

## JCorp exceeds RM5b in group revenue

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PETALING JAYA: Johor Corporation (JCorp) announced a steady performance for its financial year ending 31 December 2017, driven by the collective strength of its core businesses in plantation, specialist healthcare, food and restaurant services as well as contributions from the Property and Industry Development divisions. Overall, JCorp's Group performance in 2017 remains positive, having achieved its targeted Headline Key Performance Indicators (KPIs) despite intense competition and challenges faced in the sectors that its subsidiaries operate in, including F&B, plantation, housing and healthcare industries. The Group's total assets recorded year-on-year growth over 5 decades of operation and is now valued at RM21.8 billion to date.

Whilst audited Group Revenue recorded a 4.1pc growth to RM5.579 billion for the Financial Year of 2017 (FY2017) against RM5.355 billion recorded in the corresponding period last year, this did not include the revenue of QSR Group of companies, amounting to RM4.56 billion in FY2017. Therefore, total Group Revenue has actually exceeded the RM10 billion-mark last year.

Group Reported Profit Before Tax (PBT) for FY2017 was higher at RM665 million, against RM541 million in FY2016 due to improved operating margins from its property sector. Other major contributing factors for the significant increase in operating profit includes some one-offs which occurred for the financial year ended 31 December 2017, namely the recognition of income from the development and sales of land in Bandar Dato' Onn, divestment of Kulim's interest in plantation business in Indonesia and forex gain due to the strengthening of Ringgit.

The Group also reported a 31pc increase in its Profit After Tax to RM542 million as compared to RM415 million last year.

Datuk Kamaruzzaman Abu Kassim, President & Chief Executive of JCorp highlighted, "JCorp is steadfast in our mission to broaden our key agendas in state economic development, business and corporate responsibility.

For year 2017, JCorp has multiplied all three agendas through the implementation of various high-impact projects."

This robust financial standing allowed JCorp to fulfil its financial payment obligations and channel towards community development. In 2017, the Group's tax contribution to the Federal Government amounted to RM494 million, including GST making up RM189 million paid to the Federal Government. At present, more than RM27 million have been channelled towards the Group's Corporate Responsibility (CR) initiatives.

Kamaruzzaman also added that, JCorp Group is undoubtedly one of the largest employers in Malaysia with over 61,000 employees given the industries and network of its core businesses. He emphasised the importance of the Group's business sustainability and success so that JCorp can continue to contribute towards economic stability, given the job opportunities created by various companies within the Group.

*In the Plantation Business, Kulim (Malaysia) Berhad, as the plantation arm of JCorp, maintained its position as the largest contributor to the Group with a revenue of RM1.03 billion. Kulim is among the earliest plantations in the world to receive the RSPO (Roundtable on Sustainable Palm Oil) certification in 2008 and 2009 as a sustainable palm oil producer.*

The Food and Restaurant Services Business spearheaded by QSR Brands (M) Holdings Bhd has a network of restaurants throughout Asean, with a total of 1,268 Pizza Hut and KFC outlets in Singapore, Cambodia and Brunei. QSR also operates upstream and downstream interests that impact over hundreds of vendors across Malaysia.

KPJ Healthcare Berhad (KPJ), JCorp's specialist healthcare business performed impressively in FY2017, with more than RM3 billion in revenue for the second year running. KPJ has plans to expand its health services with a mission of setting up a hospital in every major district in Johor and ambulatory care centres near major cities in the country.

As a conglomerate, JCorp via its property investment arm can take advantage of its business scale and generate return for shareholders who invest in the property portfolio managed by Damansara Reit Managers Sdn Bhd.

As of 2017, Al-'Aqar Healthcare Reit (Al-'Aqar) owns 22 properties consisting of hospitals and healthcare facilities valued at RM1.46 billion. Meanwhile the Al-Salām Reit portfolio includes Komtar JBCC, Menara Komtar, KFC and Pizza Hut premises and non-F&B restaurants, with assets amounting to RM988.80 million.

After 45 years in operations, Johor Land Berhad (JLand), the backbone of JCorp's Property Division, created history by developing modern townships and providing quality, affordable homes, also with a target to deliver 8,000 'Rumah Mampu Milik Johor (RMMJ)' by 2025. Given the challenges facing the property market especially down south, JLand is focusing on segments that attract strong demand, namely

landed properties in choice locations.

JCorp's growth throughout the decades also depended upon its success in developing industrial areas over the 5 decades with vision, initiative and commitment that saw Johor become among the earliest states in Malaysia to transform its growth from agricultural to industrial-based economy. Via its Industrial Development Division (IDD), JCorp has successfully developed 31 industrial areas totalling 5,767.20 hectares and created 196,369 job opportunities. It has also attracted investments worth RM78.92 billion from 1,828 local and foreign investors

In terms of community programmes, a network of 22 Waqaf An-Nur Clinics were opened nationwide with specialists providing 1.10 million treatments to patients at the grassroots level at a cost of only RM5.

"The Mission to 'Build and Nurture' has always been our moral compass and aim throughout the group and over the years, the success of the Group's Corporate Social Responsibility division, whether through Waqaf An-Nur Corporation, Johor Foundation and Johor Corporation Cooperative, reflects the collaboration by all companies and parties within the Group to come together to ensure the success of our corporate social responsibility programmes," he said.

Apart from achieving success in its core businesses of plantation, specialist healthcare, food and restaurant services as well as in industrial development, JCorp is already taking steps to reposition itself within the 21st century economic value chain by pursuing an innovation agenda, Industry 4.0 involving the digital economy and robotics, focusing on an innovation ecosystem involving the restructuring of the organisation and new-wave wealth creation.

"I would like to extend my heartfelt gratitude to all the members of the Board of Directors, Chief Executives and Managing Directors for their stewardship in guiding the Group of Companies towards producing excellent results for FY2017.

"We would also like to thank members of the media for their staunch support, help and contribution to JCorp and its Group of companies, and look forward to even stronger partnership and continuous collaboration in the future," he said