellbeing	– Recorded an LTIFR of 0.61 and Rolled Out the Appointment and Training of OSH Coordinator at Restaurant Level to Strengthen Safety Compliance.
Employee Engagement and Development	– Funded 18 Employees to Pursue the Micro-Credential Degree Programme in Partnership with Universiti Sains Malaysia. – Invested RM3.05 million in Employee Training and Development, Introducing New In-House Programmes such as Mentorship and People Grower, as well as Diploma Programme in Collaboration with National Integrated College.
Community Investment	– Invested a Total of RM2.58 Million in Community Programmes, Benefiting More than 30,000 individuals. – Launched Two Flagship CSR Programmes, Sehati Feed to Educate and KFC Scholarship with a total pledge of over RM4 Million. – Continued to Support Government Initiatives In Education and Workforce Development Through The 2u2i Student Industrial Placement and The National Dual Training System (SLDN) Programme.
Food Accessibility and Affordability	– Continued Efforts to Improve Food Accessibility and Affordability Through Initiatives Such as The Launch of Kad Siswa, Offering Discounts on Over-The-Counter Purchases for University Students, Alongside Value Based Meal Offerings.
Governance	
Ethics and Compliance	– No Confirmed Incidents of Corruption. – No Major Non-Compliance With Regulatory, Health, Employee Rights, or Safety Requirements.
Data Privacy and Security	– Maintained Zero Data Breaches Throughout the Year.
Transparency and Reporting	– Improved Ecovadis Assessment Score to 46, up from 36 and received Ecovadis Commitment Badge.

JOHOR LAND GROUP

Category	Key Initiatives/Highlights
Environment	
Climate Strategy & Net Zero	– Committed to Net Zero carbon emissions by 2050, aligned with Malaysia's NETR and NIMP 2030. – Interim ambition to reduce 45% carbon emissions by 2030. – Preparing to introduce internal carbon pricing for Scope 1 & 2 emissions.
Renewable Energy & Energy Efficiency	– Rooftop solar rollout via joint venture with Cenergi SEA. – Al-Salām REIT generated >440,000 kWh solar energy, meeting ~45% of @Mart Kempas' energy needs.
Low-Carbon Developments	– IBTEC achieved Five-Diamond rating under Low Carbon Cities Framework (LCCF). – Integration of low-carbon design, energy efficiency, and renewable energy across IBTEC, Sanubari @ BDO and Bandar Tiram.
Waste Management & Circularity	– 8% of total waste diverted from landfill at Al-Salām REIT. – Non-hazardous waste diverted from disposal 35,521.80 tonnes for JLG Centrix Sdn Bhd. – Establishment of JLG Zaquin Sdn Bhd to deploy IoT-enabled smart waste systems.
Social	
Employee Training & Development	– RM1.36 million invested in training and development. – 47,129.5 total training hours recorded in 2024. – Average 18.81 hours per employee.
Occupational Health & Safety	– Zero Lost Time Injury Rate (LTIR) recorded.
Community Investment & Development	– RM5.44 million invested in community programmes. – 4,870 beneficiaries positively impacted across Johor.
Human Rights	– Zero substantiated human rights violations.
Labour Practices	– Zero child labour/forced labour cases.
Governance	
Sustainability Governance	– Board-approved Sustainability Framework, Roadmap and Policy.
ESG Integration	– ESG OKRs embedded across subsidiaries.
Legal Compliance	– Zero legal non-compliance cases reported.
Anti-Corruption	– Zero substantiated cases of corruption or bribery. – 100% of employees trained.
Data Privacy	– Zero data breaches or customer data losses.
Whistleblowing Mechanism	– Confidential whistleblowing channels established.
Supply Chain	– 100% procurement spend on local suppliers. – 13% of suppliers screened for ESG. – Zero child/forced labour identified among suppliers.

Sustainability Performance Of Our Investee Companies

YAYASAN JCORP

Category	Key Initiatives/Highlights
Environment	
Mangrove Planting	– Over 50 volunteers participated.
	– Successfully planted 1000 mangrove seedlings.
World River Day Celebration	– 620 participants joined the event, including vounteers, students, teachers and local community members.
	– Collected 857 kg of garbage during the event.
Tree Adoption Programme	– 100 volunteers across investee companies joined the event.
	– 70 trees planted during the event.
Recycling Hub	– Recycled 7,235kgs of waste including of fabric materials, used cooking oil and others.
Green Legacy Johor Summit	– 4 countries involved for the Summit including Malaysia, Singapore, Thailand and United Kingdom.
	– 1,061 participants involved with 47 panels during the Summit.
Urban Lab 2024 Plogging Programme	– 120 volunteers joined the event.
	– A total of 45 kg of waste was successfully collected during the plogging activity.
Social	
National Dual Training System	– 40 students participated in the pioneering SLDN programme for secondary schools in Malaysia from Cohort 1 till Cohort 2.
	– 18 KFC restaurants served as training sites, with 28 personnel involved in monitoring and support.
Choral Speaking Competition	– 22 schools from 11 districts in Johor participated, involving 4,380 students.
	– 2 schools managed to qualify for National level entry.
English Unity Carnival	– Participation of 4,520 primary and secondary school students.
Financing Professional Accounting	– RM200,000 invested to support 10 students in ACCA programmes at Tymba Education College.
Enhancing STEM Programmes	– Developed four new greenhouses at a school in Johor Bahru.
	– A total of over 58 kg of goods was produced, generating RM1,155 in sales revenue.
	– Successfully managed a STEM TOT programme for teachers, involving 40 participants at NIE Singapore.
Pentas Seni Johor	– Pentas Seni Johor engaged a total of 110 local artists and attracted 850 visitors across KOMTAR JBCC and B5, strengthening arts & cultural visibility in Johor.
	– The programme generated a combined RM43,100 in income for local artists, artisans, and vendors, contributing directly to the creative economy.
Art Gallery at KPJ Bandar Dato' Onn	– Successfully launched Art Gallery at KPJ Bandar Dato' Onn with 80 artworks displayed.

YAYASAN JCORP (CONTINUED)

Category	Key Initiatives/Highlights
Social (cont'd.)	
Festival Wonderful Nusantara	– The programme engaged artists from three countries (Malaysia, Indonesia, and Singapore), involving 125 local and international artists, attracting 1,462 visitors, and generating RM35,000 in income for artists and artisans.
Creative and Cultural Performance Workshop: Urban Lab 2024	– The programme was supported by five strategic partners, engaging 15 local artisans and 30 local artists, and attracting 500 visitors at Urban Lab.
Community Well-Being	– Conducted various programmes for cancer patients, flood relief and food security, assisting thousands of beneficiaries.
Governance	
Anti-Bribery and Whistleblowing	– Adopted and made available the Anti-Bribery and Whistleblowing Policy online for public access.

WAQAF AN-NUR

In June 2024, Waqaf An-Nur Corporation (WANCorp) formalised its Sustainability Governance Structure, marking a significant step toward integrating Environmental, Social and Governance (ESG) principles into its core operations.

This initiative underscores WANCorp's commitment to transparency, accountability and strategic alignment in achieving sustainable socio-economic development. Despite the formal structure being established only in 2024, WANCorp was already implementing impactful sustainability initiatives in 2023, emphasising healthcare services, social engagement and economic empowerment.

Category	Key Initiatives/Highlights
Environment	
Carbon Footprint/Emission Management	– **Greenhouse Gas (GHG) Emissions Management** In line with its climate action agenda, Waqaf An-Nur began monitoring and accounting for **Scope 1 and Scope 2 emissions** in Q4 2024.
Energy Management	– **Renewable Energy** • Installation of **solar photovoltaic (PV) systems** at Terminal Larkin Sentral and Masjid Sultan Iskandar, Bandar Dato Onn (MSI). – **Energy Efficiency** • Roll-out of **energy efficiency awareness programmes** to promote responsible energy consumption among employees.
Water Management	– To strengthen water efficiency and support sustainable resource use, the organisation utilised a **rainwater harvesting system** at: • Masjid Sultan Iskandar, Bandar Dato Onn (MSI) • Terminal Larkin Sentral – Roll-out of **water conservation awareness programmes** to promote responsible water consumption among employees.
Waste Management	– **Recycling programme initiative was implemented** through installation of recycling bins at **Terminal Larkin Sentral.**

Sustainability Performance Of Our Investee Companies

WAQAF AN-NUR (CONTINUED)

Category	Key Initiatives/Highlights
Social	
Human Capital Development	– <u>**Training and Development**</u> • **Invested over 4,748 hours** in leadership and skills enhancement training for 103 employees, averaging **46.09 training hours per employee**. • ESG and sustainability awareness programs for employees and management were conducted from **June to December 2024**, achieving over **60% participation** upon completion. • **An Upskilling Policy** was adopted and implemented to support continuous learning and workforce capability development.
Employee Welfare & Engagement	– <u>**Engagement Program**</u> • A range of employee engagement programs—covering **health, education, festive celebrations, and other well-being-related initiatives**—were implemented through Tabung Sejahtera Waqaf An-Nur (TSWAN).
Community Welfare	– **Financial Assistance:** A total of **RM4.92 million** was distributed through Dana Kebajikan Am, benefiting over **100,000 individuals.**
	– **Rangkaian Masjid An-Nur:** Waqaf An-Nur managed six mosques, providing essential **religious services and supporting community-based** programs and activities.
	– **Waqf Brigade:** Delivered **disaster relief assistance** and implemented community-focused **CSR initiatives to support affected communities**.
	– **Jalinan Ukhwah:** Implemented **community support initiatives**, including repairs and improvements to schools and public spaces, distribution of food baskets, financial contributions, and provision of free health screenings, medical check-ups, and haircuts.
Community Healthcare	– Waqaf An-Nur Clinics (KWAN): Provided **outpatient and dialysis treatments** to underprivileged communities.
	– Home Dialysis Programme: Facilitated **home dialysis** using Automated Peritoneal Dialysis (APD) for underserved patients.
Socioeconomic Development	– Waqafpreneur: Strengthened socio-economic resilience by providing **entrepreneurship and skills training** to empower individuals and enhance income-generation opportunities.
	– Waqaf Tani Komuniti: **Promoted urban farming practices,** encouraging community participation in **sustainable food cultivation and local livelihood development.**
	– Waqaf Dana Niaga: Provided **Shariah-compliant micro-financing** to support **entrepreneurs in starting, sustaining, or expanding small businesses**.
	– Community Waqf Centres: Offered **structured skills development** programs for B40 groups, asnaf, and unemployed individuals, aimed **at improving employability and household income levels**.
Social Impact	– **Social Impact Assessment (SROI):** Conducted a Social Return on Investment (SROI) assessment to **evaluate and strengthen the outcomes** of socio-economic development programs.

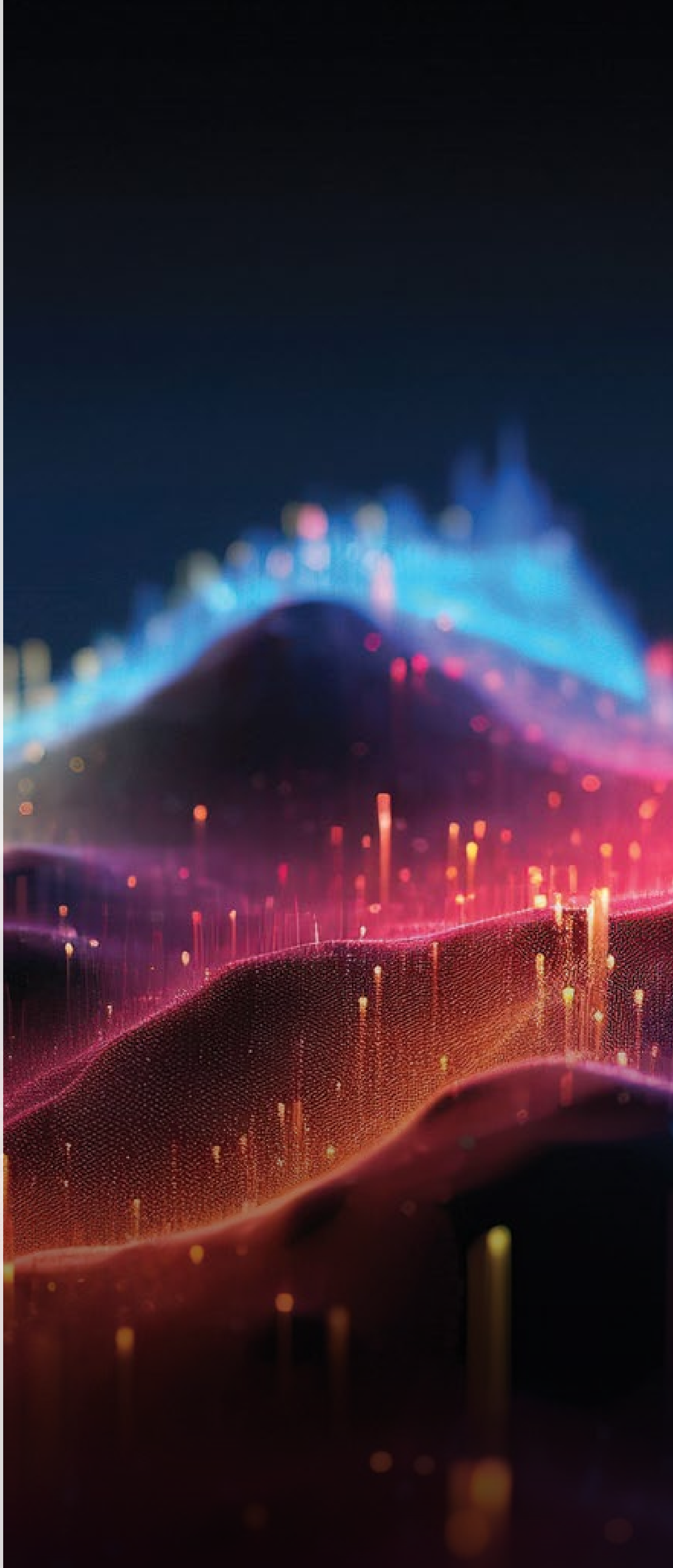
WAQAF AN-NUR (CONTINUED)

Category	Key Initiatives/Highlights
Governance	
Ethical Business Practices	– **Governance Policies:** In 2023, Waqaf An-Nur introduced key governance policies, including **the Anti-Corruption Policy, Whistleblowing Policy, Shariah Governance Policy, and the Business Continuity Management (BCM) Policy and Framework.**
	– **Strengthening of Sustainability Governance Framework:** Enhanced sustainability governance approach through the following initiatives: • Establishment of a **Sustainability Governance Structure** • Formation of an **Internal Sustainability Committee in Q4 2024** • Conduct of **Sustainability Committee kick-off meetings in Q4 2024** to initiate governance oversight and implementation planning
	– **ESG-i Framework and Policies** • **The ESG-i Framework and Policy** were **approved by the Board on 22 July 2024** and have since been implemented to guide ESG integration and decision-making.
Governance Programs	– **Governance Day:** Conducted Governance Day to strengthen organisational governance culture, with a focus on: • Promoting the principles of **integrity, transparency, and accountability** • Hosting discussions and workshops to **enhance employee understanding of the role of governance** in driving sustainable corporate performance
	– **Strengthening Integrity and Ethics Culture:** Continued to enhance its integrity and ethics culture through: • Ongoing integrity **awareness programs and training** • Continuous reinforcement via regular **communications, including emails and social media platforms**
Accountability and Transparency	– **Strengthening accountability across the supply chain and workforce:**
	– Continued to enhance accountability and ethical conduct through the following initiatives: • Implementation of the **Code of Conduct and Business Ethics**, approved in Q4 2024
	– **Sustainability disclosures:** Strengthened transparency and disclosure practices through: • Preparation of the **Sustainability Statement** • Integration of sustainability disclosures into the **2024 Annual Report**

SECTION

06

Leadership



LOADING WITH **INTEGRITY**

Profile of Board Directors

Composition as at the date of publication

YAB DATO' ONN HAFIZ GHAZI

Menteri Besar of Johor
Chairman

Date of Appointment
5 March 2022

Age
47

Gender
Male

Nationality
Malaysian

Qualifications:

Dato' Onn Hafiz has been appointed Chairman of the Board of Johor Corporation with effect from 15 March 2022 in his capacity as the Menteri Besar Johor. He holds a Bachelor of Accounting from the University of Hertfordshire, United Kingdom.

TAN SRI DATO' SRI DR ISMAIL BAKAR

Deputy Chairman

Date of Appointment
1 April 2022

Age
64

Gender
Male

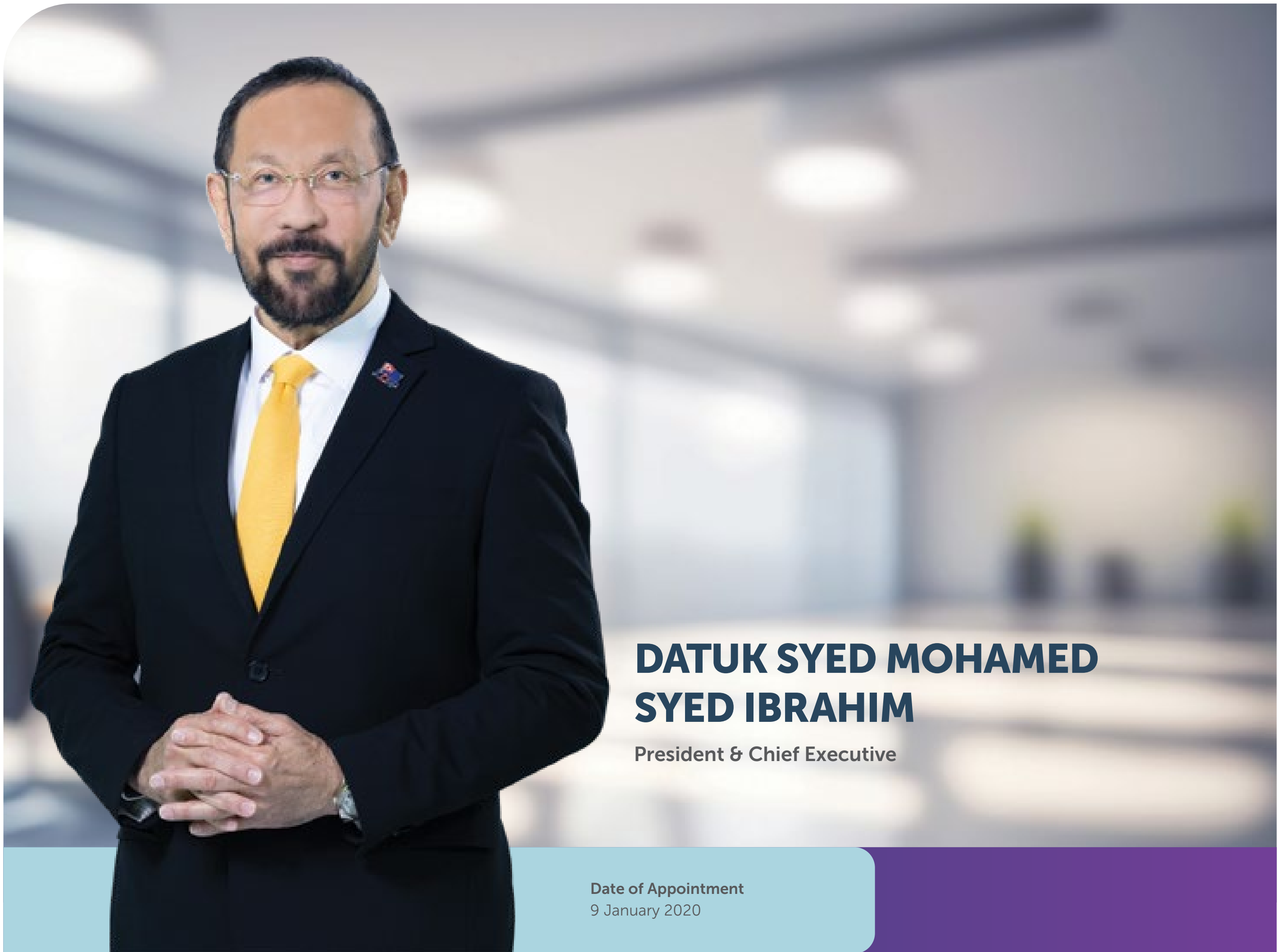
Nationality
Malaysian

Qualifications:

Tan Sri Dato' Sri Dr Ismail has been appointed as the Deputy Chairman of the Board of Johor Corporation with effect from 1 April 2022. He graduated with a Bachelor of Economics, B. Econs (Hons) in Applied Economics, from the University of Malaya, Kuala Lumpur in 1983 and obtained a Diploma in Public Administration (DPA) from the National Institute of Public Administration (INTAN), Kuala Lumpur, Malaysia in 1985. He holds a Master of Business Administration (MBA) and a PHD from the University of Hull, United Kingdom 1995 and in 2004 respectively. He is a Member of Chartered Institute of Purchasing and Supply (CIPS) UK as well as an Adjunct Professor, School of Engineering and Entrepreneurship, Universiti Malaysia Perlis (UNIMAP). He has been appointed as the Chairman of Johor Plantations Group Berhad, a subsidiary of Kulim (Malaysia) Berhad, with effect from 1 March 2023 and Chairman of KPJ Healthcare Berhad on 2 April 2024. Tan Sri Dato' Sri Dr Ismail also serves as Chairman of the Executive Committee of JCorp and currently holds the position of Chancellor of KPJ Healthcare University.

Profile of Board Directors

Composition as at the date of publication



DATUK SYED MOHAMED SYED IBRAHIM

President & Chief Executive

Date of Appointment
9 January 2020

Age
66

Gender
Male

Nationality
Malaysian

Qualifications:

Datuk Syed Mohamed has been appointed as the President & Chief Executive, as well as a Member of The Board of Johor Corporation effective from 9 January 2020. He holds a Bachelor of Economics in Analytical Economics (Hons) from the University of Malaya. He then attended the Senior Management Development programme in Public Enterprises at Harvard University. He is also a Board Member of the Sultan Ibrahim Johor Foundation and the Tunku Laksamana Johor Cancer Foundation. In 2021, he was appointed as an Eminent Industry Fellow by Universiti Sains Malaysia via the School of Management as well as an Adjunct Professor of the Faculty of Built Environment and Surveying (FABU) of Universiti Teknologi Malaysia, and the School of Government, Universiti Utara Malaysia. Datuk Syed is also the Chairman of Waqaf An-Nur Corporation Berhad and KPJ Healthcare University as well as a Member of JCorp's Executive Committee.

DATO' MOHAMMED RIDHA DATO' ABD KADIR

State Secretary of Johor
Board of Director

Date of Appointment
9 January 2024

Age
53

Gender
Male

Nationality
Malaysian

Qualifications:

Dato' Mohammed Ridha appointment to the Board of Directors of Johor Corporation is effective on 9 January 2024. He has a master's degree in information technology from Universiti Teknologi Malaysia. He is currently the State Secretary of Johor. Dato' Mohammed Ridha also serves on the Board Audit and Risk Committee of JCorp.

Profile of Board Directors

Composition as at the date of publication

DATO' ABD AZIZ ENGAN

State Legal Advisor of Johor
Board of Director

Date of Appointment
1 October 2024

Age
54

Gender
Male

Nationality
Malaysian

Qualifications:

Dato' Abd Aziz has been appointed as a Member of the Board of Johor Corporation effective from 1 October 2024 in his current capacity as the State Legal Advisor of Johor. He holds a Bachelor of Laws from Universiti Malaya. Datuk Abd Aziz is currently the Chairman of JCorp's Board of Sustainability Committee.

DATO' MOHD NOORAZAM DATO' HAJI OSMAN

State Financial Officer of Johor
Board of Director

Date of Appointment
16 February 2026

Age
58

Gender
Male

Nationality
Malaysian

Qualifications:

Dato' Mohd Noorazam has been appointed as a Member of the Board of Johor Corporation effective from 16 February 2026 in his current capacity as the State Financial Officer of Johor. He holds a Bachelor of Arts (Hons) degree on Government and Public Policy Northumbria University, Newcastle upon Tyne, United Kingdom.

Profile of Board Directors

Composition as at the date of publication

DATUK JOHAN MAHMOOD MERICAN

Secretary General of Treasury, Ministry of Finance
Board of Director

Date of Appointment
11 May 2023

Age
51

Gender
Male

Nationality
Malaysian

Qualifications:

Datuk Johan's appointment to the Board of Directors of Johor Corporation began on 11 May 2023. He holds a Bachelor Degree of Economics (First Class) from University of Cambridge, United Kingdom. He is currently the Secretary General of Treasury, Ministry of Finance. Datuk Johan also a Member of the Executive Committee of JCorp.

DATUK SERI NOR AZMIE DIRON

Secretary General, Ministry of Economy
Board of Director

Date of Appointment
11 May 2023

Age
62

Gender
Male

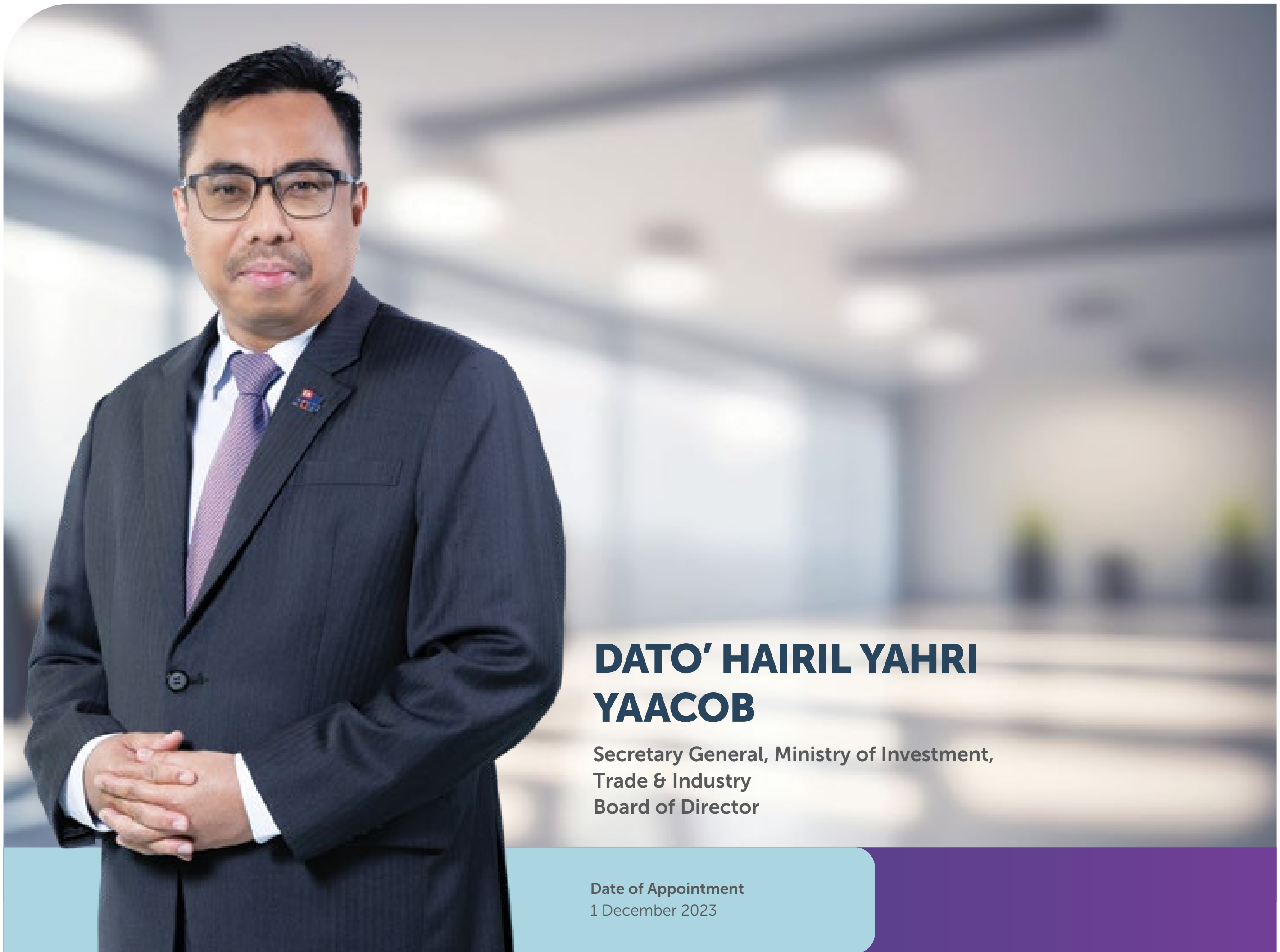
Nationality
Malaysian

Qualifications:

Datuk Seri Nor Azmie's appointment to the Board of Directors of Johor Corporation took effect from 6 February 2023. He holds a Master's Degree in Information Technology from Universiti Kebangsaan Malaysia. Currently, he is the Secretary General of the Ministry of Economy and prior to that, he was the State Secretary of Selangor. Datuk Seri Nor Azmie also serves as the Member of the Executive Committee of JCorp.

Profile of Board Directors

Composition as at the date of publication



DATO' HAIRIL YAHRI YAACOB

Secretary General, Ministry of Investment, Trade & Industry
Board of Director

Date of Appointment
1 December 2023

Age
53

Gender
Male

Nationality
Malaysian

Qualifications:

Dato' Hairil becomes the member of the Board of Directors Johor Corporation since 1 December 2023. He graduated from Universiti Kebangsaan Malaysia with a Master's Degree in Strategy and Diplomacy in 2003. He is currently the Secretary General of the Ministry of Investment, Trade & Industry. Dato' Hairil also serves as a Member of the Executive Committee of JCorp.

DATUK NOR AZRI ZULFAKAR

Board of Director

Date of Appointment
8 March 2020

Age
63

Gender
Male

Nationality
Malaysian

Qualifications:

Datuk Nor Azri has been appointed as a Member of the Board of Johor Corporation effective from 8 March 2020. He graduated from the Massachusetts Institute of Technology (MIT), Cambridge, the United States of America with a Master's Degree in Business Administration (Business Management). He is also the Non-Independent Non-Executive Chairman of Damansara Holdings Berhad since 9 November 2021. Currently, Datuk Nor Azri is also a Member of the Board Sustainability Committee of JCorp.

Profile of Board Directors

Composition as at the date of publication

DATO' SR HISHAM JAFREY

Board of Director

Date of Appointment
1 May 2020

Age
66

Gender
Male

Nationality
Malaysian

Qualifications:

Dato' Sr Hisham's appointment to the Board of Directors Johor Corporation began on 1 May 2020. He holds a Bachelor's Degree in Quantity Surveying from Leeds Metropolitan University, United Kingdom and is a Fellow of the Royal Institution of Surveyors Malaysia, as well as a Member of the Royal Institute of Chartered Surveyors, United Kingdom. In addition, he also sits as a Member of the Industry Advisory Panel at SEGI University, besides being a Board Member of Johor Plantations Group Berhad with effective from 1 March 2023. Dato' Hisham also serves as the Chairman of Board Audit and Risk Committee of JCorp.

TAN SRI DATO' DR HAJI AZMI ROHANI

Board of Director

Date of Appointment
1 January 2020

Age
59

Gender
Male

Nationality
Malaysian

Qualifications:

Tan Sri Dato' Dr Azmi has been appointed as a Member of the Board of Johor Corporation effective from 1 January 2020. He graduated with a Master's Degree in Human Resource Development from Universiti Teknologi Malaysia in 2004 holds a PHD in Land Administration and Development from the same university in 2022. He previously served as the State Secretary of Johor and currently serves as Datuk Pengelola Bijaya Diraja at Istana Negara.

Secretaries

MOHD NORDIN JAMALUDIN

Secretary

Date of Appointment
9 March 2010

Age
63

Gender
Male

Nationality
Malaysian

Qualifications:

Mohd Nordin's appointment as the Secretary of Johor Corporation took effect on 2 February 2020. He earned his Bachelor's Degree in Law from the University of West London, United Kingdom. At present, he assumes the role of Chief Corporate Services Officer, JCorp.

NURALIZA ABDUL RAHMAN, ACIS

Assistant Secretary

Date of Appointment
9 March 2010

Age
54

Gender
Female

Nationality
Malaysian

Qualifications:

Appointed as Assistant Secretary of Johor Corporation with effective from 1 March 2020, Nuraliza possesses a professional qualification from the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), and she currently holds the post of Head of the Group Company Secretarial Department, JCorp.

Profile of Senior Management Team

Composition as at the date of publication

1. DATUK SYED MOHAMED SYED IBRAHIM
President & Chief Executive

Age	Gender	Nationality
66	Male	Malaysian

Academic/Professional Qualification(s)
- Bachelor of Economics (Analytical Economics), University of Malaya

2. SHAMSUL ANUAR ABD MAJID
Chief Investment Officer

Age	Gender	Nationality
53	Male	Malaysian

Academic/Professional Qualification(s)
- Chartered Financial Analyst (CFA) Finance and Investment, CFA Institute, Charlottesville, Virginia, United States of America

3. MOHD NORDIN JAMALUDIN
Chief Corporate Services Officer

Age	Gender	Nationality
62	Male	Malaysian

Academic/Professional Qualification(s)
- Bachelor of Laws, University of West London, United Kingdom

4. DATUK AKMAL AHMAD
Director, Real Estate & Infrastructure Division

Age	Gender	Nationality
58	Male	Malaysian

Academic/Professional Qualification(s)
- Bachelor of Science in Quantity Surveying, Universiti Teknologi MARA

5. ROZAINI MOHD SANI
Chief Financial Officer

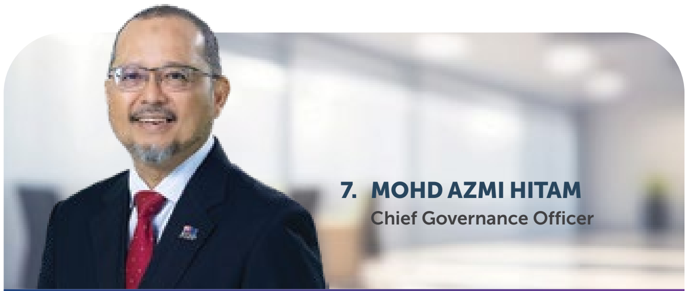
Age	Gender	Nationality
58	Male	Malaysian

Academic/Professional Qualification(s)
- Fellow of Chartered Accountants Australia & New Zealand (CAANZ)

6. DATUK TS MAHADHIR AZIZ
Director, Patient Capital Division
Group Managing Director, Johor Capital Group Sdn Bhd

Age	Gender	Nationality
50	Male	Malaysian

Academic/Professional Qualification(s)
- Project Management Professional (PMP), Project Management Institute (PMI), United States of America



7. MOHD AZMI HITAM
Chief Governance Officer

Age	Gender	Nationality
59	Male	Malaysian

Academic/Professional Qualification(s)
- Master of Business Administration, Washington State University, United States of America

8. AHMAD YUSRI MOHAMED
Chief Digital Officer

Age	Gender	Nationality
52	Male	Malaysian

Academic/Professional Qualification(s)
- Bachelor of Science in Electrical Engineering, Washington University in St. Louis, United States of America

9. MOHAMMAD NAJMIE NOORDIN
Chief Talent Officer

Age	Gender	Nationality
41	Male	Malaysian

Academic/Professional Qualification(s)
- Master of Business Administration, University of Manchester, United Kingdom

10. ZAIDATUL ZURITA ABDUL RAHMAN
Chief Sustainability & Social Impact Officer

Age	Gender	Nationality
51	Female	Malaysian

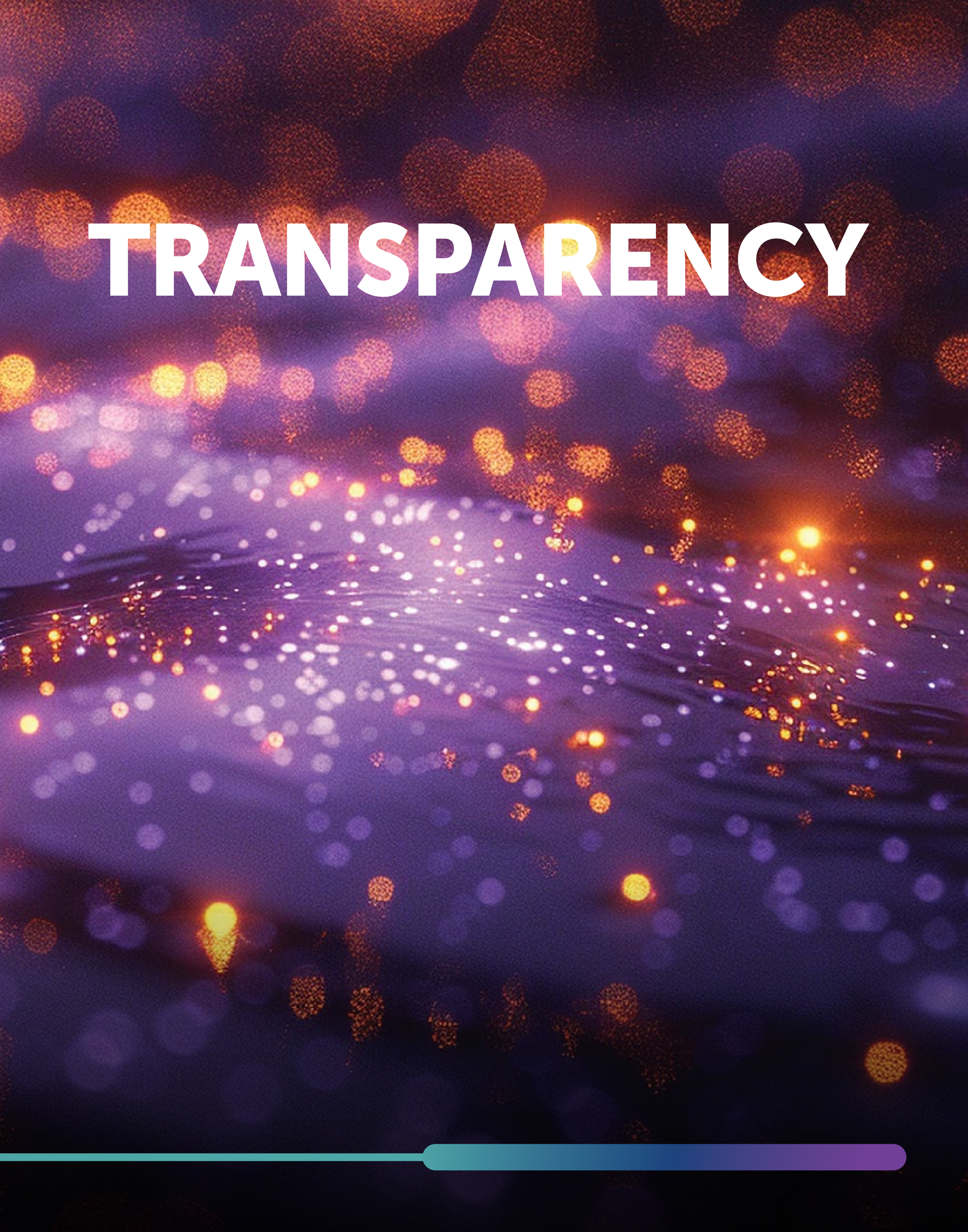
Academic/Professional Qualification(s)
- Master of Science, University of Newcastle, United Kingdom

SECTION

07

Our Governance

TRANSPARENCY



Statement of Corporate Governance

Since our establishment, JCorp has remained steadfast in upholding strong corporate governance practices founded on integrity, accountability, and responsible stewardship. With the strategic refocus of our mandate in 2020, we strengthened our governance framework to better align oversight structures, decision-making processes, and policy frameworks with the organisation's long-term aspirations.

Throughout 2024, the Board and its Committees continued to play an active role in providing strategic guidance and monitoring performance. Governance enhancements remained a priority, supported by clearer delegation of authority, improved reporting processes, and continued alignment with best practices across the Group. These efforts reflect JCorp's commitment to transparent, ethical, and effective governance in delivering sustainable value for the State and nation.

MEMBERS OF JOHOR CORPORATION

The Board is ultimately responsible for the direction, management, performance and long-term success of JCorp. It sets the Group's strategies and objectives, oversees and monitors the performance, internal controls, risks and its management, policies, governance and viability of the JCorp. The Menteri Besar serves as Chairman of the Board and is supported by a group of qualified individuals with diverse professional backgrounds and expertise as Board members, delivering sound oversight, clear strategic guidance, and constructive scrutiny.

Composition

i. A Chairman who holds the position of Menteri Besar of Johor;
ii. Deputy Chairman appointed by the Sultan of Johor;
iii. Three representatives from the Johor Civil Service (holding the positions of State Secretary, State Legal Advisor;
iv. State Financial Officer of Johor;
v. Director of the Corporation appointed under Section 12 (known as the President and Chief Executive);
vi. Three representatives from the Federal Government; and
vii. Three Independent Directors appointed by the Sultan of Johor with qualifications, experience, and expertise in matters relating to banking, manufacturing, housing, business, finance as well as professional or administrative fields.

As stipulated in Enactment No. 4 of 1968, the Members of JCorp consist of:

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

Duties and Responsibilities

Members of JCorp are responsible for JCorp's overall performance by setting the Group's objectives and determining its long-term strategic plan, aside from ensuring that JCorp fulfils its key role, namely as a leader in Johor's economic development through business entities that have been built in an efficient and effective manner. JCorp's business objectives are to achieve market leadership and maintain competitiveness, while contributing to the wellbeing of the people through the fulfilment of its corporate responsibilities.

Meetings and Attendance

The Board acknowledges that consistent participation and effective engagement are integral to good corporate governance and sound decision-making. During the financial year under review, the Board convened 4 meetings, reflecting strong overall commitment and participation, as outlined below:

No.	Members of JCorp	Meeting and Attendance			
		BOD 199th 24/03/2024	BOD 200th 14/07/2024	BOD 201st 13/10/2024	BOD 202nd 15/12/2024
1.	Dato' Onn Hafiz Ghazi (Chairman)	√	√	√	√
2.	Tan Sri Dato' Sri Dr. Ismail Bakar (Deputy Chairman)	√	√	√	√
3.	Datuk Syed Mohamed Syed Ibrahim (PCE)	√	√	√	√
4.	Tan Sri Dato' Dr. Azmi Rohani	X	√	√	√
5.	Dato' Haji Mohammed Ridha Dato' Haji Abd. Kadir	√	√	√	X
6.	Dato' Amir Nasruddin	√	√	–	–
7.	Datuk Abd Aziz Engan	–	–	√	√
8.	Datuk Johan Mahmood Merican	√	√	X	X
9.	Dato' Nor Azmie Diron	√	X	√	√
10.	Datuk Hairil Yahri Yaacob	√	√	X	√
11.	Dato' Sr. Hisham Jafrey	√	√	√	√
12.	Datuk Nor Azri Zulfakar	√	√	√	√

Notes:-

- *√ Attend*
- *X Absent with apology*
- *– Not a member/not yet appointed on the meeting date*
- **** Dato' Amir Nasruddin resigned w.e.f. 30/09/2024***
- **** Datuk Abd Aziz Engan appointed w.e.f. 1/10/2024***

Statement of Corporate Governance

Board Committee

There are (5) committees under the purview of the Board, as follows:

MEMBERS OF JCORP

- **Board Tender Committee (BTC)**

  Responsible for overseeing the transparency in the implementation and management of procurement as well as cultivating integrity and compliance with JCorp's procurement policies.

- **Board Audit and Risk Committee (BARC)**

  Responsible for overseeing accounting and financial requirements, as well as monitoring the effectiveness of risk management and ensuring a high level of compliance with standards of governance, integrity, and ethics.

- **Executive Board Committee (EXCO)**

  Responsible for overseeing strategic aspects, including reviewing new and existing investments to ensure satisfactory and sustainable returns.

- **Board Nomination and Remuneration Committee (BNRC)**

  Responsible for ensuring transparency in appointments and terminations as well as matters relating to remunerations and services, in addition to conducting performance appraisals on JCorp Members and top management.

- **Board Sustainability Committtee (BSC)**

  Accountable to assist the Board in overseeing matters pertaining to wellbeing of community, sustainability, climate change and strategic directions designed to manage ESG risk, as well as identifying potential opportunities to enhance the Group's ESG adoption and adaption.

***Chart 1**. Board Committee*

Senior leadership is assisted and supported by five main Committees namely, the Management Committee (MC), Group Management Committee (GMC), Enterprise Risk Management Committee (ERMC), Stewardship Committee (SC), and People and Culture Council (P&C) to drive strategic execution.

For each committee, the approved Terms of Reference delineate their strategic objectives, authority, and responsibilities, thereby providing a comprehensive framework for their strategic and operational mandate.

Corporate Governance for Listed Entities in the Jcorp Group

JCorp supports the best corporate governance of every company in the Group, especially for its four entities listed on the main board of Bursa Malaysia, namely KPJ Healthcare Berhad, Johor Plantations Group Berhad (with effect 9 July 2024), Avangaad Berhad (formally known as EA Technique (M) Berhad) changes of name with effect 24 February 2025, Al-`Aqar Healthcare REIT, and Al-Salām REIT. The five listed companies also comply with the statutory requirements, best practices, and guidelines set by the Securities Commission, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Bursa Malaysia Corporate Governance Guide, and the Malaysian Code on Corporate Governance. The said entities also have their respective Board of Directors and Audit Committees.

STRENGTHENING JCORP'S GOVERNANCE

As stewards of State assets, JCorp continues to strengthen governance practices across the organisation and its portfolio companies. Through its governance structure, policies and internal processes, JCorp ensures conformance to the highest standards of governance in line with the MCCG 2021.

a. Disclosing Policy on Their Stewardship

JCorp prioritises the safeguarding of investment value and practices responsible shareholding. The Stewardship Committee oversees the JCorp Stewardship Framework, which outlines JCorp's philosophy, expectations and engagement approach with investee companies. This framework reinforces a performance-driven culture and organisational health across the Group.

b. Strategies Towards Jcorp's Sustainability

In 2024, JCorp further strengthened its sustainability governance with the development of the Sustainable Investment Policy, which formalises the integration of environmental, social and governance (ESG) considerations into investment decision-making. In support of this commitment, the Finance Policy and Procurement Policy were reviewed, revised and enhanced to embed ESG principles, ensuring consistent application across financial management, procurement practices and investment activities across the Group.

c. Limits of Authority

In discharging it roles and responsibilities, the Board is guided by 'Limits of Authority' to further strengthen the culture of transparency and accountability in the organisation. This document covers eight main scopes, namely Corporate, Audit, Company Law and Secretarial, Finance and Accounting, Human Resources, Procurement and Contract Management, Investments and Assets and will be reviewed on an ongoing basis to ensure its effectiveness and to remain relevant.

d. Communication with Stakeholders

JCorp has consistently demonstrated transparency and accountability to its stakeholders by ensuring they are kept well-informed of major developments within the organisation. Recognising the importance of timely and accurate information dissemination, JCorp ensures that all communications are aligned with the Group Communications Policy.

Information on JCorp's governance practices, business activities, commitments and latest developments is accessible through the corporate website, which serves as a central information platform. In addition, JCorp leverages its official social media channels to provide timely updates and enhance stakeholder engagement.

In providing information to stakeholders, JCorp remains mindful of the legal and regulatory framework governing the disclosure of material and price-sensitive information. The Document and Record Management Policy, which is aligned with the requirements and guidelines of Arkib Negara Malaysia, governs the creation, classification, retention and dissemination of records, ensuring the confidentiality, integrity and proper management of information.

e. Internalise the Value of Integrity

Aside from Anti-Bribery Policy Statement and Whistleblowing Policy in place, JCorp's Group Integrity Unit submits periodic report to the Agency Integrity Management Division of the Malaysian Anti-Corruption Commission (MACC), Integrity Unit of the Ministry of Economy Malaysia and Integrity Unit of the Johor State Secretarial Office. JCorp has also established its JCorp Anti-Corruption Plan 2022 – 2025 (JCACP) to further enhance integrity, governance and transparency.

JCorp and the Group have also implemented several initiatives to maintain a healthy corporate culture through the enculturation of integrity. Awareness and receptiveness programmes on integrity practices are also boosted with the use of electronic media as a communication platform in the enculturation of integrity on an ongoing basis.

JCorp also provides employees and stakeholders with a direct avenue to report any unethical behaviour to the Whistleblowing Chairman through the designated Whistleblowing Platform.

f. Policies and Procedures

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal control include Policies and Procedures which are reviewed and updated periodically to ensure that they remain relevant and reflective of the JCorp's operating and business environment.

JCorp is certified under Internationally Accredited Management Systems (for e.g., ISO 9001:2015 – Quality Management System, and MS ISO 37001:2016 Anti-Bribery Management System), to standardise its management and operational processes and to further improve its efficiency. These certifications demonstrate JCorp's commitment to deliver quality outcomes for stakeholders and investors.

Statement of Corporate Governance

g. Monitoring and Engaging Investee Companies

The investment portfolios of JCorp are actively monitored and managed by the respective departments under the strategy and Investment Division. To enhance oversight, JCorp has established a Stewardship Committee responsible for guiding and overseeing investment activities. The monitoring team, under the Committee's direction, diligently manages JCorp's investments with the objective of safeguarding assets and ensuring optimal returns through dividend extraction, while maintaining close engagement with stakeholders.

h. Insurance Program

Sufficient insurance coverage and physical safeguards on the Group assets, including its human resources are in place to ensure adequate coverage against any mishaps that could result in material loss. Coverage typically includes damage to or theft of assets; liability coverage for the legal responsibility to others for accidents, bodily injury or property damage; and medical coverage for the cost of treating injuries and illnesses, rehabilitation and fatalities. Insurance coverage is reviewed regularly to ensure sufficient coverage in view of changing business environment or assets.

i. Cybersecurity and Information Systems

JCorp places a high priority on cybersecurity, underpinned by an established Digital Cybersecurity Framework that provides structured governance over information systems and digital assets. The framework incorporates robust access controls, periodic security assessments and secure-by-design development practices, and is continuously enhanced to address emerging cyber threats and evolving technological risks.

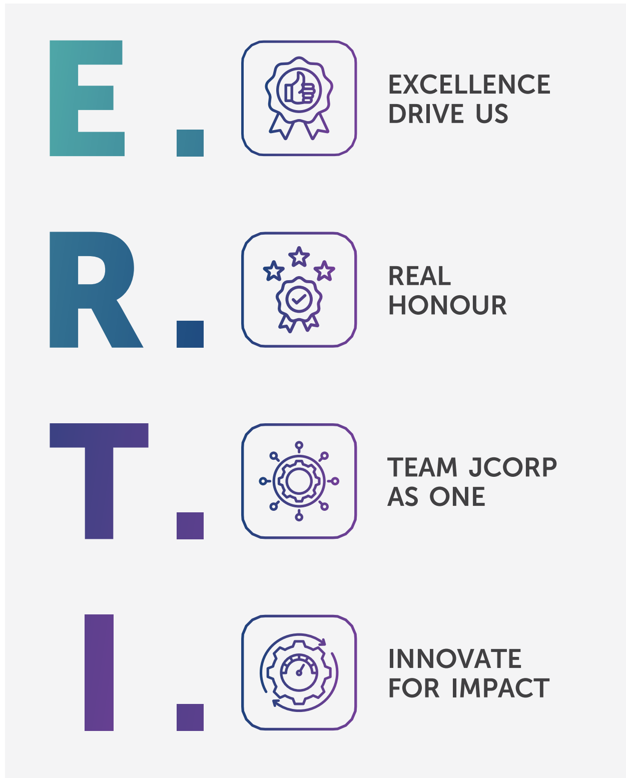
In leveraging digital and cloud technologies, JCorp adopts a prudent and risk-based approach to ensure the confidentiality, integrity and availability of data, while maintaining compliance with applicable regulatory and security requirements.

j. Talent Development

Recognising the importance of continuous development, JCorp is fostering a culture of growth by embedding a learning organisation ethos. This commitment empowers employees to adopt a growth mindset, driving innovation and excellence across the organisation. Employees are provided with structured internal technical and soft skills training, mobility opportunities and external development programmes, as well as professional certification opportunities. Training is also prioritised through the development of a Competency Framework and subsequent development interventions. These initiatives build organisational resilience and strengthen the overall talent pipeline.

k. Core Values

JCorp's governance and operating practices are guided by its organisational DNA and core values of Excellence, Real Honour, Team JCorp as One and Innovate for Impact (E.R.T.I.). These values underpin behaviour, decision-making and performance across the Group, reinforcing integrity, collaboration and innovation. Anchored by this shared purpose, JCorp fosters a cohesive and resilient organisational culture that supports sustainable growth and long-term value creation for stakeholders.



Statement of Risk Management and Internal Control

The evolving economic and technological environment continues to present challenges, including inflationary pressures, supply chain volatility and geopolitical uncertainties, which have impacted market conditions globally. In navigating these conditions, JCorp remains committed to delivering value to the communities it serves while adapting its strategies to strengthen organisational resilience and ensure sustainable outcomes.

Building on its proactive preparedness measures, JCorp continues to enhance its risk management and internal control framework to ensure its relevance, effectiveness and sustainability in addressing a broad range of uncertainties and emerging risks.

Oversight and accountability for the risk management and internal control framework are exercised through established governance and assurance mechanisms.

RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

The Board fulfills its risk governance and oversight functions through the BARC which reviews the effectiveness of risk management framework and to manage the overall risk exposure to the Group.

Risk Oversight — Board Level → **Risk System** — Management Level → **Risk Process** — Business Unit

The roles and responsibilities of the Board Level and Management are clearly distinct to ensure balance of authority to facilitate effective management and monitoring of risk management. The following are the responsibilities of the respective committees:

Committee		Duties & Responsibilities
Risk Oversight	**Members of JCorp**	Fully accountable for ensuring and reviewing a sound system of internal control at JCorp. The control structure encompasses the process of identifying, evaluating, monitoring, managing and responding to significant risks encountered by JCorp.
	Board Audit and Risk Committee (BARC)	Representing JCorp Members, the BARC is responsible for overseeing the effectiveness of risk management processes, internal controls, governance as well as reviewing the implementation status of mitigation actions and action plans by management.
Risk System	**Enterprise Risk Management Committee (ERMC)**	Accountable to evaluate, review and making decisions in relation to risk management that impacts key strategic and operational aspects at the JCorp and Group levels.
	Governance and Risk Division (GGRD)	Responsible to implement initiatives to strengthen governance, risk management and internal control as well as assist JCorp in performing sentinel and "Third line of Defense" functions.
	Group Governance Committee (GCC)	Assist the Group Governance and Risk Division in implementing and coordinating initiatives to strengthen governance, risk management and internal control at the JCorp and Group levels.
Risk Process	**Risk Owner (RO) – Head of Division/ Subsidiary/Project**	• Ensure that risk management initiatives are well initiated to evaluate and making decisions related to key strategies and operations. • Ensure that risk assessment review excercise is conducted prudently and extensively. • Ensure action plans are identified, implemented and addressed at the division/subsidiary/ project level. • Review and approve the 'Risk Register' of each division/subsidiary/project. • Collaborate with the Group Governance and Risk Division (GGRD) on enterprise risk management (ERM) initiatives.
	Risk Champion *(RC)*	• Conduct engagement sessions and discussions with the respective Person-In-Charge on action plans to discuss progress, risk profile status and actions to be reported to GGRD. • Complete, update, maintain and archive all relevant 'Risk Registers' of division/subsidiary/ projects in a consistent manner. • Assist GGRD and RO in coordinating and fostering risk awareness and training activities at the divisional and subsidiary levels.

Statement of Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK

JCorp adopts a structured and proactive approach to enterprise risk management ("ERM"), which enables the timely identification, assessment and mitigation of principal risks that may impede the achievement of the Group's strategic and long-term objectives. Key risks are identified across strategic, financial, operational, compliance, and are assessed based on their likelihood and potential impact.

Risk management is embedded into strategic planning, investment evaluation and operational decision-making processes. This allows for early identification of emerging risks, appropriate allocation of resources, and the formulation of mitigation strategies to enhance organisational resilience. The Board, through its Committees, receives periodic updates on key risks, mitigation measures and emerging risk trends, and provides oversight on the effectiveness of risk responses.

INTERNAL CONTROL ACTIVITIES

Throughout 2024, JCorp Members along with the Management had carried out various activities and initiatives to fortify and enhance risk management and internal controls, which among others include:

- Operationalised the Sustainable Investment Policy to integrate environmental, social and governance (ESG) considerations into investment decision-making.
- Leveraged the Governance Risk Compliance (GRC) System and other relevant internal governance processes for Robotic Process Automation (RPA) to improve reporting on both risk and internal controls.
- Reviewed existing policies including Financial, Group Procurement and Record Management Policy to ensure continued relevance and alignment with regulatory and operational requirements.
- Implemented a Risk Management and Internal Control awareness program to familiarise staff with Risk, Controls, Compliance, and BCM including the roles and responsibilities of the Emergency Response Team (ERT) and procedures for responding to incidents.
- Reviewed the Terms of Reference (TOR) of committees in JCorp to ensure fair and effective monitoring of internal controls.
- Reinforced internal controls through the application of established policies, audits, training programmes and proactive engagement with regulatory bodies to ensure ongoing compliance with applicable laws, regulations and accreditation requirements.
- Updated the 'Limits of Authority' Manual in alignment with the latest reporting and monitoring structure.
- Performed periodic reviews of financial and investment performance, to support informed decision-making, safeguard asset value and ensure alignment with strategic objectives.
- Evaluated the Group's Business Continuity Management (BCM) initiatives including revision to the BCM Crisis Escalation Criteria & Incident Procedures as well as the secure storage of data, systems, and applications in the cloud.
- Strengthened cybersecurity and information technology controls through vulnerability assessments and penetration testing, complemented by continuous cybersecurity awareness initiatives and simulated phishing exercises.

Board Audit and Risk Committee Report

The Board Audit and Risk Committee (BARC)'s primary role is to assist the Board in fulfilling its oversight responsibilities particularly in safeguarding the integrity of financial reporting, the effectiveness of the risk management framework and system of internal controls as well as consideration of ethics and compliance matters. The BARC is responsible for assessing the quality of the audit performed by, and the independence and objectivity of, the external auditor. The BARC also reports to the JCorp Members on the appointment or reappointment of the external auditor and internal auditor. In addition, the BARC oversee the work and quality of the internal audit function.

In 2024, the Board Audit and Risk Committee consisted of three members and was chaired as follows:-

- YBhg. Dato Sr. Hisham Jafrey, a Member of JCorp (Independent Director) – Chairperson of BARC
- YB Dato' Mohammed Ridha Dato' Abd Kadir, a State Financial Officer and is a Member of JCorp – effective 9 January 2024
- YBhg. Dato' Johari Ismail, Independent Member of the Committee (effective 24 March 2024). He previously served as Deputy Auditor General at the National Audit Department of Malaysia and brings extensive experience in public sector auditing, governance and oversight – effective 24 March 2024

During the year, there were changes to the composition of the Committee. The Committee records its appreciation to the former members for their contributions and service during their tenure. The Committee also welcomes the newly appointed members and looks forward to benefiting from their experience and expertise in supporting the Committee's responsibilities.

MEETING ATTENDANCE

Based on the terms of reference approved by the Members of JCorp, this Committee shall meet at least four times a year. During the year, the Committee met five (5) times (including three special meetings), as evidenced below:

	10 March (Special Meeting)	26 May (Special Meeting)	4 July	6 October	8 December (Special Meeting)
YBhg Dato' Sr. Hisham Jafrey	√	√	√	√	√
YB Dato' Mohammed Ridha Dato' Abd Kadir	√	√	–	√	–
YBhg Dato' Johari Ismail	N/A	√	√	√	√

NA: Not a member at the time

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

The BARC ensures the JCorp Members is kept apprised of its activities and recommendations, with the Chairman delivering updates to the Board after every BARC meeting.

FINANCIAL STATEMENTS

BARC activities over the course of a year focuses on a variety of matters that involve a high degree of judgement and/or are significant to JCorp's consolidated financial statements:

- Review the financial statements, including annual and quarterly financial statements.
- Review and discuss with management the appropriateness of judgements involving the application of accounting principles and disclosure rules.
- Review and certify that the appropriate financial risk management process is thorough and comprehensive at the JCorp and Group levels.

Board Audit and Risk Committee Report

EXTERNAL AUDIT

Review with the external auditors and thereafter bring to the attention of the Members of JCorp concerning:

- Appointment and termination of services of external auditors, service fees, and appropriate recommendations.
- Scope and planning of audit work, as well as coordination involving the external auditors of JCorp and the Group.
- Any finding identified by the external auditors and feedback from management.
- Issues or observations arising from the audit work.
- Monitor performance and ensure a transparent and independent level of audit by the external auditors.
- Recommend for the consideration and approval of JCorp Members regarding the Financial Statements of JCorp.

INTERNAL AUDIT

- Review the appointment and termination of services of internal auditors, service fees, and appropriate recommendations.
- Review the effectiveness and capability of JCorp's internal control systems.
- Review, acknowledge and certify the annual internal audit activity plan which covers the adequacy of scope of work.
- Review finalised audit reports and observations as well as monitor follow-up actions and areas of improvements that are required.

RISK MANAGEMENT

- Review sources of estimation uncertainty, emerging risks, and other key assumptions with management takes into account economic and market volatility, climate risk, geopolitical dynamics, and the evolving expectations of stakeholders.
- Review and ensure risk management strategies remain relevant and adhere to the risk management framework.
- Review and discuss the key risks identified based on the risk profiles & categories and its financial impacts and providing appropriate recommendations to address them.
- Monitor and evaluate the appropriateness, adequacy and effectiveness of mitigation actions taken by the management.

COMPLIANCE

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

ETHICS AND INTEGRITY

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

OTHER RESPONSIBILITIES

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

SUMMARY OF ACTIVITIES

During the financial year 31 December 2024, the Board Audit and Risk Committee elaborated, discussed and endorsed the following:

- Revision of Financial, Group Procurement, and Record Management Policy, and JCorp's Limits of Authority.
- Report of the Enterprise Risk Management Committee meeting held on 29 February, 1 July and 11 September, and 20 November 2024.
- Report of the Group Governance Committee meetings held on 11 January, 9 May, 3 September, and 9 December 2024.
- Performance of previous and re-appointment of Internal Auditor.
- Audit reports and findings performed by the internal auditors as well as the status of improvement actions taken by the Management which are monitored by the Management Audit and Compliance Committee.
- Emerging risk and key risks that have been updated throughout 2024, the adequacy of internal controls, and the effectiveness of mitigation measures.
- Compliance of necessary Acts and guidelines by JCorp, compliance status as well as rectification and mitigation actions.
- Completion of the integrity related matters that have been implemented by the Group Integrity Unit throughout 2024.
- Current status of legal/litigation actions and Capital Structure Review involving JCorp and the Group.
- Quarterly Financial performance of JCorp and Group.
- The audit results of the annual financial statements for 2023 by the Jabatan Audit Negara, Negeri Johor and external auditors as well as findings and other matters of concern.
- Adequacy of internal audit scope, planning, and resource requirements to propel the enhancement of relevant and dynamic governance and internal controls.

JOHOR CORPORATION

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