KPJ healthcare
A JCORP Company

WE **HEAL**
WE **TEACH**
WE **DISCOVER**

INTEGRATED ANNUAL REPORT 2024

Care for Life

COVER RATIONALE

The cover of KPJ's Integrated Annual Report 2024 is a celebration of transformation, hope and shared purpose. It reflects a journey that began in 2023 – when KPJ started to implement initiatives to revitalise its business for exponential growth, deepened patient centricity and introduced a new DNA through the KPJ Health System, signalling not just change but the start of a movement to shape the future of healthcare.

The vivid butterfly wings, in bold shades of orange, teal and gold, symbolise growth, renewal and the delicate balance of life. Each intricate line and luminous edge reflects KPJ's commitment to precision, compassion and progress. Warm hues express the humanity at the heart of care, while cool tones evoke intelligence, calm and resilience.

Together, the wings mirror KPJ's evolving promise – to heal, to teach and to discover – where clinical, education and research come together as one. The bold declaration "We Heal. We Teach. We Discover.", paired with the tagline "Care for Life", reaffirms KPJ's belief that transformation is never solitary. Like the butterfly's journey, KPJ continues to evolve with strength and purpose, emerging more vibrant and ready to create lasting impact for generations to come.

What's Inside This Report

Scan this QR Code to download our Integrated Annual Report 2024

Icons used in this report

This icon tells you where to find information in this report.

This icon tells you to visit our website for more information.

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A New Identity with a Timeless Purpose

Our new brand identity, reflected in our logo, reflects our limitless potential and commitment to innovation, while remaining true to our enduring purpose of Care for Life.

The gold colour signifies our pursuit of excellence across all that we do.

The modern font symbolises stability, strength, security and reliability. It reflects a contemporary approach while carrying the spirit of *membina* – to build and uplift.

The square design inspires trust, reinforcing our dedication to delivering comprehensive, world-class care. It reflects our commitment to ensuring a seamless patient experience across all touchpoints.

Rounded edges bring warmth to the brand identity. The soft curves within "KPJ" evoke harmony and protection, symbolising unity, commitment, love, and community, and channelling the essence of *membela* – to defend and nurture.

Together, these elements represent a brand that is both modern and human, combining progress with compassion. Through this refreshed identity, we reaffirm our enduring promise to "Care for Life" – today and into the future.

With the introduction of the KPJ Health System, we are strengthening our capabilities, elevating the standard of patient care and paving the way for exponential growth and broader impact across the healthcare landscape.

KPJhealthcare

A JCORP Company

Care for Life

Section 1

LEADERSHIP REFLECTION

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About This Report

KPJ Healthcare Berhad, together with its group of companies and subsidiaries ("KPJ"), is pleased to present the Integrated Annual Report 2024, marking the seventh edition of our commitment to transparent and comprehensive corporate reporting. This report provides an in-depth overview of our strategies, operations and achievements, reflecting our continued dedication to delivering long-term value to our stakeholders.

At KPJ, we remain steadfast in our vision of being the preferred healthcare partner; delivering exceptional, patient-centric care that prioritises quality, safety and innovation. Guided by our 'Care for Life' purpose, we are dedicated to supporting patients throughout their healthcare journey, ensuring outstanding patient experiences and fostering long-term trust and loyalty. Through the strategic deployment of resources and targeted initiatives, we are building a sustainable, resilient business model that generates lasting positive impacts for all stakeholders.

REPORTING SCOPE AND BOUNDARY

This Integrated Annual Report 2024 provides a comprehensive overview of KPJ's financial and non-financial performance for the reporting period from 1 January to 31 December 2024. We uphold our commitment to transparency and accountability, ensuring that stakeholders are informed about our strategic advancements, risk management approach and value creation methodologies.

The report encompasses all operational activities of the Group and its subsidiaries, with a primary focus on our Malaysian operations, which account for approximately 98% of the Group's revenue. Given this significant contribution, the findings and analyses presented in this report predominantly reflect the performance, impact and sustainability efforts of our Malaysia-based operations.

REPORTING FRAMEWORKS

This Integrated Annual Report 2024 aligns with the Value Reporting Foundation's Integrated Reporting ("<IR>") Framework, formerly the International Integrated Reporting Council ("IIRC"). The <IR> Framework provides a principle-based, multi-capital approach, supporting the global adoption of integrated reporting to enhance transparency, value creation and accountability. Additionally, this Report complies with key regulatory and governance frameworks, including the revised Malaysian Code on Corporate Governance ("MCCG") introduced in April 2021, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act, 2016 ("CA"), as well as the IFRS Accounting Standard ("IFRS") and MFRS Accounting Standard ("MFRS").

Our sustainability disclosures adhere to the Global Reporting Initiative ("GRI") Standards, ensuring compliance with Bursa Securities's Sustainability Reporting Guide (3rd Edition). This alignment enables us to meet Bursa Securities's sustainability requirements within the MMLR and the FTSE4Good Bursa Malaysia Index criteria, reinforcing our commitment to responsible corporate sustainability practices. Furthermore, 2024 marks our second year of reporting on healthcare quality under the Sustainability Accounting Standards Board ("SASB") standards, specifically tailored to the healthcare sector. These disclosures provide deeper insights into service quality, patient satisfaction and operational performance, key factors that influence both financial and non-financial value creation.

FORWARD LOOKING STATEMENTS

This Integrated Annual Report 2024 contains forward-looking statements regarding KPJ's business operations, strategies and growth outlook. These statements may include terms such as "might," "forecast," "anticipate," "project," "may," "believe," "predict," "expect," "continue," "will," "estimate," and "target," among others. Additionally, this Report may outline future strategic directions and expansion opportunities for the Group.

These projections are based on current expectations, market conditions and business assumptions; however, they should not be interpreted as guarantees of operational performance or financial outcomes. Given the dynamic nature of the business environment, uncertainties and risks may influence actual results, leading to potential variations from these forward-looking statements.

NAVIGATION ICONS

Our Value Creation initiatives are structured around our Six Capitals and Five Strategic Pillars, which are represented by dedicated icons used consistently throughout this Integrated Annual Report 2024 to provide clear visual navigation of our strategic priorities and sustainability efforts.

Our Six Capitals

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

Five Strategic Pillars

- Patients
- Physicians
- People
- Planet
- Partners

OUR REPORTING SUITE

KPJ Healthcare Berhad's Integrated Annual Report 2024, for the financial year ended 31 December 2024, is complemented by our independent Sustainability Report 2024, providing a comprehensive view of our financial performance, strategy and sustainability commitments.

For more information on our reporting suite, visit https://www.kpjhealth.com.my

INTEGRATED ANNUAL REPORT 2024
Reporting Frameworks
• Main Market Listing Requirements ("MMLR") • Value Reporting Foundation's Framework • Malaysian Code on Corporate Governance • Companies Act 2016 ("CA 2016") • Malaysian Financial Reporting Standards ("MFRS")

SUSTAINABILITY REPORT 2024
Reporting Frameworks
• Main Market Listing Requirements ("MMLR") • GRI Universal Standards • Bursa Malaysia Sustainability Reporting Guide and Toolkits (3rd Edition) • SASB Standards

Message from the Chairman

Enhancing Patient Care, Delivering Innovative Healthcare Solutions.

Dear Valued Stakeholders,

The healthcare sector continues to undergo significant transformation, shaped by rising medical costs, workforce challenges, technological advancement and increasing demand for patient-centred care. KPJ has turned these challenges into opportunities – strengthening financial resilience, enhancing operational efficiencies and adapting to emerging industry trends.

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar | *Chairman of KPJ Healthcare Berhad*

KPJ is advancing towards a future of innovation, patient-centric care and sustainable growth. Guided by strong governance and a commitment to excellence, we continue to enhance service delivery, invest in our people and expand our digital capabilities. Our focus on sustainability and cutting-edge healthcare solutions ensures that we remain resilient and forward-thinking. As we navigate industry changes, KPJ remains dedicated to shaping Malaysia's healthcare landscape, driving impactful change and delivering long-term value to our stakeholders.

When I assumed the role of Chairman in April 2024, KPJ had already begun laying the foundation for its transformation journey – driven by the ambition to become an exponential organisation with bold, moonshot goals. Building on this momentum, we have reinforced our position as a leading healthcare provider, advancing medical excellence, integrating digital healthcare solutions and driving sustainable growth.

A significant milestone in this journey was the introduction of our new brand identity in August 2024, signalling our commitment to innovation and progress. This was followed by the launch of the KPJ Health System in October 2024, a defining moment that underscores our strategic direction. This year's Integrated Annual Report theme, "We Heal, We Teach, We Discover," embodies our mission to elevate patient care, lead in medical education and pioneer research-driven healthcare innovation – establishing a new DNA for KPJ.

The KPJ Health System will strengthen our network of Centres of Excellence ("COEs"), setting new standards in clinical expertise and enhancing patient outcomes. As part of this vision, we are expanding our services, investing in our talents to become a High-Performance Organisation and accelerating our environmental, social and governance ("ESG") commitments.

DELIVERING EXCELLENCE IN PATIENT CARE

At KPJ, patient well-being is central to our mission, guiding our transformation towards specialised excellence in alignment with our "Care for Life" purpose. In 2024, we expanded our services and introduced AI-driven digital solutions to enhance accessibility, improve clinical outcomes and elevate the overall patient experience.

Key advancements include the integration of AI-driven monitoring systems to optimise clinical workflows, robotic programmes and the launch of the KPJ Cares App, which provides seamless access to medical records, appointment scheduling and real-time queue tracking.

These innovations demonstrate our commitment to enhancing the patient journey and setting new standards in healthcare excellence. With a strong pipeline of advancements on the horizon, I am confident that these upcoming developments will further elevate patient care and deliver meaningful, lasting benefits.

INVESTING IN OUR PEOPLE

The strength of KPJ lies in its people. Our dedicated medical professionals are instrumental in driving the organisation forward and we remain committed to fostering a high-performance workforce through structured leadership development, skills enhancement and strategic partnerships.

Message from the Chairman

KPJ Rebranding: (From left) Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar, Chairman of KPJ Healthcare Berhad, Datuk Seri Norazman Ayob, Deputy Secretary General (Finance) of Ministry of Health, Datuk Syed Mohamed Syed Ibrahim, President and Chief Executive of Johor Corporation ("JCorp") and Chairman of KPJ Healthcare University ("KPJU") and Mr. Chin Keat Chyuan, President and Managing Director of KPJ Healthcare Berhad unveiling the new logo at Menara KPJ on 6 August 2024.

SUSTAINABILITY AND COMMITMENT TO A HEALTHIER FUTURE

Sustainability remains an integral part of KPJ's long-term strategy. We are steadfast in our efforts to embed sustainable practices into our operations, ensuring our growth benefits not only our business but also society and the environment.

Our Green Healthcare initiatives focus on developing energy-efficient hospitals, optimising waste management and adopting sustainability-driven operational practices. Through these efforts, we aim to reduce our carbon footprint while enhancing resource efficiency.

In pursuit of our long-term environmental goals, we have committed to achieving Net Zero Emissions by 2050, a target that involves reducing carbon emissions, transitioning to renewable energy sources and implementing eco-conscious hospital designs.

Governance remains a cornerstone of our corporate philosophy. We have reinforced our ethical governance framework, ensuring transparency and accountability at all levels of the organisation. Notably, almost all of our new employees have completed integrity training, reinforcing our commitment to upholding the highest standards of ethical conduct.

Beyond our business operations, we are deeply committed to social impact initiatives. Through targeted outreach programmes and strategic partnerships, many implemented at the hospital level, we had made high-quality healthcare more inclusive and equitable.

A STRONGER FUTURE

With Malaysia's GDP projected to grow between 4.5% and 5.5% in 2025, we remain confident in the healthcare sector's long-term potential. Despite industry challenges, KPJ is well-equipped to lead meaningful change, ensuring sustainable growth and delivering superior healthcare services in the years ahead. I believe that KPJ is at the forefront of leveraging digital innovation, clinical excellence and sustainable business practices to drive progress.

Our strategic priorities for 2025 include expanding specialty healthcare services, strengthening and accelerating the adoption of more AI-driven solutions to enhance efficiency and strengthening governance and sustainability frameworks in line with global best practices. We remain committed to investing in medical infrastructure, digital healthcare and innovative patient solutions to elevate our service delivery.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I extend my sincere appreciation to our leadership team, employees and partners for their strong dedication and contributions to our collective success. I would also like to express my gratitude to our patients, shareholders and stakeholders for their continued trust in KPJ.

As we look to the future, with KPJ Health System being the driver, we remain steadfast in our commitment to healthcare excellence, innovation and sustainable growth – shaping the healthcare landscape and making a lasting impact on the communities we serve.

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar
Chairman, KPJ Healthcare Berhad

Message from the President & Managing Director

Healing, Teaching and Discovering – With Purpose, Precision and Progress

Dear Valued Stakeholders,

Malaysia's healthcare sector continues to face persistent challenges – rising costs, demographic shifts and workforce shortages have tested the resilience of many. Yet, these pressures have spurred meaningful reform. Digital health has moved from concept to reality, artificial intelligence is reshaping care delivery and the industry is steadily shifting towards value-based, sustainable and integrated care.

In 2024, KPJ responded with strategic clarity and renewed purpose. Guided by our enduring commitment to Care for Life, we embedded this purpose across the organisation – from clinical excellence and patient experience to education, research and stakeholder engagement.

Mr. Chin Keat Chyuan | *President & Managing Director of KPJ Healthcare Berhad*

OVERALL PERFORMANCE

In 2024, KPJ recorded a 34% year-on-year increase in profit after tax and minority interests ("PATAMI") to RM353.8 million, with fourth-quarter earnings growing by 64% to RM120.5 million. Revenue rose 15% to RM3.9 billion, driven by increased patient volumes and expanded bed capacity.

Our improved financial performance reflects deliberate cost optimisation across the Group. By centralising procurement and leveraging our scale, we achieved savings of up to 70% through open tenders for equipment, consumables and pharmaceuticals. Long-term price agreements with key vendors further locked in cost stability.

Operationally, efficiency gains and patient-centric redesigns translated into measurable results. Inpatient admissions grew by 7% and surgical procedures by 5%. We commissioned 204 new beds and recruited over 200 consultants to meet demand. Of the 3.39 million total patient visits, 12% were new – evidence of our expanding reach – while 88% were returning patients, underscoring sustained trust in KPJ's care.

KPJ HEALTH SYSTEM – OUR NEW DNA

A defining milestone in 2024 was the formal launch of the KPJ Health System ("KPJHS") in late October 2024, a unified framework that brings together our clinical, education and research capabilities into an integrated learning healthcare model. This system is designed to evolve with the needs of modern healthcare – from precision medicine and high-acuity treatment to lifelong learning and translational research.

Revenue

RM3.9 billion

(RM3.4 billion in 2023)

+15%

Total Patient Visits

3.39 million

+12%

PATAMI

RM353.8 million

(RM263.4 million in 2023)

+34%

Through KPJHS, we are able to offer cutting-edge treatments, develop Centres of Excellence and enhance patient outcomes by aligning clinical delivery with education and research. Development is underway in core disciplines including cardiology, oncology, orthopaedics, neurology and advanced surgery. These Centres will be more than just a name – they will be supported by multidisciplinary expertise and advanced technology to deliver care that meets global standards.

With this integration, our services will become increasingly personalised, outcomes-focused and globally competitive. KPJHS also positions us to attract and retain top talent, while strengthening our reputation as a leading and trusted healthcare provider.

ELEVATING OUR BRAND PRESENCE

In August 2024, we introduced our refreshed brand identity – a strategic move to strengthen KPJ's recognition and position in a competitive landscape. It is not enough to deliver care; patients must think of KPJ first when they need it. This rebranding, along with our strategic pillars –

Patients **People** **Partners** **Physicians** **Planet**

reflects our long-term value creation model and sets the tone for our future growth.

Mr. Chin Keat Chyuan engaging with doctors, underscoring the importance of open dialogue and transparency across all levels. Such engagement fosters mutual understanding and reinforces KPJ's commitment to delivering exceptional patient care.

Message from the President & Managing Director

PATIENTS at the Centre

With patients at the centre of our transformation, we accelerated the adoption of AI and digital enhancements across the Group. This includes the KPJ Cares app, AI-powered appointment systems and our Fall Monitoring System, which alerts nursing staff in real time to prevent incidents before they occur. AI is also being deployed to optimise workflows, allocate resources more effectively and reduce waiting times – contributing to both improved outcomes and greater cost efficiency.

To elevate service standards, our Customer Experience teams from selected hospitals underwent training with globally recognised providers, such as St. Regis Kuala Lumpur and Marriott International.

Beyond Malaysia, we delivered a seamless and personalised healthcare experience for international patients. We expanded our presence in Indonesia with the opening of five representative offices in Batam, Aceh, Pontianak, Pekanbaru and Bengkalis to better support health travellers.

Engagements in other countries, including the Middle East and Bangladesh, coupled with multilingual concierge services and fast-tracked digital admission platforms, have reinforced KPJ's position as a preferred regional destination for high-quality care.

Strengthening Our PHYSICIANS

I completed a personal commitment to visit every KPJ hospital, with some visited twice in 2024. These visits provided direct engagement with our consultants and valuable insight into their needs. Personal letters were also sent to reinforce this dialogue and trust. Their feedback directly shaped several surgical innovations introduced during the year.

Among the highlights were KPJ's first Da Vinci robotic-assisted surgery, robotic Mako Total Knee Replacement ("TKR") at Damansara Specialist Hospital 2 ("DSH2") and robotic-assisted TKR using ROSA in KPJ Kuching and KPJ Ipoh. Minimally invasive Coronary Artery Bypass Grafting ("CABG") was also introduced at DSH2, the first and only for private hospital in Malaysia. These advances reflect our commitment to aligning with global best practices.

Future-Proofing Our PEOPLE

We expanded our pipeline of healthcare professionals by increasing scholarships across nursing, pharmacy and allied health, while partnering with institutions to strengthen clinical and leadership capabilities. Internally, our C.A.R.E. Culture – Committed, Accountable, Respectful and Excellent shared values was launched and it is the behavioural foundation for how we operate and serve.

We also modernised our people strategy with the launch of Workday, enabling better recruitment, engagement and performance analytics. Programmes in mentorship, continuous education and leadership development continue to shape a future-ready and values-driven workforce.

PARTNERS in Purpose and Progress

During the year under review, KPJ also strengthened our profile through strategic collaborations. Under our partnership with Ministry of Health, we organised The Malaysia International Healthcare Megatrends 2024 conference which brought together over 5,000 participants and 50 speakers, reaffirming our role as a thought leader.

Our collaborations with Mayo Clinic – with two of our hospitals a Mayo Clinic Care Network member – and other reputable institutions continue to anchor our innovation agenda.

In Indonesia, we hosted the first private Malaysian healthcare symposium with Ikatan Dokter Indonesia. We are also collaborating with embassies, travel platforms and global facilitators to make access to KPJ's services easier – ensuring patients receive timely, coordinated care regardless of where they begin their health journey.

My appointment to the Malaysia–United Arab Emirates Business Council, alongside my role as Vice President of the Association of Private Hospitals Malaysia ("APHM"), has also positioned KPJ to contribute meaningfully to national and regional healthcare discourse.

Caring for the PLANET

Sustainability is embedded within our operating model. Progress on our decarbonisation roadmap includes the adoption of solar power, energy-efficient cooling systems and green procurement practices. Community health initiatives such as mobile outreach programmes and free health screenings continue to extend our positive impact across Malaysian communities.

KPJ adopts a structured approach to waste management across its hospital network, prioritising environmental safety, regulatory compliance and operational efficiency. In partnership with certified providers such as Cenviro and in alignment with Department of Environment ("DOE") guidelines, we have strengthened clinical waste segregation and disposal standards. In 2024, KPJ diverted over 647 tonnes of waste from disposal, reflecting enhanced circularity in our operations. We continue to expand sustainable practices at the hospital level, including recycling, upcycling and rainwater harvesting, as part of our broader Green Healthcare agenda under the KPJHS.

LOOKING AHEAD

Our growth in 2025 and beyond will be shaped by insight, powered by data and guided by purpose. With predictive analytics and AI increasingly embedded across our ecosystem, we aim to improve outcomes, expand access and deliver care with precision and empathy.

KPJ is well-positioned to broaden its service offerings, enhance patient outcomes and lead in the delivery of sustainable healthcare. Our expansion strategy includes increasing hospital capacity, upgrading medical technology and strengthening specialist capabilities to meet rising demand for advanced care.

Integration with the KPJHS will be central to this journey. Our Centres of Excellence will serve as a key differentiator, offering patients access to specialised expertise supported by state-of-the-art infrastructure. We plan to invest in AI-powered diagnostics, robotic-assisted procedures and precision medicine to elevate both clinical outcomes and operational efficiency.

We are also re-evaluating our hospital segmentation and patient experience strategies to better reflect patient expectations and service excellence.

Looking ahead, we will deepen collaboration with government agencies, industry leaders and global institutions to co-create solutions that are clinically excellent, financially sustainable and environmentally responsible.

KPJ is a family of dedicated individuals, united by a common purpose. Together, individuals from various departments and backgrounds collaborate to provide exceptional care, uphold the organisation's values and make a lasting impact on the health and well-being of the communities served.

A HEARTFELT THANK YOU

I extend my deepest gratitude to our Board of Directors for their continued guidance and leadership, which drive KPJ's success. To our business partners, vendors and key stakeholders, your collaboration and trust are invaluable in advancing our mission of providing exceptional healthcare services.

A heartfelt thank you goes to our patients and communities for their continued confidence in us.

Finally, to #TeamKPJ – our doctors, nurses, medical staff and support personnel – your dedication, resilience and commitment to excellence are the foundation of our achievements.

Let us continue to Heal, Teach and Discover – transforming lives, shaping the future and delivering healthcare excellence for generations to come.

Chin Keat Chyuan
President & Managing Director, KPJ Healthcare Berhad

Care For Life Stories

Healing Close to Home: A Journey of Trust and Recovery at DSH2

At 58, Johannes had initially planned to undergo cardiac surgery overseas. However, after learning about the services at Damansara Specialist Hospital 2 ("DSH2"), he opted to seek treatment closer to home.

A medical evaluation revealed severe blockages in two major arteries, accounting for the breathlessness and fatigue he had been experiencing. Under the care of Consultant Cardiothoracic Surgeon Prof Shahrul Amry Hashim, a minimally invasive cardiac procedure was recommended, an approach aimed at reducing recovery time and surgical impact.

Post-surgery, Johannes commenced rehabilitation promptly, supported by a multidisciplinary team. Within days, he regained mobility with assistance and showed improvements in breathing and endurance, signalling positive recovery milestones.

His experience highlights the value of accessible, well-coordinated care and reflects KPJ's broader commitment to delivering patient-focused services across its network.

Section 2

OUR STORY & PURPOSE

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Our Guiding Philosophy

VISION

The Preferred Healthcare Partner
Since 1981, we have remained committed to delivering excellent clinical outcomes and upholding the highest standards of quality and safety, driven by our experienced specialists and dedicated team. We are proud to be the trusted healthcare partner at every step of our patients' journey.

PURPOSE

At the heart of our mission, '**Care for Life**' is a commitment to enhancing patient well-being with compassionate and exceptional care. We aim to build lasting trust with our patients and the community by prioritising overall wellness and a healthier future, extending our focus beyond the treatment of illness.

SHARED VALUES

COMMITTED
Dedicated to achieve our shared goals and vision.

ACCOUNTABLE
Ownership & integrity in actions.

RESPECTFUL
Valuing diversity and dignity with courtesy.

EXCELLENT
Delivering exceptional quality and performance.

The KPJ Health System Visioning Workshop was held at Ampang Puteri Specialist Hospital on 27 November 2024, attended by YBhg Datuk Syed Mohamed Syed Ibrahim, President and Chief Executive of JCorp and Chairman of KPJU, together with the Board and Senior Management of KPJ and KPJU. Demonstrating a strong spirit of collaboration, all stakeholders came together to focus on integrating clinical and academic pillars – education and research – to create value and build both tangible and intangible assets, driving short-term gains and long-term growth. The workshop marked a significant milestone in KPJ's journey towards redefining and revolutionising healthcare delivery.

Our Business at a Glance

OUR PRESENCE

19 Hospitals

Accredited by Malaysian Society for Quality in Health ("MSQH")

4 Hospitals

Accredited by Joint Commission International ("JCI")

Malaysia

- 29 Hospitals
- 3 Ambulatory Care Centres ("ACC")
- 3 Education
- 9 KWAN Mobile Clinics
- 11 Klinik Waqaf An-Nur ("KWAN")

Bangladesh

- 1 Hospitals
- 1 Education

Thailand

- 1 Hospitals

Australia*

- 1 Senior and Assisted Living Care

* *As part of KPJ's strategic transformation, we completed the divestments of our international aged care business. We believe this strategic move will further strengthen our core services on home turf where we have built a legacy of trust and excellence for over 40 years, enabling us to continuously deliver sustainable value to our stakeholders.*

AS AT 31 DECEMBER 2024

Financial Capital

Recorded a Net Profit from continuing operations

RM364.8 million

+21% increase from RM302.6 million in 2023.

Dividend Payout Per Share

4.15 sen

compared to 2023 with 3.35 sen per share

Employees

17,315

Medical Consultants

1,647

Total Operating Ward Beds

3,847

Total Bed Occupancy Rate

69%

Total Outpatients

3,002,621

Total Inpatients

388,101

Total Number of Underserved Patients Treated at KWAN Clinics

61,490

Employee Compensation & Benefit Costs

RM1.17 billion

Our Business at a Glance

KPJ'S CORE DIVISIONS

As a homegrown healthcare leader with over 40 years of expertise and a network of 29 hospitals, KPJ is well-positioned to redefine healthcare delivery in Malaysia, enhancing patient-centric care, medical innovation and service excellence.

We are dedicated to providing comprehensive, end-to-end healthcare services, seamlessly integrating diagnostics, pharmaceutical support, health tourism, non-hospital operations and healthcare education under one roof. Through cutting-edge technology and continuous innovation, we strive to meet the evolving needs of our patients with compassion, excellence and precision.

At the heart of our mission lies a strong commitment to patient well-being, ensuring that every individual receives the highest standard of care at every stage of their health journey. Guided by our enduring purpose – 'Care for Life' – we remain devoted to making a meaningful difference in the lives of those we serve.

Hospital Operations

A core division in providing operational strategic directions and monitoring hospital performances through:

- Operational excellence
- Expansion of hospitals and their products & services
- Enhancement of delivery of care to patients
- Adherence and compliance to regulatory requirements
- Monitor clinical & patient safety
- Foster a positive work environment in hospitals

Allied and Retail Health Operations

Our Allied and Retail Health Operations play an integral role in providing access to affordable medical care and supporting the delivery of our hospital services through centralised functions:

- Specialist Clinics
- Day Surgeries and Procedures
- Rehabilitation
- Haemodialysis
- Centre for Sight (ophthalmology)
- Pharmaceutical distribution and retail pharmacies
- Laboratory services
- Sterilisation services
- Healthcare engineering & advisory
- Inpatient Meal Provider

Education Services

The Group's platforms offer education programmes:

- The KPJ Healthcare University ("KPJU") in Nilai, Negeri Sembilan provides a wide range of medical and healthcare programmes in addition to the colleges in Johor and Penang.
- The Sheikh Fazilatunnessa Mujib KPJ Nursing College ("SFMKNC") in Bangladesh provides basic and post-basic nursing programmes for students in that nation.

Achievements in 2024

- SEEK People & Purpose Awards – Platinum for the Top Voted Employer in the Healthcare & Pharmaceutical Industry

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

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

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

- The Asset Triple A Awards 2024 for Best Sustainability Sukuk (Healthcare)
  - Best in Sustainable Finance
  - Best Deals by Country

- MY AMCHAM CARES – Excellence in Corporate Social Responsibility

- Quality Certification Scheme by SIRIM Berhad
  - The Independent Assurance Statement for the Sustainability Report 2023
  - ISO/IEC 27001 Certification for the Information Security Management System ("ISMS")

- HR Asia Best Companies to Work for in Asia 2024

- The Graduates' Choice Awards – Champion for Healthcare (Hospitals) category

His Majesty Officiates MIH Megatrends 2024, the Nation's Premier Healthcare Event.

His Majesty Sultan Ibrahim, King of Malaysia, officially launched the Malaysia International Healthcare ("MIH") Megatrends 2024 on 26 October 2024 at the Kuala Lumpur Convention Centre. Organised by the Ministry of Health Malaysia, the forum was held in collaboration with KPJ Healthcare and in strategic partnership with the Malaysian Communications and Multimedia Commission ("MCMC").

As the nation's premier healthcare platform, MIH Megatrends 2024 brought together over 5,000 participants from across the healthcare, government, academic and industry sectors. Over three days, MIH featured expert-led panels, technology showcases and public health engagements, with discussions centred on digital transformation, artificial intelligence and integrated care delivery.

MIH was also supported by its digital platform – MIH Live+ which extended the conference reach to over 2 million online viewers. This broadened engagement reflects growing recognition of Malaysia's efforts to drive healthcare innovation through cross-sector collaboration and knowledge exchange.

As strategic partner, KPJ played a defining role in shaping the success of the initiative. This included leading programme design, coordinating industry participation and delivering key aspects of on-ground implementation. KPJ also supported multi-stakeholder engagement, ensuring alignment with the Ministry's priorities and national healthcare objectives.

KPJ Health System

"

The KPJ Health System is our response to the challenges facing healthcare today. We are showcasing the power of purposeful collaboration in reimagining our healthcare system.

By embedding education and research into our hospitals, we are creating centres of learning and discovery, where practice and innovation go hand in hand. This vision is not born from incremental improvements – it is born from necessity and innovation.

Through the KPJ Health System, we will turn our hospitals into centres of discovery, where each treatment is an opportunity for innovation, each patient interaction is a moment to learn and each medical breakthrough benefits future generations.

Together, we will build a healthcare system that will be a beacon of excellence for generations to come – a system that doesn't just respond to illness but enhances health, empowers professionals and fosters discovery.

"

Excerpt from Datuk Syed Mohamed's speech at the KPJ Health System launch, held during the MIH Megatrends 2024 conference on 26 October 2024.

DEFINITION

An integrated system combining clinical care, education and research to improve patient outcomes, advance medical knowledge and shape the future of healthcare.

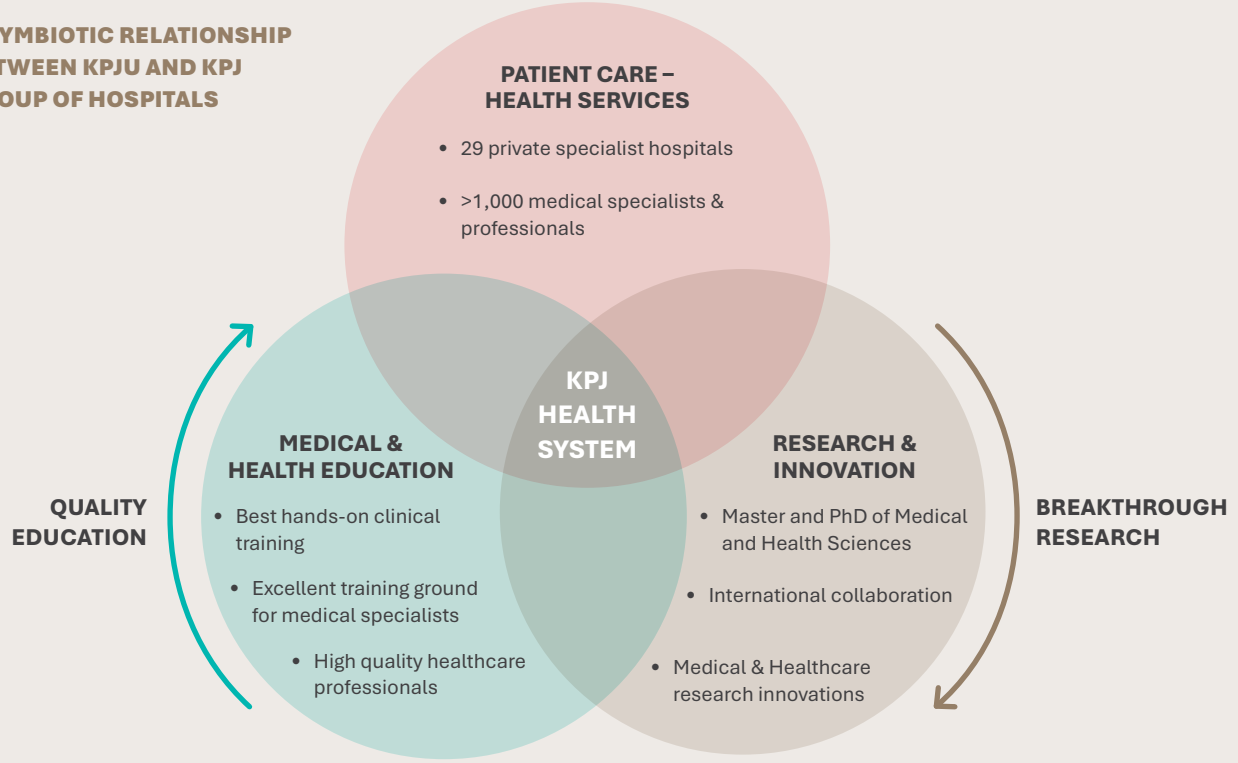
PILLARS

Clinical
Offering advanced, personalised treatments

Education
Training the next generation of healthcare professionals

Research
Innovating with cutting-edge medical research

A SYMBIOTIC RELATIONSHIP BETWEEN KPJU AND KPJ GROUP OF HOSPITALS



YB Datuk Seri Dr. Dzulkefly Ahmad, Minister of Health Malaysia; Datuk Syed Mohamed Syed Ibrahim, President and Chief Executive of JCorp and KPJU Chairman; and Tan Sri Dr. Ismail Bakar, Chairman of KPJ Healthcare, at the launch of KPJ Health System during MIH 2025.

Our Value Creation

OUR SIX CAPITALS

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

5 KEY PILLARS OF KPJ'S CORPORATE STRATEGY

Patients
Delivery of value-based and personalised services by experts

People
Fostering a supportive environment for talent and performance excellence

Partners
Seeking collaborative opportunities to drive healthcare advancements

Physicians
Providing a dynamic environment that integrates medical education and research for optimal outcomes

Planet
Integrating eco-friendly and ethical business practices and sustainable solutions in its operations

Our Output and Activities

- Hospital Operations Review
- Allied and Retail Health Operations
- Education & Talent Development

Managing Risk and Opportunities

- People: Ensuring Availability of Key Medical Professionals and Consultants
- Business Continuity: Readiness to Respond to Major Internal or External Incidents
- Clinical Care
- Cybersecurity
- Compliance with Regulatory & Accreditation Requirements
- Environmental, Social and Governance ("ESG")
- Financial: Insurance Management

Our Material Matters Refined to Four Themes

- **E** — **Environment**
  Protecting Our Environment
- **PC** — **Social**
  Uplifting Our Patients and Communities
- **P** — **Social**
  Fostering Our People
- **G** — **Governance**
  Upholding Good Governance

Our Key Stakeholders

- Patients
- Business Partners
- Employees
- Accreditation Bodies and Industry Association
- Consultants
- Suppliers and Vendors
- Investors and Shareholders
- Local Communities
- Government and Regulators

OUR VALUES AND OUTCOMES

Continuous Growth in Healthcare Industry
We continue to reinforce our position as Malaysia's preferred healthcare service provider by delivering sustainable and high quality care, which translates to profitability and socially-beneficial outcomes, guided by effective risk management strategies

Excellent Customer Service
Understanding that customers need increasingly positive Return on Experience ("ROE"), KPJ has structured frameworks and set systems in place that generate consistently high customer service, measured through industry-accepted benchmarks

Deliver the Best Possible Clinical Outcomes
Adhering to a strong Clinical Governance Framework, KPJ puts patient safety as our top priority. We meet both internationally and locally recognised benchmarks, including certification and accreditation standards

Leverage Technology and Innovation for Quality Care
By equipping our network of hospitals with the latest medical facilities and equipment, as well as investing in healthcare innovation and technology, we are ensuring quality patient care

Ensure Upgrading of Employees' Skills and Knowledge
We are continuously upskilling our employees to ensure sustainable development of medical and non-medical professional talents and to enhance our Group's knowledge and expertise in healthcare services

Take Environment Protection Seriously
Environmental and social responsibility are key to our business culture. KPJ implements scalable measures to minimise the impact of our carbon footprint on the environment

Our Sustainability Mindset

As a leading healthcare provider, KPJ's commitment to sustainability is deeply rooted in our mission to advance both human and planetary health. Guided by our Green Healthcare ethos, where responsibility, integrity, and innovation intersect, we recognise that delivering exceptional healthcare goes hand-in-hand with protecting the environment, upholding strong governance practices, and uplifting the communities we serve. Environment, Social and Governance ("ESG") principles are integrated across operations, ensuring sustainability extends beyond compliance to drive long-term impact. This commitment is reflected in the adoption of sustainable healthcare practices, environmental stewardship and strong governance.

Our Sustainability Framework, which serves as the foundation for all sustainability efforts, is underpinned by five pillars of KPJ's Corporate Strategy, namely Patients, People, Partners, Physicians and Planet. Complementing this, the four key focus areas provide a structured approach to taking decisive, data driven actions that address critical issues, align with strategic priorities and capitalise on emerging industry opportunities.

Aligned with global sustainability benchmarks and stakeholder expectations, the framework supports responsible business practices and continuous improvement. Through this structured approach, KPJ continues to drive meaningful change, foster innovation and build a more resilient, sustainable healthcare ecosystem for future generations.

For more information on our sustainability strategy, please refer to pages 16 to 20 of the Sustainability Report 2024.

KEY SUSTAINABILITY THEMES

Key Focus Areas	Our Material Matters	Application of Green Healthcare	OUR PRIORITISED UNSDGs

- Renewable Energy
- Energy Efficiency
- Waste Management
- Water Conservation

- Patient Care
- Diversity and Inclusion
- Employee Well-being/ Health and Safety
- Community Engagement

- Risk Management
- Transparency
- Anti Bribery and Zero Corruption
- Sustainable Procurement

1. Climate Change Resilience
2. Resource and Waste Management
3. Diversity, Inclusion and Human Rights
4. Service Quality and Safety
5. Employee Engagement and Development
6. Community Outreach
7. Governance, Ethics and Integrity
8. Technology, Innovation and Collaboration
9. Data Privacy and Security
10. Supply Chain Management

- Green Building Certification
- Energy Efficiency
- Integrating EV charging solutions
- Transitioning to Renewable Energy
- Inclusive Policies
- Occupational Health and Safety Policies
- Labour Rights Policies
- Improving Access to Healthcare
- Outreach programmes
- Scholarships
- Continuous Leadership Commitment
- ESG benchmarks in Group Performance
- Enhanced Centralised Systems (eg. e-Procurement)
- ESG Criteria in Supplier Registration

ENVIRONMENTAL

SOCIAL

GOVERNANCE

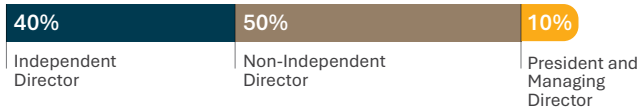
Board of Directors

as at 2 April 2025

Our Visionary Board

BOARD AT A GLANCE

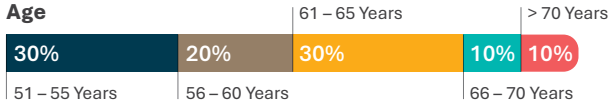
Board Composition



DIVERSITY

Gender

Age



Tenure

From left to right:

1 **Prof. Emeritus Dato' Dr. Azizi bin Haji Omar**
Non-Independent Non-Executive Director

2 **Shamsul Anuar bin Abdul Majid**
Non-Independent Non-Executive Director

3 **Annie binti Rosle**
Non-Independent Non-Executive Director

4 **Khairuddin bin Jaflus**
Independent Non-Executive Director

5 **Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar**
Non-Independent Non-Executive Chairman

6 **Dato' Mohd Redza Shah bin Abdul Wahid**
Senior Independent Non-Executive Director

7 **Hisham bin Zainal Mokhtar**
Independent Non-Executive Director

8 **Lee Lai Fan**
Independent Non-Executive Director

9 **Rozaini bin Mohd Sani**
Non-Independent Non-Executive Director

10 **Chin Keat Chyuan**
President and Managing Director

4
5
6
7
8
9
10

Board of Directors
as at 2 April 2025

TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR

Non-Independent Non-Executive Chairman

65 years old | Male | Malaysian

Date of Appointment:
2 April 2024

Board Committee Membership
N/A

Board Meeting Attendance In 2024
9/9

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):
- Executive Leadership Program, INSEAD, Fontainebleau, France
- Doctor of Philosophy ("PhD") in Politics, University of Hull, United Kingdom
- Master of Business Administration in Business Administration (Project Based), University of Hull, United Kingdom
- Bachelor of Economics (Hons) in Applied Economics, Universiti Malaya, Malaysia
- Diploma in Public Management, National Institute of Public Administration ("INTAN"), Malaysia

PRESENT DIRECTORSHIP(S):
Listed Entity:
Bank Islam Malaysia Berhad
- Independent Non-Executive Chairman

Johor Plantations Group Berhad
- Non-Independent Non-Executive Chairman

Other Public Companies:
Nil

PRESENT APPOINTMENT(S):
Johor Corporation
- Deputy Chairman

Enforcement Agency Integrity Commission
- Chairman

Universiti Pendidikan Sultan Idris ("UPSI")
- Pro Chancellor

Grand Sahara (Penang) Sdn Bhd
- Director

TSI Security Services Sdn Bhd
- Director

Anjung Cahaya Automobil Sdn Bhd
- Director

Great Food Sdn Bhd
- Director

Telus Prospek Sdn Bhd
- Director

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
MIMOS Technology Solutions Sdn Bhd
- Chairman

Tekun Corporation Sdn Bhd
- Chairman

Kulim (Malaysia) Berhad
- Chairman

Malaysia Airport Holdings Berhad
- Director

Bintulu Port Holdings Berhad
- Chairman

Institut Integriti Malaysia
- Chairman

Malaysia Rail Link Sdn Bhd
- Chairman

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S) (CONT'D):
Kumpulan Wang Persaraan
- Chairman

Razak School of Government
- Director

Bank Negara Malaysia
- Director

Government of Malaysia
- Chief Secretary

Ministry of Finance
- Secretary General
- Director, National Budget, National Budget Office, Treasury
- Director, Strategic Unit, Treasury
- Head of Section (Planning, Research and Policy), Government Procurement
- Principal Assistant Secretary, Economic and International Division (Public Finance Section)
- Assistant Secretary, Economic and International Division (Capital Market, Money Market and Banking Section)

Ministry of Agriculture & Agro-Based Industry
- Secretary General

Ministry of Transport
- Secretary General

Ministry of Defence
- Deputy Secretary General (Policy)

World Bank
- Senior Advisor to the Executive Director (SEA Group)

DATO' MOHD REDZA SHAH BIN ABDUL WAHID

Senior Independent Non-Executive Director

62 years old | Male | Malaysian

Date of Appointment:

7 May 2020

Board Committee Membership

AC	LTIP	WBC	NRC	IC	TC
Chairman	Chairman	Chairman	Member	Member	Member

Board Meeting Attendance In 2024

12/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/ MEMBERSHIP(S):

- Master of Science of Economics (International Banking and Finance), University of Wales, Cardiff, United Kingdom
- Bachelor of Science in Economic (Industry and Trade), London School of Economics, University of London, England
- Associate Chartered Accountant (ACA)
- Chairman, Association of Seniors in Islamic Finance
- Member, The Islamic Finance Committee of the Malaysian Institute of Accountants
- Sustainability Leadership in Business Sustainability Management, University of Cambridge United Kingdom

PRESENT DIRECTORSHIP(S):

Listed Entity:

Avangaad Berhad (formerly known as E.A. Technique (M) Berhad)
- Independent Non-Executive Chairman

Zelan Berhad
- Independent Non-Executive Director

Other Public Companies:

Waqaf An-Nur Corporation Berhad
- Independent Non-Executive Director

PRESENT APPOINTMENT(S):

Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

Al-`Aqar Healthcare REIT
- Independent Non-Executive Chairman (2020 – 2024)

Al-Salām Real Estate Investment Trust
- Independent Non-Executive Chairman (2020 – 2024)

Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)
- Chairman (2020 – 2022)

Bank Muamalat Malaysia Berhad
- Chief Executive Officer (2008 – 2019)

DRB-HICOM Berhad
- Group Chief Operating Officer (2005 – 2008)

Tradewinds (M) Berhad
- Acting Chief Executive Officer (2004 – 2005)

Tradewinds Corporation Berhad
- Group Chief Executive Officer (2002 – 2005)

Silterra Malaysia Berhad
- Chief Financial Officer (2000 – 2002)

Khazanah Nasional Berhad
- Senior Manager (1994 – 2000)

Board of Directors
as at 2 April 2025

KHAIRUDDIN BIN JAFLUS

Independent Non-Executive Director

- 68 years old
- Male
- Malaysian

Date of Appointment:
7 May 2020

Board Committee Membership

TC	AC	RSGC
Chairman	Member	Member

Board Meeting Attendance In 2024
11/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):
- Bachelor of Economics (Hons), Universiti Malaya, Malaysia

PRESENT DIRECTORSHIP(S):
Listed Entity:
Nil

Other Public Companies:
Nil

PRESENT APPOINTMENT(S):
Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
Johor Land Berhad
- Independent Non-Executive Director

HISHAM BIN ZAINAL MOKHTAR

Independent Non-Executive Director

63 years old | Male | Malaysian

Date of Appointment:

23 June 2021

Board Committee Membership

NRC	IC	AC	RSGC	WBC
Chairman	Member	Member	Member	Member

Board Meeting Attendance In 2024

11/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/ MEMBERSHIP(S):

- Master in Business Administration, Massachusetts Institute of Technology, Massachusetts, United States of America
- Master of Science (Mathematics), Illinois State University, Normal, Illinois, United States of America
- Bachelor of Science (Mathematics), Illinois State University, Normal, Illinois, United States of America
- Chartered Financial Analyst (CFA) Charterholder, CFA Institute

PRESENT DIRECTORSHIP(S):

Listed Entity:

Telekom Malaysia Berhad
- Independent Non-Executive Director

AEON Co. (M) Bhd
- Independent Non-Executive Director

Other Public Companies:

Nil

PRESENT APPOINTMENT(S):

Lembaga Tabung Angkatan Tentera
- Investment Panel Member

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

Lembaga Tabung Haji
- Member, Investment Panel (2021 – 2023)

Principal Asset Management Berhad
- Director (2015 – 2022)

VADS Berhad
- Director (2019 – 2022)

Malaysian Industrial Development Finance Berhad
- Director in the Group Managing Director's Office (2018 – 2019)

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S) (CONT'D):

Astro Overseas Ltd
- Chief Operating Officer (2014 – 2018)

Khazanah Nasional Berhad
- Vice President (VP), Senior Vice President, Director of Investments (2005 – 2014)

Tricubes Berhad
- VP, Chief Financial Officer, Executive Director (2001 – 2005)

Britac Capital Sdn Bhd
- Head Analyst (2001)

K.E. Malaysian Capital Partners Sdn Bhd
- Executive Director (2000)

Santander Investment Research (Malaysia) Sdn Bhd
- Financial Consultant (1999 – 2000)

Sithe Pacific LLC
- Financial Consultant (1998 – 1999)

CIMB Securities Sdn Bhd
- Remisier (1998)

UBS Research (Malaysia) Sdn Bhd
- Senior Research Analyst (1996 – 1998)

Crosby Research (Malaysia) Sdn Bhd
- Investment Analyst (1995 – 1996)

Baring Research (Malaysia) Sdn Bhd
- Investment Analyst (1994 – 1995)

Keluangsa Sdn Bhd
- Head of Research (1994)

Crosby Research (Malaysia) Sdn Bhd
- Research Executive (1991 – 1994)

William M. Mercer Zainal Fraser Sdn Bhd
- Analyst (1988 – 1991)

Aetna Universal Insurance Sdn Bhd
- Manpower Development Assistant (1987 – 1988)

Board of Directors
as at 2 April 2025

LEE LAI FAN

Independent Non-Executive Director

60 years old | Female | Malaysian

Date of Appointment:
7 July 2022

Board Committee Membership

TC	NRC	LTIP
Member	Member	Member

Board Meeting Attendance In 2024
12/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):
- Master of Business Administration, University of Edinburgh, United Kingdom
- Bachelors of Arts (Hons) Administrative Management, University of Lincoln, United Kingdom

PRESENT DIRECTORSHIP(S):
Listed Entity:
Nil

Other Public Companies:
Nil

PRESENT APPOINTMENT(S):
Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
QSR Brands (M) Holdings Berhad
- Independent Non-Executive Director (2018 – 2022)

Ogilvy & Mather Malaysia
- Chief Operating Officer (2015 – 2018)

Ogilvy Public Relations Sdn Bhd
- Managing Director (2010 – 2018)
- General Manager (2009 – 2010)
- Client Services Director (2007 – 2008)
- Head of Consumer Practice (2006 – 2007)

Limahsoon Berhad
- Marketing & Sales Manager (2004 – 2005)

Malaysian Timber Council
- Senior Executive, Trade Promotion (1997 – 2004)
- Executive, Trade Promotion (1993 – 1996)

SHAMSUL ANUAR BIN ABDUL MAJID

Non-Independent Non-Executive Director

53 years old | Male | Malaysian

Date of Appointment:

7 May 2020

Board Committee Membership

IC	NRC	LTIP
Chairman	Member	Member

Board Meeting Attendance In 2024

12/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/ MEMBERSHIP(S):

- Master of Business Administration (Finance), International Islamic University, Kuala Lumpur
- Bachelor of Science (Hons) in Chemistry, Imperial College, London, England
- Chartered Financial Analyst (CFA), CFA Institute, Charlottesville, Virginia, United States of America

PRESENT DIRECTORSHIP(S):

Listed Entity:

Johor Plantations Group Berhad
- Non-Independent Non-Executive Director

Al-'Aqar Healthcare REIT
- Non-Independent Non-Executive Director

Al-Salām Real Estate Investment Trust
- Non-Independent Non-Executive Director

Other Public Companies:

Damansara Holdings Berhad
- Non-Independent Non-Executive Director

QSR Brands (M) Holdings Berhad
- Non-Independent Non-Executive Director

Kulim (Malaysia) Berhad
- Non-Independent Non-Executive Director

PRESENT APPOINTMENT(S):

Johor Corporation
- Chief Investment Officer

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

Johor Land Berhad
- Non-Independent Non-Executive Director (2020 – 2023)

Kara Holdings Sdn Bhd
- Chairman & Director (2020 – 2021)

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S) (CONT'D):

Business Chronicles Sdn Bhd
- Director (2020)

TPM Technopark Sdn Bhd
- Director (2020)

Langsat Marine Base Sdn Bhd
- Director (2019 – 2020)

Langsat Marine Terminal Sdn Bhd
- Director (2019 – 2020)

Kulim Energy Sdn Bhd
- Director (2020)

Axiata Digital Innovation Fund Sdn Bhd
- Director (2020)

Langsat OSC Sdn Bhd
- Director (2019 – 2020)

Johor Corporation
- General Manager (2017)

Fikiran Sepakat Sdn Bhd
- Director and Partner (2014 – 2017)

Iskandar Waterfront Holdings
- Special Officer to the Managing Director (2011 – 2014)

Iskandar Investment Berhad
- Executive Vice President, Strategy & Feasibility (2007 – 2011)

Grenland Malaysia
- Vice President, Finance and Special Projects (2004 – 2007)

The Boston Consulting Group
- Energy Sector Specialist (1999 – 2001)

Shell Malaysia
- Planning Analyst, Downstream Economics Planning Department (1994 – 1999)

Board of Directors
as at 2 April 2025

ROZAINI BIN MOHD SANI

Non-Independent Non-Executive Director

51 years old | Male | Malaysian

Date of Appointment:
7 May 2020

Board Committee Membership

RSGC	AC	TC
Chairman	Member	Member

Board Meeting Attendance In 2024
12/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/ MEMBERSHIP(S):

- Bachelor of Commerce (Accounting and Finance) with Merit, University of New South Wales, Sydney, Australia
- Fellow of Chartered Accountants Australia and New Zealand (CAANZ)
- Member of The Malaysian Institute of Certified Public Accountants (MICPA)
- Member of The Malaysian Institute of Accountants (MIA)

PRESENT DIRECTORSHIP(S):

Listed Entity:
Nil

Other Public Companies:
Nil

PRESENT APPOINTMENT(S):

Johor Corporation
- Chief Financial Officer

Yayasan Johor Corporation
- Chairman, Board of Trustees

Johor Land Group Sdn Bhd
- Non-Executive Director

Lembaga Tabung Angkatan Tentera
- Non-Executive Director

Universiti Teknikal Malaysia, Melaka
- Board Member

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

Johor Land Berhad
- Non-Independent Non-Executive Director

Damansara Assets Sdn Bhd
- Non-Independent Non-Executive Director

Johor Corporation
- Senior Vice President, Finance & Corporate Services (2015 – 2016)
- Vice President, Finance (2014 – 2015)

Iskandar Waterfront Holdings
- Non-Executive Director (2017 – 2018)

E.A. Technique (M) Berhad
- Chief Operating Officer (2016 – 2017)

Kulim (Malaysia) Berhad
- Non-Executive Director (2014 – 2016)

Astro Malaysia Holdings Berhad
- Chief Financial Officer (2013 – 2014)

PETRONAS Dagangan Berhad
- Chief Financial Officer (2010 – 2013)

PETRONAS Group of Companies
- Various Managerial Roles (2001 – 2010)

KPMG, Sydney, Australia
- Assistant Manager (1995 – 2001)

PROF. EMERITUS DATO' DR. AZIZI BIN HAJI OMAR

Non-Independent Non-Executive Director

75 years old | Male | Malaysian

Date of Appointment:

1 February 2016
(Independent Non Executive Director)

1 December 2020
(Re-designated as a Non-Independent Non-Executive Director)

Board Committee Membership

GMACGC	NRC	RSGC	LTIP
Chairman	Member	Member	Member

Board Meeting Attendance In 2024

12/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):

- Master of Medical Science (MMedSc) Clinical Epidemiology, Newcastle University, NSW
- Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Tasmania, Australia
- Postgraduate training in Paediatrics and Paediatric Respiratory Medicine at Hospital Kuala Lumpur; Universiti Kebangsaan Malaysia; Hospital for Sick Children, Great Ormond Street, London; Birmingham Children Hospital and Dudley Road Hospital, Birmingham
- Trained in Paediatric Flexible Bronchoscopy, University of North Carolina, Chapel Hill, United States of America
- Membership of the Royal Colleges of Physicians ("MRCP") of the United Kingdom
- Fellow of Royal College of Physicians ("FRCP") of Edinburgh
- Fellow of Royal College of Physicians ("FRCP") of Glasgow
- Fellow of Academy of Medicine Malaysia ("FAMM")
- Fellow of College of Chest Physicians (USA)("FCCP")
- Harvard Medical School Certificate – Southeast Asia Healthcare Leadership (1-Year Programme)

PRESENT DIRECTORSHIP(S):

Listed Entity:
Nil

Other Public Companies:
Nil

PRESENT APPOINTMENT(S):

KPJ Healthcare Berhad
- Group Medical Advisor
- Chairman of Group Medical Advisory and Clinical Governance Committee
- Member of Protem Committee for Academic Health System
- Chairman of University Hospital Integration Commitee

KPJ Damansara Specialist Hospital
- Consultant Paediatrician and Paediatric Respitory Physician

Clinical Practice Guidelines for the Management of Childhood Asthma
- Chairman

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

KPJ Damansara Specialist Hospital
- Medical Director/Person-In-Charge (1997 – 2016)

Puteri Nursing College
- Chairman, Educational Advisory Council (1997 – 2012)

Universiti Tunku Abdul Rahman
- Adjunct Professor of Paediatrics at Faculty of Medicine (2013)

Universiti Teknologi MARA
- Adjunct Professor of Paediatrics at Faculty of Medicine (2009 – 2010)

National Specialist Register
- Chairman, Subspecialty Committee for Accreditation, Paediatric Respiratory Medicine (2000 – 2016)

Malaysian Medical Council
- Member (1995 – 1997)

Malaysian Paediatric Association
- President (1997 – 1998)

Association of Private Hospitals Malaysia
- Board Member (2000 – 2004)

Conjoint Board for Postgraduate Training in Medical Specialties
- Member (1995 – 1997)

Paediatric Conjoint Board
- Member (1995 – 2000)

Clinical Practice Guidelines on Paediatric Respiratory Infections
- Chairman (2000)

Clinical Practice Guidelines on Tuberculosis
- Member (1996)

Committee of Malaysian Thoracic Society of Malaysia
- Member (1997 – 1998)

Universiti Kebangsaan Malaysia
- Deputy Dean (1995 – 1997)
- Head of Department of Paediatrics (1994 – 1995)
- Professor of Paediatrics (Respiratory Paediatrics and Clinical Epidemiology) (1993 – 1997)

Board of Directors
as at 2 April 2025

ANNIE BINTI ROSLE

Non-Independent Non-Executive Director

- 56 years old
- Female
- Malaysian

Date of Appointment:
23 June 2021

Board Committee Membership

TC – Member
IC – Member

Board Meeting Attendance In 2024

11/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):

- Degree in Finance and Economics, London Guildhall University
- Graduate of Association of Chartered Certified Accountants (ACCA)

PRESENT DIRECTORSHIP(S):

Listed Entity:
Nil

Other Public Companies:
QSR Brands (M) Holdings Berhad

- Non-Independent Non-Executive Director

PRESENT APPOINTMENT(S):
Employee Provident Fund (EPF)

- Head of Private Equity and Infrastructure Department

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):
Iskandar Investment Berhad

- Director (2021 – 2023)

Battersea Power Station Development Company Limited

- Director (2017 – 2022)

KWASA Invest Ltd

- Principal Officer (2017 – 2019)

CHIN KEAT CHYUAN

President and Managing Director

51 years old | Male | Malaysian

Date of Appointment:

1 September 2023

Board Committee Membership

N/A

Board Meeting Attendance In 2024

11/12

ACADEMIC/PROFESSIONAL QUALIFICATIONS/ MEMBERSHIP(S):

- Executive Education Programme, Advanced Strategic Management, IMD Business School
- Master of Business Administration, General (Merit), University of Nottingham - Nottingham University Business School, United Kingdom
- Bachelor's Degree of Biochemistry (1st Class Honours), Universiti Kebangsaan Malaysia, Malaysia

PRESENT DIRECTORSHIP(S):

Listed Entity:

Nil

Other Public Companies:

Nil

PRESENT APPOINTMENT(S):

Nil

PAST DIRECTORSHIP(S) AND/OR APPOINTMENT(S):

Ethicon South East Asia

- Vice President (2022 – 2023)

American Malaysian Chamber of Commerce (AMCHAM)

- Board of Governor (2017 – 2023)

Pharmaceutical Association of Malaysia (PhAMA)

- President (2017 – 2023)

Johnson & Johnson Malaysia & Brunei

- Managing Director (2016 – 2022)
- Country Director (2014 – 2015)

Johnson & Johnson Medical

- ASEAN General Manager (2013 – 2014)
- ASEAN Franchise Director (2010 – 2013)

Johnson & Johnson Medical Malaysia

- Franchise Manager, Director (2006 – 2009)

Johnson & Johnson Medical Malaysia

- Product Specialist, Sales Manager (1997 – 2006)

Note:

None of the above Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries, family relationship with any Director and/or Major Shareholder of the Company or have any convictions for offences (other than traffic offences, if any) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2024.

Senior Management Team

as at 2 April 2025

The Team Driving Our Purpose

CHIN KEAT CHYUAN

President and Managing Director

- 51 years old
- Male
- Malaysian

Date of Appointment:
1 September 2023

WORKING EXPERIENCE:

Prior to his appointment as President and Managing Director ("PMD") of KPJ Healthcare Berhad, Chin had a distinguished 25-year career at Johnson & Johnson, where he rose from Product Specialist in Medical Devices to Managing Director of Johnson & Johnson Malaysia, overseeing operations and driving strategic growth. He served as President of the Pharmaceutical Association of Malaysia ("PhAMA") from 2017 to 2023 and was a Board Member of the American Malaysian Chamber of Commerce ("AMCHAM") from 2018 to 2023.

Appointed as PMD in September 2023, Chin has since led KPJ Healthcare's transformative, patient-centric journey, with a focus on business growth, asset optimisation and culture transformation. In 2024, he spearheaded the Group's rebranding around the "Care for Life" purpose, centred on Patients, Physicians, People, Partners and Payors. Under his leadership, KPJ has maintained strong financial performance, reflecting growing patient confidence and enhanced operational excellence.

Beyond his role as PMD, Chin serves on the Boards of Selangor Specialist Hospital Sdn Bhd, Kedah Medical Centre Sdn Bhd and KPJ Healthcare University Sdn Bhd (formerly KPJ Healthcare University College Sdn Bhd).

In 2024, Chin was elected Vice President of the Association of Private Healthcare Providers Malaysia ("APHM"), where he actively advocates on key issues impacting the healthcare sector. He also serves as a Committee Member of the Malaysia – United Arab Emirates Business Council ("MUAEBC"), promoting international collaboration for Malaysia.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Executive Education Programme, Advanced Strategic Management from IMD Business School
- Master of Business Administration (Merit), General from University of Nottingham - Nottingham University Business School, UK
- Bachelor of Biochemistry (Hons) from Universiti Kebangsaan Malaysia, Malaysia

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

DATO' MOHAMAD FARID BIN SALIM

Chief Operating Officer - Hospital Operations

- 60 years old
- Male
- Malaysian

Date of Appointment:
8 July 2022

WORKING EXPERIENCE:

Dato' Mohamad Farid Salim's dynamic leadership has driven innovation, efficiency and high-quality patient care across the group's hospital network.

He began his career as a trainee auditor in England before returning to Malaysia to join Sembawang Engineering Sdn. Bhd. in Pasir Gudang, Johor. In 1994, he joined KPJ Healthcare Berhad, playing a key role in its IPO and listing on the Main Board of Bursa Securities. His expertise in financial strategy, investment planning and corporate restructuring has been instrumental in KPJ's growth.

With extensive managerial experience across Malaysia, Indonesia, Saudi Arabia and Australia, he has successfully led diverse teams in complex healthcare markets. As Chief Operating Officer, he continues to spearhead initiatives that enhance efficiency, patient satisfaction and business sustainability. His leadership reflects strategic foresight, operational excellence and a commitment to advancing healthcare.

In recognition of his contributions to both the corporate sector and the community at large, he was conferred the Pingat Ibrahim Sultan (P.I.S. II) by His Majesty The Sultan of Johor and the Darjah Indera Mahkota Pahang (D.I.M.P) by His Majesty The Sultan of Pahang.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Fellowship of Chartered Association of Certified Accountants ("FCCA"), United Kingdom
- Master in Business Administration ("MBA") in International Business with Distinction from University of East London, UK
- Member of Malaysian Institute of Accountants ("MIA")
- Post Graduate Diploma in Healthcare Management from South Bank University, London UK
- Leadership Development Programme at Henley Business School, University of Reading UK
- Certified in Advanced JCorp Leadership Programme
- Certified in INSEAD JCorp Executive Coaching Programme
- Treasurer of Malaysian Society for Quality in Health ("MSQH"), a national accreditation body for public and private healthcare in Malaysia

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

PROFESSOR EMERITUS DATO' DR. LOKMAN SAIM

Chief Medical Director

- 66 years old
- Male
- Malaysian

Date of Appointment:
1 January 2025

WORKING EXPERIENCE:

Prof. Emeritus Dato' Dr Lokman Saim is the Chief Medical Director of KPJ Healthcare Berhad since 1 January 2025. His career in KPJ began in February 2012 when he was appointed Vice Chancellor of KPJ Healthcare University College. It was through his hard work and exceptional academic leadership that the insitution was able to achieve full university status in May 2023.

He is an ENT surgeon, with sub-specialisation in Otology and Neurotology. His clinical practice is at KPJ Tawakkal KL Specialist Hospital, focussing on the treatment and surgeries for ear diseases and rehabilitation of hearing loss. He was formerly Professor of Otorhinolaryngology and Dean Faculty of Medicine and Director of Universiti Kebangsaan Malaysia Medical Center. Prof Dato' Dr Lokman Saim is Past President of the ASEAN Otorhinolaryngology- Head and Neck Federation (1997 -1998). He is a member of College of Surgeons and Fellow of Academy of Medicine of Malaysia since 1995. He was President Malaysian Society of ORL – Head & Neck Surgeon in the year 1995. He is amongst the pioneer in cochlear implant surgery in ASEAN and assist in the estabishment of new cochlear implant centers in ASEAN and Asia Pacific region.

Throughout his career, he has won numerous awards for his clinical work and academic leadership. Amongst others are the Anugerah Dekan Fakultas Kedokteran, Fakultas Kedokteran Universitas Padjajaran, Bandung Indonesia in 2010, International Public Service Award, American Academy of Otolaryngology – Head and Neck Surgery Foundation in 2016, Honorary Fellow, Philippines Society of Otolaryngology-Head and Neck Surgeons 2016 and National Outstanding Educator Award (University Category) Private Education Excellence Award 2018.

He was conferred EmeritusProfessor by Universiti Kebangsaan Malaysia, at the university's 50th Convocation Ceremony in November 2019. He received his Medical Degree from Universiti Kebangsaan Malaysia in 1984 and his Master of Surgery (ORL) from Universiti Kebangsaan Malaysia in 1991. He obtained his Fellowship of the Royal Colleges of Surgeons Edinburgh in 1989. He undertook the Research Fellowship in Otology and Neuro-otology at Harvard Medical School, Boston USA in 1993-1994. He was appointed Clinical Professor at the School of Advanced Medicine, Macquarie University Sydney 2010- 2013.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Research Fellowship in Otology and Neuro-otology, Harvard Medical School, Boston USA
- Diploma in Islamic Studies Kulliyah of Revealed Knowledge, International Islamic University
- Master of Surgery (ORL), Universiti Kebangsaan Malaysia
- Fellow Royal of College of Surgeons, Edinburgh
- Medical Doctor, Universiti Kebangsaan Malaysia

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

Senior Management Team

as at 2 April 2025

DR NIK FAWAZ BIN NIK ABDUL AZIZ

Chief Operating Officer - Group Allied & Retail Health Operations

- 47 years old
- Male
- Malaysian

Date of Appointment:
15 August 2022

WORKING EXPERIENCE:

Dr. Nik Fawaz has more than 15 years of experience in healthcare, transformation and hospital services, both locally and internationally; with expertise in the digital solutions segment. He led the transformation of notable hospitals and integrated operations, where he played an instrumental role in scaling up operations and advancing digital healthcare.

Before joining KPJ, he was the Head of Edgenta Healthcare Solutions and the Managing Director of Edgenta Mediserve Sdn Bhd, a subsidiary of UEM Group. During his tenure, he led the integration of commercial and concession hospital operations and embarked on digital healthcare initiatives, whilst playing a key role in the exploration of business in the Kingdom of Saudi Arabia. Prior to that, he was the founding Chief Executive Officer ("CEO") of Cardiac Vascular Sentral Kuala Lumpur ("CVSKL"); a specialised cardiac and vascular hospital under the umbrella of TE Asia Healthcare.

Throughout his career, he has held numerous leadership roles, including Head of Medical Affairs and Quality, Parkway Pantai Malaysia Operations (a subsidiary of IHH Healthcare Bhd); Chief Operating Officer of Pantai Hospital Batu Pahat; Head of Business Development Unit, Imaging and Facilities and Maintenance, Pantai Hospital Kuala Lumpur; and Head of Business Development, Prince Court Medical Centre Sdn Bhd. Dr. Nik Fawaz also served as a clinician with National Health Services ("NHS"), United Kingdom for 5 years before pursuing a management career.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- MSc in International Health Management - Imperial College Business School, London
- MBChB (Bachelor of Medicine and Bachelor of Surgery) - University of Manchester, UK
- BSc in Medical Science - University of St. Andrews, Scotland
- Malaysian Medical Association (MMA)
- Member, The Chartered Management Institute, United Kingdom

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

MOHD KHAIRUL IZZAD B. MOHAMMED SHAMSUDIN

Chief Financial Officer

- 41 years old
- Male
- Malaysian

Date of Appointment:
10 June 2024

WORKING EXPERIENCE:

Mohd Khairul Izzad B Mohammed Shamsudin is a seasoned finance leader with a proven track record of driving strategic and operational excellence across internationally renowned organizations in various industries. With over 19 years of experience, he has earned a reputation as a transformative leader, skilled at challenging the status quo and steering impactful financial strategies

He began his career in audit, advisory, and consulting with leading professional services firms, steadily rising through the ranks. He served as a partner at Deloitte Southeast Asia and was a member of the Deloitte Malaysia Senior Leadership Team. Additionally, he spearheaded the Government & Public Services and Telecommunications & Multimedia practices at Deloitte in Malaysia.

Prior to joining KPJ, he held multiple senior leadership positions in multinational corporations. As the Group Chief Financial Officer at QSR Brands (M) Holdings Berhad, he spearheaded financial operations, strategic initiatives, reporting, and corporate finance.

He is an engaging mentor and advocate for people, actively contributing to the fields of finance and leadership He is a member of industry advisory panel, School of Diploma and Professional Studies, Taylor's College

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Fellow Chartered Accountant ("FCA") and Business & Finance Professional ("BFP") with the Institute of Chartered Accountants in England and Wales ("ICAEW")
- Bachelor of Science in Accounting (Hons.) from Cardiff University, United Kingdom
- Member of Certified Public Accountant, Australia ("CPA Asustralia")

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

NORHAMIJAH BINTI MOHD HANAFIAH

Chief Human Resource Officer

- 52 years old
- Female
- Malaysian

Date of Appointment:
2 May 2023

WORKING EXPERIENCE:

Norhamijah is a distinguished Human Resource ("HR") expert with over 25 years of experience in the industry. She holds a Bachelor's Degree and a Master's Degree in Human Resource from Universiti Teknologi MARA ("UiTM") and Universiti Putra Malaysia ("UPM") respectively, as well as a certificate in Communication and Psychology from Stanford University California.

Norhamijah is an agile professional and a robust leader who has demonstrated her ability to drive complete organisational and people strategies, change management interventions and tackle day-to-day HR operations. She began her illustrious career in 1997 as a scholar of TM and with the wealth of experience gathered, held various roles and spearheaded several initiatives, including the successful implementation of Agile at Unifi, resulting in increased revenue. She was also instrumental in driving organisation transformation at Webe to achieve manpower cost reduction and an optimal workforce.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Master's Degree in Human Resource Development, Universiti Putra Malaysia
- Bachelor's Degree in Human Resource Management, Universiti Teknologi MARA
- Certificate in Communication and Psychology, Stanford University, San Francisco

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

MICHAEL JAMES LEDDIN

Chief Strategy Officer

- 52 years old
- Male
- Australian

Date of Appointment:
4 September 2023

WORKING EXPERIENCE:

With a career spanning over 25 years in the healthcare industry across various countries and healthcare settings, Michael brings a wealth of experience and expertise to our team. Prior to joining KPJ, Michael held several senior leadership roles in companies such as Greater Southern Area Health Service Australia, Prince Court Medical Centre and most recently served as the Managing Director of VAMED Healthcare Services Sdn. Bhd. In his previous roles, he successfully managed business development, sales, execution and management of various service lines, with a strong focus on technical healthcare support services, new healthcare facility acquisition and development, post-acute rehabilitation, management services, partner and relationship development.

Michael has also been at the forefront of developing organisational strategies including Electronic Medical Records (eMR), Organisational Restructuring, Efficiency and Cost Saving Strategies, Sales and Technology-driven innovations. His extensive experience in healthcare IT across diverse sites and service models further enhances his ability to contribute significantly to our transformative journey.

Having held pivotal roles such as Managing Director, Director Corporate Services, Director of Transition, Chief Operating Officer and IT operations and transformation positions, Michael's appointment as Chief Strategy Officer aligns seamlessly with KPJ's path of transformation and his leadership will play a pivotal role in our ongoing efforts to redefine healthcare and elevate KPJ to new heights.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Masters Public Administration - University of Sydney
- Graduate Diploma in Public Administration - University of Sydney
- Bachelor Information Technology (Information Systems) - Charles Sturt University
- Ass. Dip. Information Technology (Information Systems) - Charles Sturt University
- PRINCE Project Management certification, TIL certification

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

Senior Management Team

as at 2 April 2025

SHERENE AZLI

Chief Marketing Officer

- 51 years old
- Female
- Malaysian

Date of Appointment:
16 November 2023

WORKING EXPERIENCE:

With nearly 30 years of experience spanning telecommunications, healthcare travel and talent management in both private and public sectors, Sherene is a dynamic leader known for driving industry transformation. As CEO of the Malaysia Healthcare Travel Council ("MHTC"), she positioned Malaysia as the world's leading healthcare travel destination by volume in 2019, securing multiple International Medical Travel Journal ("IMTJ") Destination of the Year awards.

Previously, she led Telekom Malaysia's Group Marketing Division, overseeing marketing strategy, branding and customer experience. At Talent Corporation Malaysia, she played a pivotal role in strengthening the nation's talent pipeline by attracting Malaysian professionals abroad across 12 key economic sectors.

Beyond her corporate leadership, Sherene actively contributes to education, leadership development and volunteerism. She currently lends her expertise to Universiti Malaya as an industry expert with the Associate Vice-Chancellor Corporate Strategy Office.

A firm advocate of excellence and collaboration, she continues to inspire and drive meaningful change. Her contributions have earned her prestigious accolades, including the 50 Outstanding Women in Healthcare Award, the Outstanding Leadership in Healthcare Travel Award and the 30 Women Achievers and Leaders of Malaysia Award.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- BBS (Hons) Accounting and Finance, University of Limerick, Ireland
- Master in Business Administration ("MBA"), University of Durham, UK
- Senior Management Development Programme, Harvard Business School
- Adjunct Professorships:
  - Universiti Pendidikan Sultan Idris
  - Universiti Sultan Zainal Abidin
- Institute of Marketing Malaysia Council Member

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

SHAHRIL MIZANI BIN ARIFFIN

Chief Digital Officer

- 45 years old
- Male
- Malaysian

Date of Appointment:
7 October 2024

WORKING EXPERIENCE:

Shahril Mizani Ariffin brings over 20 years of experience in digital transformation and business strategy across various industries. Before joining KPJ Healthcare Berhad, he served as the Chief Transformation and Technology Officer ("CTTO") at UMW Group, where he led the execution of the company's 10-Year Transformation Plan (CREST@2021). Under his leadership, UMW achieved 50% of its transformation goals within the first three years, significantly enhancing revenue, sustainability and operational agility.

His strategic initiatives included the successful launch of green products through innovation, spearheading sustainability efforts toward achieving Net-Zero Carbon by 2030 and leading digitisation projects that reduced operational costs by 50% through cloud migration. Shahril also introduced Industry 4.0 projects that increased overall equipment effectiveness by 20-30%.

Prior to UMW, Shahril held leadership roles at Korn Ferry, where he was Client Partner and the ASEAN Leader for Strategic Workforce Planning. He has also held senior roles at A.T.E.S., Ethos & Co and Accenture, where he gained extensive experience in strategic planning, policy development and technology implementation.

As the Chief Digital Officer at KPJ, Shahril will be responsible for driving the company's digital transformation agenda, ensuring the seamless integration of innovative technologies to enhance patient care and operational efficiency.

Shahril is currently the Chief Digital Officer ("CDO") of KPJ Healthcare Berhad.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- BEng. (Hons) Chemical Engineering, University of College London, United Kingdom

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

HOO LING LEE

Regional CEO, Central Region

- 46 years old
- Female
- Malaysian

Date of Appointment:
23 May 2024

WORKING EXPERIENCE:

Ling Lee possesses close to 20 years of extensive experience in the healthcare industry, with expertise in strategy development, hospital acquisition, operational leadership, lean management and financial management. Before joining the Group, she served as the Chief Executive Officer at Gleneagles Hospital Kuala Lumpur and Pantai Hospital Ampang and was the Head of Strategy and Special Projects for the IHH Healthcare Malaysia group for a decade. During her tenure, she was responsible for overseeing the organisation's overall strategy and driving business development, significantly contributing to numerous greenfield and brownfield projects across the country.

Prior to her roles in Malaysia, Ling Lee's career also included significant tenures at the Singapore General Hospital ("SGH") as an Assistant Manager in Lean Management and at the National University Hospital ("NUH") in Singapore.

Passionate about teaching and sharing her knowledge, she is also a Visiting Lecturer at the International Medical University ("IMU"), where she lectures on healthcare strategy and operations. She was also appointed as the institution's Industry Advisory Board (IAB) member in Healthcare Management.

Ling Lee is currently the Regional Chief Executive Officer ("RCEO") Central Region of KPJ Healthcare Berhad.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Bachelor of Economics, National University of Malaysia ("UKM")
- Master of Law (Healthcare), Taylor's University Malaysia
- Industry Advisory Board ("IAB") member of IMU University in Healthcare Management

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

MAISARAH BINTI OMAR

Regional CEO, Southern & East Malaysia Region

- 56 years old
- Female
- Malaysian

Date of Appointment:
1 October 2024

WORKING EXPERIENCE:

Maisarah Omar is a highly accomplished General Manager at KPJ Healthcare Berhad, currently serving as Regional CEO for the Southern & East Malaysia Region. With a robust background in healthcare management and finance, she holds a Bachelor in Accountancy from Universiti Putra Malaysia ("UPM") and a Master in Healthcare Management from Universiti Teknologi Malaysia ("UTM"). A Certified Transformational Manager by IPMA UK, she has also completed advanced leadership programs.

Her extensive experience includes overseeing hospital operations, strategic planning and financial management across numerous KPJ specialist hospitals. She has a proven track record of driving operational efficiency, ensuring regulatory compliance and leading successful hospital expansions and commissioning projects. Notably, she received the Academic Excellence Award for her MBA and led KPJ Kajang Specialist Hospital to win the Best Managed Hospital Award in 2012.

Maisarah's expertise spans audit, investigation, industrial relations and talent management. She excels in stakeholder management, financial oversight and strategic leadership, consistently delivering results and fostering positive team environments. Her leadership is characterised by a decisive, problem-solving approach, coupled with a positive and optimistic outlook. She is also a director in several hospital boards.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Bachelor in Accountancy, Universiti Putra Malaysia
- Master in Healthcare Management, Universiti Teknologi Malaysia
- Member, Malaysian Institute of Accountants
- Certified Transformational Manager by IPMA UK

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

Senior Management Team

as at 2 April 2025

RENUGA MUNIANDY

Covering Regional CEO, Northern & East Coast Region

- 50 years old
- Female
- Malaysian

Date of Appointment:
15 November 2024

WORKING EXPERIENCE:

Renuga Muniandy is an experienced healthcare leader with hospital management, pharmaceutical services and quality improvement expertise. She has held key roles in KPJ, including Group Chief Pharmacist, Operations Manager and General Manager.

As a former General Manager of Taiping Medical Centre and TMC Health Centre, she oversees hospital operations, financial management and strategic growth, including the successful establishment of Taiping's Ambulatory Care Centre ("ACC").

She has also contributed to the industry as a Council Member of the Malaysian Pharmaceutical Society (2016-2018) and Chairman of the Perak Branch (2012-2014).

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Master of Business Administration, University of Derby, United Kingdom
- Bachelor of Pharmacy (Hons), Nagpur University, India
- Professional Certificate In Leadership & Management, University of South Australia & KPJ Healthcare Berhad

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

MOHD FIRDAUS BIN MOHAMED DIN

Chief Internal Auditor

- 60 years old
- Male
- Malaysian

Date of Appointment:
9 March 2020

WORKING EXPERIENCE:

An Associate Member of CPA Australia, Firdaus has a Bachelor's degree in Accounting with vast experience in internal auditing. His first step into auditing was when he served at Arthur Andersen & Co. from 1989 to 1991, where he gained knowledge, skills and experience on the functions and responsibilities as an auditor.

Firdaus then advanced his career in internal auditing at Affin Bank for 13 years since 1991. In 2004, Firdaus made another step up in his career path in Bank Kerjasama Rakyat Malaysia where he served for 16 years and his last position was Chief Internal Auditor.

Firdaus joined KPJ Healthcare Berhad in 2020, where he is currently the Chief Internal Auditor of Group Internal Audit Services.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Bachelor of Commerce (Accounting) - Australian National University
- Associate Member, CPA Australia (1315279)
- Certified Credit Professional - Asian Institute of Chartered Bankers, Malaysia
- Certified Credit Professional (Islamic) - Islamic Banking and Finance Institute Malaysia
- Certification in Internal Auditing for Financial Institutions - Asian Institute of Chartered Bankers, Malaysia
- Executive Development Programme - Wharton Business School (University of Pennsylvania)
- Management and Leadership Programme - Islamic Banking and Finance Institute Malaysia

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

SHARIZUL HASNIFA BIN BASERI

Chief Risk Officer

- 44 years old
- Male
- Malaysian

Date of Appointment:
1 July 2021

WORKING EXPERIENCE:

Sharizul is a chartered accountant and a Fellow of CPA Australia with extensive experience in risk management, risk advisory, corporate restructuring, transaction advisory and corporate advisory.

He has served in various senior and leadership positions in the areas of risk management and advisory with one of the Big 4 Accounting Firms, a super-major oil and gas company and several multinational companies.

During his time with one of the Big 4, he led and delivered many risk management and advisory engagements to companies ranging from Public Listed Companies to Multinational Companies spanning across industries. He was also seconded to a multinational company as the Interim Regional (Asía) Head of Risk and Assurance during his time with the firm.

Prior to joining KPJ, he was with one of the leading global premium integrated healthcare groups, where he was responsible to provide risk oversight and drive risk management operational excellence to its Malaysia Operating Division as well as India Operating Division.

Due to his outstanding achievements in reimagining risk management practices by driving innovation, integrating risk management thinking at the highest level and building good cultures across, he has been awarded the top and winner's award, the Corporate Risk Leadership Award at the Malaysian Association Risk & Insurance Management ("MARIM Malaysia") International Conference 2024. Sharizul's work is now known and recognised as a benchmark for the risk management profession in Malaysia.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- BA (Hons) Accounting & Finance, University of the West of England, Bristol, United Kingdom
- Fellow, CPA Australia ("FCPA")
- Member of the Malaysian Institute of Accountants ("MIA")

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

ELENA SHAMSUDDIN

Chief of Staff and Head of Group Strategic Communication

- 54 years old
- Female
- Malaysian

Date of Appointment:
1 October 2023

WORKING EXPERIENCE:

Elena brings about 30 years of experience in driving strategic agendas through operations and communication.

She began her career as a journalist with Business Times Malaysia, before being seconded to the National Economic Action Council ("NEAC"), where she worked on communication and policy research.

She later served as Special Officer (Communication) to the Prime Minister and Chief of Staff to a Member of Parliament, where she worked with a broad spectrum of stakeholders to deliver high-impact communication and policy initiatives.

Elena co-founded a public relations agency before returning to public service as Communication Lead for the COVID-19 Immunisation Taskforce ("CITF"). Following the conclusion of CITF's operations, she served as Programme Management Advisor to the Minister of Health and subsequently joined KPJ Healthcare.

Elena was appointed as Chief of Staff, Office of the President & Managing Director on 1 October 2023 and later assumed the role of Head, Group Strategic Communication on 1 July 2024.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Bachelor of Laws, Universiti Malaya

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

Senior Management Team

as at 2 April 2025

AHMAD SHARIFUDDIN BIN ABDUL RAHMAN

Head of Group Procurement

- 56 years old
- Male
- Malaysian

Date of Appointment:
5 June 2024

WORKING EXPERIENCE:

With over 30 years of extensive experience in quantity surveying, property development, construction and investment, Ahmad Sharifuddin Abdul Rahman has been a pivotal force in driving strategic procurement and contract management at KPJ. Graduating from The Nottingham Trent University, United Kingdom with a Bachelor of Science, Honours in Quantity Surveying in 1993, Sharifuddin began his early career at the renowned quantity surveying firm Hashim & Lim before transitioning to the public-listed property development company Land & General Berhad in 1995 and TH Properties in 2000. His leadership in managing several major townships and spearheading contracts management has been instrumental in the success of numerous development projects.

In 2010, Sharifuddin ventured into construction with the public-listed construction company Malaysian Resources Corporation Berhad ("MRCB"), where he managed various high-value infrastructure projects. Returning to property development in 2015, he played a crucial role in developing Medini as one of the key developments in Iskandar Puteri, Johor.

His expertise further extended when he joined Johor Corporation ("JCorp") in 2020, where he established a new Group Procurement setup, streamlining procurement processes and introducing robust policies throughout the Group, comprising Healthcare, Plantation, Real Estate & Infrastructure and Food & Restaurant. This experience has been invaluable in his current role as the Head of Group Procurement at KPJ, where he continues to drive strategic procurement initiatives and contract management.

Sharifuddin's diverse experiences across various sectors have equipped him with a unique perspective and a comprehensive skill set, enabling him to undertake strategic approach to procurement and contract management. Combined with his ability to navigate complex challenges and implement effective solutions, Sharifuddin has significantly contributed to KPJ's success and growth.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Bachelor of Science, Honours in Quantity Surveying from The Nottingham Trent University, UK

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

SYED ISKANDAR SHAH BIN SYED ABU BAKAR

Head of Legal and Advisory

- 57 years old
- Male
- Malaysian

Date of Appointment:
13 February 2023

WORKING EXPERIENCE:

Syed Iskandar started his career in the financial industry, with stints as a legal officer in banks and fund management companies. He later joined the media industry, also in the area of legal and compliance. In 2009, he joined Bank Pembangunan Malaysia, as its Company Secretary and Head of Legal & Secretarial Department where he implemented a range of initiatives that improved the documentation processes and governance of the bank.

In 2012, he then joined PR1MA Corporation Malaysia, a newly set-up government agency under the Prime Minister's Office where he played a key role in developing the standard legal documents and other standard contracts ad templates. He was also involved in developing the policies and standard procedures for the agency. In 2019, he started his own company, Novus Ideas Sdn Bhd, which was involved in providing property and business consulting services, where he presided as Chairman. In February 2023, he joined KPJ as Head of Legal and Secretarial Services.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):

- Bachelor of Law (LLB) Honours, John Moores University of Liverpool

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

SARAVANAN DESIGAMANIE

Head of Group Sustainability

- 42 years old
- Male
- Malaysian

Date of Appointment:
1 July 2024

WORKING EXPERIENCE:
Saravanan Desigamanie leads KPJ's decarbonisation agenda and drives the Group's Environmental, Social and Governance ("ESG") strategy, embedding sustainability at the heart of its business and long-term value creation. With over 20 years of leadership experience spanning sustainability, corporate strategy, investor relations and strategic communications, he combines strategic foresight with operational execution to drive ESG performance and sustainable growth.

A recipient of the prestigious Sime Darby Foundation Scholarship, Saravanan began his career with Sime Darby Berhad in 2004. During his 14-year tenure with the Group, he served in various roles across the Group's key business divisions – including plantation, property, industrial, energy & utilities, motors and healthcare. He was instrumental in shaping the Group's early ESG engagement strategies, particularly with institutional investors in Europe.

In 2018, Saravanan joined Malakoff Corporation Berhad, Malaysia's largest Independent Power Producer. As Head of Strategy & Communications, he spearheaded the Group's transformation initiatives, driving a strategic focus on sustainable energy transition. He also led the Group's rebranding exercise, successfully modernising its corporate identity to reflect its commitment to sustainability and future-focused growth.

Saravanan was later appointed as Head of Sustainability, Research & Investor Relations, where he shaped Malakoff's sustainability agenda – advancing the Group's energy transition strategy, elevating sustainability disclosures and driving green research initiatives in line with global standards.

Beyond his corporate role, Saravanan is a recognised thought leader and advocate for sustainability, frequently sharing insights on ESG, climate action and responsible business. His thought leadership contributions continue to shape conversations within the industry and reinforce the role of sustainability as a strategic business imperative.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):
- Master of Business Administration (Finance), Multimedia University, Malaysia
- Bachelor of Information Technology (Hons) in Software Engineering, Multimedia University, Malaysia
- Certificate in Investor Relations (CIR®), IR Society of United Kingdom

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

AZMI ABDULLAH

Head of Group Project Management

- 56 years old
- Male
- Malaysian

Date of Appointment:
5 February 2024

WORKING EXPERIENCE:
With a career expanding over 20 years across multiple key portfolios; Corp Account Management, Programme & Performance Management, Business Development, Customer Value Management and Analytics & Monetisation within Telekom Malaysia Berhad and Boustead Holdings Berhad, Azmi brings a wealth of experience and expertise to our team.

Joined KPJ as Head of Transformation Management Office ("TMO") in Feb 2024, Azmi successfully set-up and led Future Forward Leaders Programme ("FFLP") to achieve beyond the target set for this Strategic Initiative. Effective Jan 2025, as Head of Group Project Management he is expected set-up, drive and guide all key projects across the organisation; maintaining a PMO framework discipline and standard as well as align project management practices with organisational strategy and objectives.

ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):
- Bachelor of Arts (BA) English Language and Linguistics (with Education)

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

Note:
None of the above Senior Management members have any conflict of interest or potential conflict of interest, including interest in any competing business read as: potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries, family relationship with any Director and/or Major Shareholder or have any convictions for offences (other than traffic offences, if any) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year 2024.

Care For Life Stories

Mini Medical Camp for the Orang Asli Community

In August 2024, a team from KPJ Pasir Gudang Specialist Hospital conducted a community outreach programme for the Orang Asli population of Kampung Peta, located within the Endau-Rompin National Park. The initiative, supported by Dmaxian and 113 volunteers from ACM Isuzu, involved a convoy of vehicles carrying medical professionals and essential supplies.

Over the course of two days, nearly 100 residents received free medical screenings and consultations conducted by Dr Mohd Nooh Sainorudin. Medicines were distributed to selected households, while additional support activities included distributing food packs and children's activity kits, aimed at supporting family well-being and health awareness.

This outreach reflects KPJ's commitment to healthcare access and community well-being. By supporting underserved populations, the initiative contributes to KPJ's long-term focus on equitable access and preventive care.

Section 3

OUR FINANCIAL STORY

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Chief Financial Officer's Review

We invest in people. We invest in their future.

Dear Valued Stakeholders,

It is a privilege to address you as we reflect on our journey to create and deliver value. Malaysia's healthcare industry is undergoing a transformation–driven by changing demographics, rising patient demand and the continued expansion of health tourism. Advances in digital healthcare, medical technology and operational efficiencies are opening new doors, enabling us to deliver even better care, to even more people, in ways that are smarter and more sustainable.

Encik Mohd Khairul Izzad B. Mohammed Shamsudin | *Chief Financial Officer of KPJ Healthcare Berhad*

In the midst of these changes, we have remained focused on what matters most – strengthening core operations, expanding service capacity and maintaining financial resilience. Our responsibility is to provide quality healthcare that makes a real difference in people's lives, to ensure patients receive the treatment they need when they need it. Delivering on this commitment enhances patient outcomes while generating long-term value for shareholders who place their trust in the Group.

The year 2024 was another step forward in that journey. We saw an increase in patient volumes and higher hospital admissions, resulting in stronger operational performance. More people came through our doors seeking care and we were there to meet their needs – whether through inpatient treatments or procedures. Trust in our services led to significant improvement in Bed Occupancy Rate, translating into higher revenue and a strong bottom line.

RATIONALISING OUR PORTFOLIO

Sustainable growth requires a keen focus on our core businesses. In 2024, we successfully completed the divestment of Jeta Gardens, our aged care business in Australia, marking the final step in a strategic realignment that began with our exit from the Indonesian market in 2023. This was not simply about streamlining operations. It was about sharpening our remit – concentrating our resources where they can have the greatest impact and ensuring that every investment, every initiative and every expansion aligns with our long-term vision.

At the same time, we have continued to reinvest in the business. We have expanded capacity, upgraded to state-of-the-art medical equipment and laid foundation for an Academic Health System, paving the way for advanced medical education, research and patient care to meet growing patient demand.

FINANCIAL PERFORMANCE

In 2024, the Group's growth was underpinned by higher patient volumes, an expanded range of services and increased hospital capacity. Efforts to recruit additional consultants and enhance operating bed availability have reinforced the ability to deliver timely, high-quality care. These factors contributed to revenue of RM3,922.2 million, reflecting a 15% increase from RM3,418.7 million in 2023.

2024 FINANCIAL HIGHLIGHTS

Revenue

RM3,922.2 million

(RM3,418.7 million in 2023)

+15%

EBITDA

RM987.8 million

(RM838.0 million in 2023)

+18%

PBT

RM531.0 million

(RM377.9 million in 2023)

+41%

HEALTH TOURISM AND MARKET EXPANSION

Malaysia has long been recognised as a leading destination for high-quality, cost-effective medical care and we are proud to be a driving force behind the growth of health tourism. In 2024, revenue from international patients climbed 22% to RM232.0 million, reflecting the increasing confidence in our expertise and the growing demand for specialist treatments. We are committed to strengthening our global partnerships and expanding our range of medical services to capture further growth in this high-potential market.

PROFITABILITY AND OPERATIONAL EXCELLENCE

Prudent financial and cost management is fundamental to operations, complemented by strategic investments that support sustainable growth. As a result, earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 18% to RM987.8 million, with an improved EBITDA margin of 25.2%. Profit before tax rose to RM531.0 million, reflecting the Group's ability to drive expansion while maintaining financial discipline.

PERFORMANCE BY SEGMENT

Malaysia

Our Malaysian operations delivered another year of strong results, with revenue increasing by 15% to RM3,853.9 million. Patient visits grew to 3,196,905, demonstrating the continued demand for our services and the effectiveness of our expansion strategy.

EBITDA for Malaysia rose by 19% to RM998.7 million, while profit before tax increased by 38% to RM561.1 million. Alongside revenue growth, we maintained a disciplined approach to cost management. While administrative expenses rose, we continued to optimise resources.

Chief Financial Officer's Review

Other Segments

Revenue from our other segments totalled RM71.4 million, a modest 1% increase from the previous year. This was led by KPJU, which saw a revenue increase of RM4.6 million, offset by lower contribution from retirement village operations of Jeta Gardens.

This other segment reported a higher negative EBITDA and a loss before tax of RM9.3 million and RM30.1 million respectively, mainly due to lower contribution from retirement village operations of Jeta Gardens.

DISCIPLINED COST MANAGEMENT

As we grow, efficient and strategic cost management is essential. In 2024, operating expenses increased by RM323.1 million or 11%, driven by several factors:

- Staff costs rose to **RM1,174.3 million**, reflecting the recruitment of additional personnel to support hospital expansions.
- Maintenance costs increased 48% to **RM170.2 million**, due to significant investments in digital infrastructure and IT-related expenditures to enhance operational efficiency.
- Depreciation and amortisation reached **RM281.9 million**, reflecting continued investments in medical equipment and hospital upgrades.

FINANCIAL POSITION AND CAPITAL MANAGEMENT

The Group ended 2024 with total assets of RM7,403.2 million, up from RM7,246.2 million in the previous year. This growth was largely driven our drive to invest and re-invest in hospital infrastructure and medical technology.

Total liabilities decreased to RM4,665.6 million, as we continued to prioritise prudent capital management. The repayment of RM364.7 million in borrowings helped strengthen our balance sheet, ensuring long-term financial flexibility.

Net cash generated from operating activities rose by 28% to RM844.4 million, providing a solid foundation for reinvestment and growth.

RETURNS TO SHAREHOLDERS

We are committed to creating and delivering value to our shareholders. In 2024, we issued four interim dividends, rewarding our respected shareholders a total of RM181.1 million, compared to RM146.2 million in 2023. This reflects our confidence in the Group's financial strength and our ability to sustain long-term value creation.

OUTLOOK

Looking ahead, we see a healthcare industry that is growing, evolving and filled with opportunities. The demand for high-quality medical services is expected to continue rising and we are well-positioned to meet it.

In 2025, we will further strengthen our capacity expansion strategy, develop centres of excellence and leverage digital innovation to enhance patient care. At the same time, we will focus on value creation, optimising assets and maintaining financial discipline to ensure sustainable, long-term growth.

We also see tremendous potential in health tourism. We are actively positioning ourselves to capture a larger share of this market, expanding our specialist services and strengthening international partnerships.

The strong performance in 2024 provides a solid foundation for the future. We will continue to build a stronger, more resilient healthcare group – one that delivers for our patients, creates value for our stakeholders and contributes to the well-being of our communities.

As we chart our path forward, our commitment to C.A.R.E. – Committed, Accountable, Respectful, Excellent – remains at the heart of everything we do. These values drive our pursuit of excellence in patient care, strengthen our relationships with stakeholders and guide our efforts to create a healthcare system that is both compassionate and effective. By embedding these principles into our daily operations, we ensure that every patient experience is rooted in trust, professionalism and the highest standards of service.

And as we move forward, we do so with confidence and genuine care – because when we invest in healthcare, we invest in something greater. We invest in people. We invest in their future and we invest in the strength and prosperity of our nation.

Mohd Khairul Izzad B. Mohammed Shamsudin
Chief Financial Officer, KPJ Healthcare Berhad

Group Quarterly Performance

2024 (RM'000)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR ENDED 2024
Revenue	908,015	930,559	1,032,832	1,050,838	**3,922,244**
Gross profit	389,443	402,657	468,862	494,398	**1,755,360**
Operating profit	126,472	150,517	169,077	210,442	**656,508**
Finance income	5,817	6,395	5,181	4,713	**22,106**
Finance costs					
- Borrowings	(22,978)	(22,311)	(21,617)	(21,009)	**(87,915)**
- Lease liabilities	(27,157)	(26,992)	(26,679)	(28,278)	**(109,106)**
Finance costs - net	(44,318)	(42,908)	(43,115)	(44,574)	**(174,915)**
Share of results of associates, net of tax	9,359	10,994	13,604	15,405	**49,362**
Profit before tax	91,513	118,603	139,566	181,273	**530,955**
Tax	(31,219)	(32,200)	(43,644)	(59,127)	**(166,190)**
Profit for the financial period/year from continuing operations	60,294	86,403	95,922	122,146	**364,765**
Loss for the financial period/year from discontinued operations	35,464	(2,957)	-	9,971	**42,478**
Net profit for the financial period/year	95,758	83,446	95,922	132,117	**407,243**
Profit for the financial period/year attributable to:					
Owners of the Company from					
- continuing operations	51,182	77,563	86,026	116,308	**331,079**
- discontinued operations	20,214	(1,685)	-	4,209	**22,738**
Non-controlling interests from					
- continuing operations	9,112	8,840	9,896	5,838	**33,686**
- discontinued operations	15,250	(1,272)	-	5,762	**19,740**
	95,758	83,446	95,922	132,117	**407,243**
Basic EPS (sen)					
- continuing operations	1.17	1.78	1.97	2.67	**7.59**
- discontinued operations	0.46	(0.04)	-	0.10	**0.52**

2023 (RM'000)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR ENDED 2023
Revenue	814,990	785,362	906,894	911,455	3,418,701
Gross profit	339,431	321,137	393,320	378,030	1,431,918
Operating profit	116,137	114,541	173,903	111,346	515,927
Finance income	2,144	4,796	5,395	7,814	20,149
Finance costs					
- Borrowings	(20,362)	(23,538)	(28,710)	(24,580)	(97,190)
- Lease liabilities	(26,960)	(28,626)	(28,119)	(23,996)	(107,701)
Finance costs - net	(45,178)	(47,368)	(51,434)	(40,762)	(184,742)
Share of results of associates, net of tax	10,311	9,769	13,819	12,858	46,757
Profit before tax	81,270	76,942	136,288	83,442	377,942
Tax	(21,164)	(20,059)	(35,834)	1,712	(75,345)
Profit for the financial period/year from continuing operations	60,106	56,883	100,454	85,154	302,597
Loss for the financial period/year from discontinued operations	(4,441)	(8,660)	(1,272)	(17,818)	(32,191)
Net profit for the financial period/year	55,665	48,223	99,182	67,336	270,406
Profit for the financial period/year attributable to:					
Owners of the Company from					
- continuing operations	54,583	51,127	92,078	83,504	281,292
- discontinued operations	(3,190)	(4,249)	(331)	(10,114)	(17,884)
Non-controlling interests from					
- continuing operations	5,523	5,756	8,376	1,650	21,305
- discontinued operations	(1,251)	(4,411)	(941)	(7,704)	(14,307)
	55,665	48,223	99,182	67,336	270,406
Basic EPS (sen)					
- continuing operations	1.26	1.17	2.11	1.91	6.45
- discontinued operations	(0.07)	(0.10)	(0.01)	(0.23)	(0.41)

5-Year Financial Performance

STATEMENTS OF COMPREHENSIVE INCOME

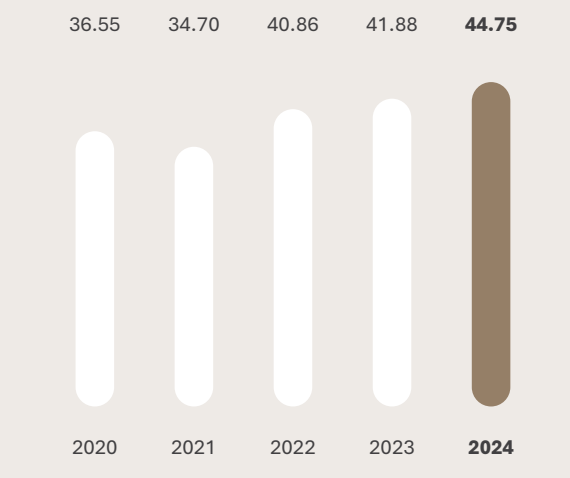
GROUP (RM'000)	2020*	2021*	2022*	2023	2024
Revenue	2,327,847	2,536,257	2,868,474	3,418,701	**3,922,244**
Gross profit	850,767	880,191	1,172,074	1,431,918	**1,755,360**
Operating profit	296,893	255,911	409,572	515,927	**656,508**
Finance income	13,052	8,519	12,141	20,149	**22,106**
Finance cost					
- Borrowings	(93,033)	(89,843)	(91,853)	(97,190)	**(87,915)**
- Lease liabilities	(69,224)	(76,737)	(102,482)	(107,701)	**(109,106)**
Share of results of associates net of tax	16,946	25,856	47,764	46,757	**49,362**
Profit before tax	164,634	123,706	275,142	377,942	**530,955**
Taxation	(38,973)	(48,868)	(73,208)	(75,345)	**(166,190)**
Profit for the financial year from continuing operations	125,661	74,838	201,934	302,597	**364,765**
Profit/(loss) for the financial year from discontinued operations	(14,849)	(9,187)	(19,281)	(32,191)	**42,478**
Profit for the financial year	110,812	65,651	182,653	270,406	**407,243**
Profit attributable to:					
Owners of the Company					
- continuing operations	120,577	56,189	178,610	281,292	**331,079**
- discontinued operations	(10,134)	(5,156)	(11,629)	(17,884)	**22,738**
Non-controlling interest					
- continuing operations	5,084	18,649	23,324	21,305	**33,686**
- discontinued operations	(4,715)	(4,031)	(7,652)	(14,307)	**19,740**
	110,812	65,651	182,653	270,406	**407,243**

* *Restated performance for 2020, 2021 and 2022*

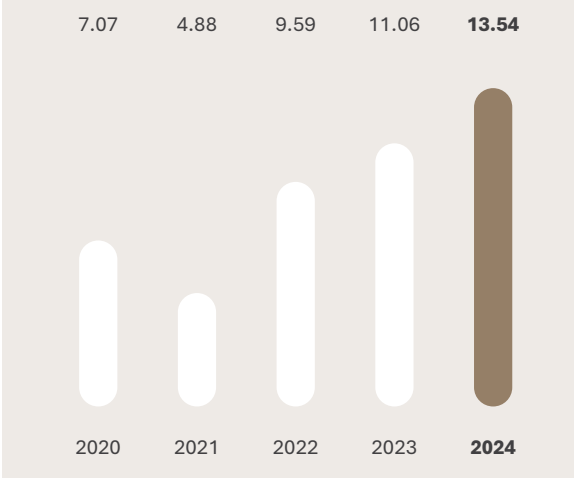
STATEMENTS OF FINANCIAL POSITION

GROUP (RM'000)	2020	2021	2022	2023	2024
Non-current assets	5,081,714	4,968,903	5,522,669	5,577,246	**5,798,963**
Current assets	1,059,717	968,575	1,313,942	1,633,765	**1,604,278**
Assets held for sale	-	250,163	157,455	35,151	**-**
Current liabilities	(1,231,978)	(1,580,146)	(1,660,321)	(1,347,206)	**(1,296,819)**
Liabilities associated with assets held for sale	-	-	(13,163)	(54,349)	**-**
Non-current liabilities	(2,707,241)	(2,356,987)	(2,966,364)	(3,316,455)	**(3,368,824)**
TOTAL	2,202,212	2,250,508	2,354,218	2,528,152	**2,737,598**
Share capital	909,504	959,521	976,329	999,190	**999,190**
Less: Treasury shares	(155,310)	(155,310)	(155,310)	(155,310)	**(155,310)**
Reserve	1,295,890	1,331,219	1,406,241	1,539,284	**1,692,781**
Shareholders' funds	2,050,084	2,135,430	2,227,260	2,383,164	**2,536,661**
Non-controlling interests	152,128	115,078	126,958	144,988	**200,937**
TOTAL	2,202,212	2,250,508	2,354,218	2,528,152	**2,737,598**

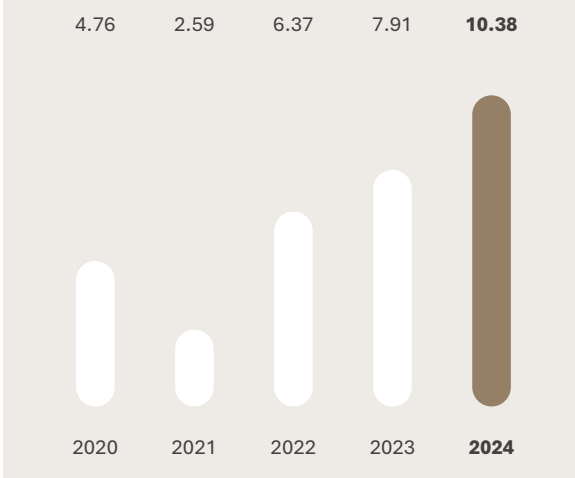
GROSS PROFIT MARGIN (%)



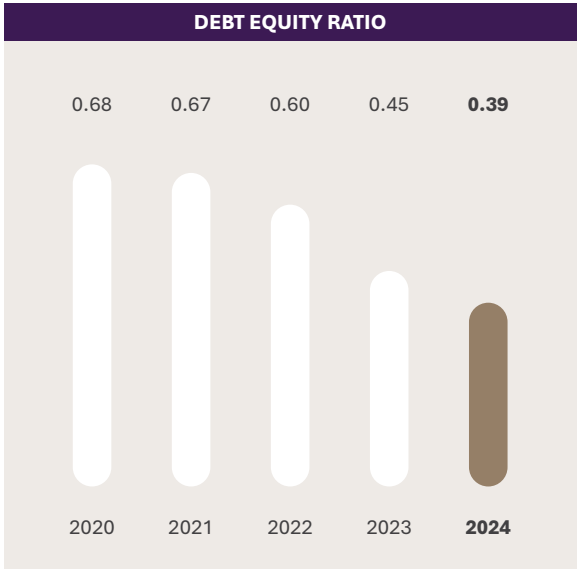
PROFIT BEFORE TAX MARGIN (%)

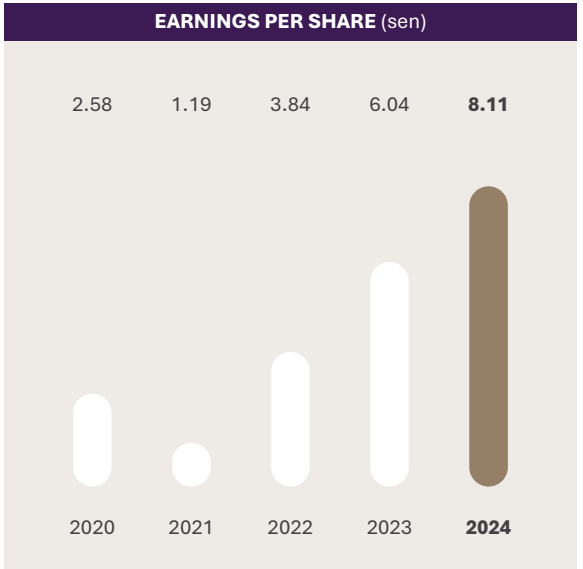


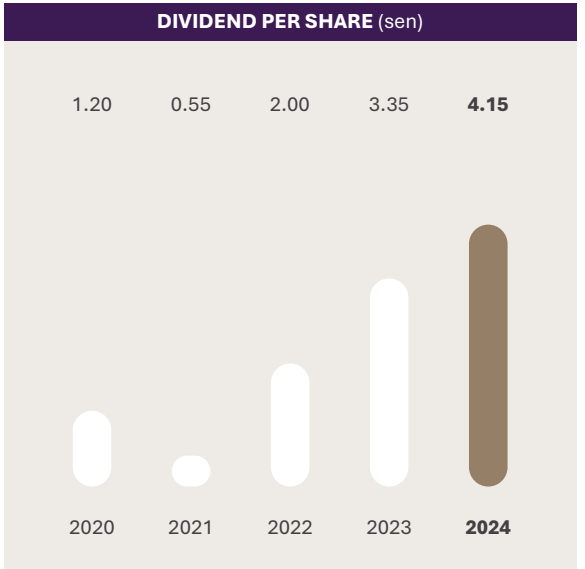
NET PROFIT MARGIN (%)

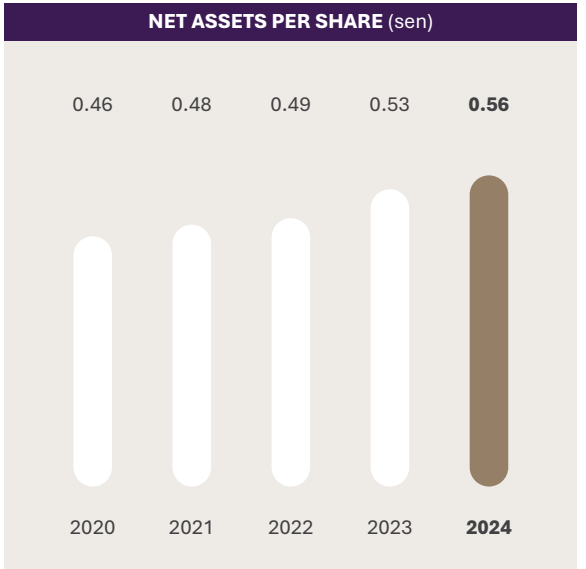


5-Year Financial Performance









Statement of Value Added

VALUE DISTRIBUTION

The value that KPJ creates for its stakeholders can either be in the form of financial return or in non financial or intangible forms.

The Statement of Value Added illustrates how KPJ's performance supports the Group's ability to deliver financial value to its stakeholders.

	2023 RM'000	2024 RM'000
Revenue	3,418,701	**3,922,244**
Purchase of goods and services	(1,628,324)	**(1,828,368)**
Value added by the Group	1,790,377	**2,093,876**
Other income	67,336	**27,480**
Finance income	20,149	**22,106**
Finance costs		
- Borrowings	(97,190)	**(87,915)**
- Lease liabilities	(107,701)	**(109,106)**
Share of results of associates, net of tax	46,757	**49,362**
Value added available for distribution	1,719,728	**1,995,803**
Distribution		
To Employees	1,059,193	**1,174,270**
To Government/Approved agencies	75,345	**166,190**
To Shareholders:		
Dividend	146,204	**181,119**
Non-controlling interest	21,305	**33,686**
Corporate responsibility	11,526	**14,939**
Retained for re-investment	282,593	**290,578**
Retained for future growth	123,562	**135,021**
Total distribution	1,719,728	**1,995,803**
No of employees at the year end	16,433	**17,315**
Value added per employee (RM'000)	109	**121**
Wealth created per employee (RM'000)	105	**115**
No of shares at year end ('000 units)	4,526,608	**4,526,608**
Value added per share (RM)	0.40	**0.46**
Wealth created per share (RM)	0.38	**0.44**

Care For Life Stories

Regaining Independence Through Innovation and Care

At 41, Mr Chin Kah Wah, a finance professional, experienced a spinal cord injury that significantly affected his mobility and disrupted daily routines. In search of rehabilitation support, he sought treatment at KPJ Sabah, where he underwent a comprehensive recovery programme tailored to his condition.

His care journey included the use of assistive technology designed to support neural and muscular function, alongside physiotherapy and multidisciplinary care. With consistent therapy and support from the care team, Mr Chin gradually regained mobility with the aid of a walking device.

His story reflects the value of coordinated care and technology-enabled support in helping patients regain independence. It also highlights KPJ's broader focus on integrated care pathways that support continuity, access and recovery at every stage of the patient journey.

Section 4

OPERATIONAL HIGHLIGHTS

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Hospital Operations Review

BUSINESS OVERVIEW

The healthcare sector is shifting towards preventive care, patient well-being and long-term health optimisation, driven by technological advancements, demographic shifts and rising number of non-communicable disease. To stay ahead, providers must embrace innovation, enhance accessibility and optimise cost efficiency.

KPJ is advancing sustainable healthcare by integrating digital solutions, expanding availability of subspecialty services and leveraging AI, robotics and precision medicine. By strengthening clinical excellence and operational resilience, we are future-proofing healthcare delivery and enhancing value-based care across our network.

Strengthening Market Leadership Through Strategic Growth

As Malaysia's largest network of private healthcare provider, KPJ continues to expand its network, now comprising 29 hospitals, with the largest pool of 1,697 specialist medical consultants. In 2024, inpatient admissions grew by 7% to 388,101, while outpatient visits reached 3,002,621. Despite increased capacity, the average Bed Occupancy Rate ("BOR") remained strong at 69%, peaking at 78% in July.

With a strategic focus on local business growth, we have reinforced our market position following the divestment of aged care operations in Australia and healthcare assets in Indonesia. We continue to invest in infrastructure, consultant recruitment and cutting-edge medical technologies to strengthen service delivery.

Ongoing investments in medical infrastructure, digital innovation and subspecialty services have allowed us to optimise patient experiences, improve clinical outcomes and enhance service efficiency. By integrating cutting-edge medical technologies, expanding specialist expertise and strengthening key healthcare hubs, KPJ remains well-positioned to navigate industry complexities and drive sustainable growth.

Optimising Capacity and Expanding Clinical Expertise

In 2024, KPJ continues to optimise hospital capacity while expanding our specialist expertise to meet increasing patient demand. Our BOR rose from 67% in 2023 to 69% in 2024, reflecting stronger patient confidence and service demand. Patient visits increased to 3.39 million, while surgical procedures grew by 5%, driven by advancements in medical technology and expanded surgical capabilities.

Inpatient admissions grew by
7% to 388,101

Outpatient visits reached
3,002,621

BOR remained strong at
69%

To further enhance service delivery, we intensified our consultant recruitment strategy in 2024, welcoming specialists across medical, surgical, anaesthesia and radiology disciplines–significantly strengthening our clinical capabilities and capacity. This expansion of our clinical capacity ensures we continue delivering high-quality, patient-centred care while future-proofing our talent pipeline.

Expanding Growth Through Patient-Centric Innovation

In 2024, KPJ continues to advance its commitment to expanding service offerings and enhancing healthcare accessibility to meet evolving patient needs. Through strategic foresight and operational excellence, we are strengthening our position as Malaysia's preferred private healthcare provider while ensuring high-quality, patient-centred care.

As a flagship hospital within KPJ Healthcare's network, Damansara Specialist Hospital 2 ("DSH2") represents a significant milestone in our expansion strategy. DSH2 is designed to set new benchmarks in advanced specialist healthcare.

With its state-of-the-art medical technology, highly skilled specialists and a patient-centred approach, DSH2 is reinforcing KPJ's leadership in delivering world-class, specialised healthcare services.

DSH2 introduced Minimally Invasive Cardiac Surgery ("MICS") programme, led by Consultant Cardiothoracic Surgeon, Professor Dr Shahrul Amry Hashim. The technique, which replaces traditional sternotomy with smaller, targeted incisions, enables shorter recovery time, reduced complications and earlier patient discharge. These outcomes align with the Group's shift towards precision and value-based care.

DSH2 had also enhanced its robotic surgery programme through the da Vinci Surgical System, supported by immersive planning technologies such as the VSI HoloLens. These platforms reflect KPJ's commitment to integrating digital surgical innovation into its clinical ecosystem, strengthening its position as a leading provider of advanced surgical solutions in the private healthcare sector.

Hospital Operations Review

The state-of-the-art operating theatre at Damansara Specialist Hospital 2, equipped with the da Vinci Robotic Surgical System and a robotic Orthopaedic Surgical System, enables more precise and less invasive procedures. Combined with the expertise of experienced surgeons, these advancements support faster recovery times and greater cost efficiency.

New and Enhanced Services

In the year under review, we continued to elevate our ability to serve customers by adding new services or enhancing existing ones.

HOSPITALS	NEW SERVICES OR ENHANCEMENTS
CENTRAL	
KPJ Damansara Specialist Hospital ("DSH")	**Advancements in Healthcare and Strategic Collaborations** DSH has made remarkable strides in the healthcare sector. It stands out as the first private hospital to offer the dengue vaccine, a significant step in combating a prevalent tropical disease. In addition to this achievement, the hospital has also recruited the first resident paediatric development specialist within KPJ, marking a milestone in specialised paediatric care. **DSH and DSH2 Historical Collaboration** DSH and DSH2 have together created history through their collaboration with the renowned Mayo Clinic. This partnership has led DSH to become the first hospital in the country to adopt Mayo Clinic's oncology care model for their cancer patients. This adaptation signifies a leap forward in providing advanced and comprehensive cancer care, setting new standards in the healthcare industry. The integration of Mayo Clinic's care model into DSH's oncology services exemplifies a commitment to delivering top-tier medical care, leveraging globally recognised protocols and practices. This collaboration underscores the hospital's dedication to improving patient outcomes and enhancing the quality of healthcare services offered.
Damansara Specialist Hospital 2 ("DSH2")	**The Revolutionary Approach in Cardiac Care** In the realm of medical advancements, DSH2 has etched its name as the first private hospital in the country to offer MICS. **Introduction to Minimally Invasive Cardiac Surgery ("MICS")** DSH2's commitment to embracing cutting-edge medical technologies and techniques has solidified its position as a leader in the healthcare industry. The hospital continues to set new standards in patient care. DSH2's introduction of MICS and the exemplary work of Professor Dr Shahrul Amry epitomise the hospital's unwavering commitment to innovation and excellence in healthcare. Together, they are transforming the landscape of cardiac care, offering hope and healing to countless patients.
NORTHERN	
KPJ Ipoh Specialist Hospital ("KPJ Ipoh")	**Introduction of Cuvis Joint** KPJ Ipoh has also successfully introduced Cuvis Joint, Malaysia's first fully automated knee surgery, in September 2024. By December 2024, a total of 55 patients with 64 Total Knee Replacement ("TKR") procedures were performed, marking a significant milestone in the advancement of orthopaedic surgery in the region. This innovative procedure has set a new benchmark in medical technology, offering patients enhanced precision and improved recovery outcomes.

Hospital Operations Review

HOSPITALS	NEW SERVICES OR ENHANCEMENTS
EAST MALAYSIA	
KPJ Kuching Specialist Hospital ("KPJ Kuching")	**KPJ Kuching's Robotic-Assisted Procedures** The introduction of robotic-assisted TKR technology in KPJ Kuching, known as the Rosa System in August 2023, has successfully enhanced the precision and outcomes of surgical procedures. Up to December 2024, 519 knees (352 patients) have undergone the procedure. **VELYS System Partnership** A new partnership with Johnson & Johnson for the VELYS system has been initiated, with the system going live in September 2024. This development is expected to further boost operational efficiency and expand service offerings. As of 31 December 2024, KPJ Kuching had a total of 95 patients with 146 knees being operated on by the surgeon under VELYS System Partnership. **Rejuvenation of Facilities** Continuous improvements in hospital wards and facilities have been prioritised, enhancing patient comfort and care delivery efficiency.

HEALTH TOURISM

In 2024, Malaysia's health tourism sector continued to grow steadily, supported by proactive outreach, strategic partnerships and service innovation. KPJ expanded its engagement across key regional and expatriate markets, strengthening brand presence through digital marketing, international trade events and the introduction of market-specific health packages. Collaborations with insurers, third-party administrators and referral agents further enhanced accessibility, while familiarisation visits and professional exchanges deepened relationships with stakeholders.

KPJ achieved notable growth in health tourism revenue, growing by 22 percent from the previous year. Throughout the year, we enhanced our engagement with local and regional expatriate markets while intensifying outreach efforts targeted at health tourists.

Initiatives Driving Health Tourism Growth

KPJ's growth in health tourism during 2024 was driven by a suite of strategic initiatives aimed at strengthening brand visibility, patient engagement and conversion. Key efforts included enhanced digital marketing and targeted media campaigns, alongside the introduction of tailored health packages to meet the needs of distinct patient segments. These efforts contributed to greater awareness and a stronger pull factor for international patients seeking premium care.

Hospital Operations Review

KPJ also expanded its physical and strategic footprint to support market access. This included the establishment of five representative offices across Indonesia – in Aceh, Batam, Bengkalis, Pekanbaru and Pontianak – to serve as key touchpoints for local engagement. Participation in prominent international and regional trade events, such as the Malaysia Healthcare Expos in Indonesia and the Kuwait Medical Conference, further positioned KPJ as a global healthcare provider and reinforced its visibility on the world stage.

Strengthening networks with insurance providers, Third-Party Administrators and other key partners helped expand accessibility, while the appointment of exclusive agents in various markets ensured consistent brand promotion. Knowledge-sharing activities, such as webinars and symposiums, alongside targeted familiarisation visits with opinion leaders and community stakeholders, helped deepen relationships and reinforce KPJ's credibility in both established and emerging markets.

OUTLOOK

In 2025, KPJ will continue advancing sustainable growth through strategic expansion, digital innovation and patient-centred care. With the evolving healthcare landscape, our focus remains on enhancing accessibility, clinical outcomes and service efficiency across our hospital network.

We are strengthening our clinical capacity through ongoing specialist recruitment, facility upgrades and the introduction of advanced medical technologies. These efforts support the delivery of high-quality care and ensure readiness to meet rising patient demand.

Digital transformation remains a key enabler, with the continued rollout of real-time dashboards, bed management systems and automation tools to streamline operations and enhance decision-making.

Strategic partnerships with global healthcare leaders will also accelerate service innovation and support the growth of specialised care, including key Centres of Excellence in neurology, orthopaedics and stroke. At the same time, we are deepening our ESG initiatives by promoting energy efficiency, operational sustainability and inclusive healthcare practices.

With a clear strategy and resilient operational framework, KPJ is well-positioned to drive long-term value and reinforce its leadership in delivering trusted, forward-looking healthcare services across Malaysia.

CELEBRATING OPERATIONAL SUCCESS: KEY MILESTONES AND RECOGNITIONS IN 2024

MARCH

KPJ Johor Specialist Hospital
- World's Best Hospitals 2024

KPJ Perdana Specialist Hospital
- Paediatric Hospital of the Year – Malaysia

MAY

KPJ Damansara Specialist Hospital
- Women & Children Service Provider of the Year in Asia-Pacific
- Advanced Paediatrics Service Provider of the Year in Asia-Pacific
- Obstetrics & Gynaecology Service Provider of the Year in Asia-Pacific

Damansara Specialist Hospital 2
- Rising Star Hospital of the Year in Malaysia

KPJ Centre for Sight
- Ophthalmology Service Provider of the Year in Asia-Pacific

KPJ Sabah Specialist Hospital
- Gastroenterology Service Provider of the Year in Asia-Pacific

- Robotic Rehabilitation Service of the Year in Asia-Pacific

KPJ Ampang Puteri Specialist Hospital
- Advanced Cardiology Service Provider of the Year in Asia-Pacific

KPJ Ampang Puteri Specialist Hospital
- Spine Care Service Provider of the Year in Asia-Pacific

KPJ Tawakkal KL Specialist Hospital
- Urology Service Provider of the Year in Asia-Pacific

KPJ Selangor Specialist Hospital
- The Best Productivity Improvement Project 2023 Award organised by MPC under the MITI

KPJ Rawang Specialist Hospital
- Sustainability Shared Prosperity Organisation ("SSPOA") Gold

KPJ Ipoh Specialist Hospital
- Sustainability in Quality Assurance

KPJ Ipoh Specialist Hospital
- Sustainability Shared Prosperity Organisation ("SSPOA")

SEPTEMBER

KPJ Tawakkal KL Specialist Hospital
- Anugerah Majikan Terbaik Pengurusan Keselamatan Perjalanan Pergi – Balik Kerja 2023

OCTOBER

KPJ Sri Manjung Specialist Hospital
- Best Employer Award KWSP Manjung District 2024

KPJ Johor Specialist Hospital
- Best Employer Appreciation Award 2024

Hospital Operations Review

OCTOBER

KPJ Johor Specialist Hospital
- Accreditation Excellence Award – Sustainability in Accreditation Excellence

KPJ Ampang Puteri Specialist Hospital
- Accreditation Excellence Award for Sustainability in Quality Assurance

KPJ Kluang Specialist Hospital
- Anugerah Apresiasi Majikan Terbaik KWSP Negeri Johor 2024

KPJ Rawang Specialist Hospital
- Certificate of Appreciation ESG Award
- Anugerah QA/QI Champion

KPJ Bandar Maharani Specialist Hospital
- Anugerah Apresiasi Majikan Terbaik KWSP Muar Tahun 2024

NOVEMBER

KPJ Penang Specialist Hospital
- Gold Award in International Convention in Quality Control Circle ("ICQCC") Sri Lanka - Violet Panther Project Cre Tracker

KPJ Ipoh Specialist Hospital
- Anugerah Keselamatan dan Keselamatan Pekerjaan Negara 2024 (Business Service)

KPJ Selangor Specialist Hospital
- Gold Award in International Convention in Quality Control Circle ("ICQCC") Sri Lanka – Pro Rehab Project Pneumatic Cryo Cuff Stand

Lablink (M) Sdn Bhd
- MSOSH Occupational Safety & Health 42nd Award 2024 Silver Award

KPJ Kluang Specialist Hospital
- MSOSH Gold Class 1

KPJ Sentosa KL Specialist Hospital
- MSOSH Gold Class 2 Award

DECEMBER

KPJ Klang Specialist Hospital
- Employer of Choice (Private Sector)

Allied and Retail Health Operations:
Building A Stronger Healthcare Ecosystem

INTRODUCTION

The Group Allied and Retail Health Operations ("GARHO") form an integral pillar of KPJ's integrated delivery model, encompassing a range of support services aimed at elevating care standards, optimising resource use and improving patient outcomes.

These operations do more than support the clinical core – they unlock cost efficiencies, reinforce quality across the board and ensure consistency in service delivery across KPJ's network of hospitals. Collectively contributing nearly RM150 million in revenue to KPJ in 2024, the operations under GARHO continues to enhance the Group's value proposition for patients, clinicians and shareholders alike.

The entities under GARHO include:

- **Ambulatory Care Centres ("ACC")**
  A one-stop centre for outpatient surgeries, diagnostics and specialist care.
- **KPJ Centre for Sight ("CFS")**
  Provides specialised eye care, from diagnostics to surgery, in a dedicated setting
- **Lablink (M) Sdn Bhd ("Lablink")**
  General and specialised diagnostics testing
- **Pharmaserv Alliances Sdn Bhd ("PASB")**
  Central Procurement and Distribution for Pharmaceutical and Medical Consumables
- **KPJ Healthshoppe Sdn Bhd ("Healthshoppe")**
  Retail and digital pharmacy
- **Sterile Services Sdn Bhd ("SSSB")**
  Instrument sterilisation services
- **Total Meal Solutions ("TMS")**
  Inpatient meal services and ready-to-eat products
- **Healthcare Technical Services ("HTS")**
  Hospital infrastructure and project management

Allied and Retail Health Operations:
Building A Stronger Healthcare Ecosystem

2024 BUSINESS REVIEW

In 2024, businesses under GARHO continued its mission to not only enable seamless healthcare delivery but also support KPJ's transformation towards becoming a fully patient-centred, future-ready healthcare organisation.

AMBULATORY CARE CENTRES ("ACC")

The demand for ambulatory care services continues to grow, driven by shifting consumer preferences towards convenient, cost-effective and accessible healthcare solutions. Patients increasingly seek smaller medical facilities over traditional hospitals, prioritising efficiency, affordability and personalised care.

Recognising this trend, KPJ's ACC are strategically positioned in semi-urban regions, offering a comprehensive range of outpatient services, day surgeries and procedures. These include diagnostics, specialist consultations, medical interventions and preventive healthcare, catering to a diverse patient demographic.

By expanding our ambulatory care footprint, KPJ is enhancing healthcare accessibility, optimising service efficiency and meeting evolving patient expectations, reinforcing our role as a leader in outpatient and community-based healthcare solutions.

SPECIALTY	CENTRE	SERVICE AVAILABLE	LOCATION
Multidisciplinary	Tawakkal Health Centre	• Haemodialysis • Rehabilitation • Radiology • Specialist Clinics • Operation Theatre • Opthalmology	Kuala Lumpur
Multidisciplinary	KPJ Specialist and Healthcare Centre ("SHC") Kinrara	• Specialist Clinics: - Internal Medicine / Gastroenterology - Orthopaedics - ENT • Day Surgeries and Procedures • Radiology • A&E • Opthalmology	Bandar Kinrara
Single discipline: Ophthalmology	Centre For Sight	• Eye Specialist • Lasik	Four Branches: • Petaling Jaya • Rawang • SHC Kinrara • Tawakal Health Centre

KPJ CENTRE FOR SIGHT ("CFS")

At CFS, we are dedicated to delivering world-class ophthalmic care, integrating cutting-edge technology, expert medical professionals and a patient-centred approach to achieve optimal eye health outcomes. Our continued emphasis on clinical excellence, innovation and personalised treatment reinforces our position as the preferred provider of specialised eye care services in Malaysia.

Our eye centre remain central to our outpatient strategy, aligning medical excellence with patient-centric innovation to reinforce our position as a preferred provider of vision care.

LABLINK (M) SDN BHD ("LABLINK")

Lablink continues to be a cornerstone of KPJ's commitment to clinical excellence, innovation and integrated care. As one of the country's largest hospital-based diagnostics provider, Lablink plays a pivotal role in supporting clinical decision-making across the KPJ network, while also serving a growing base of external healthcare partners.

2024 marked a defining year for Lablink for both its operational performance and its strategic strides in diagnostic innovation. Celebrating 35 years of service, the company launched Malaysia's first private-sector Mycology Reference Laboratory, significantly enhancing the country's capabilities in diagnosing fungal and mould infections, which are particularly life-threatening among immunocompromised individuals. This development positions Lablink at the forefront of addressing rising concerns in infectious diseases and antimicrobial resistance.

Allied and Retail Health Operations:
Building A Stronger Healthcare Ecosystem

Beyond this milestone, Lablink has continued to expand the breadth and sophistication of its service offerings. The company saw a 7% increase in total laboratory test volumes, with specialised testing services growing by over 15%. These included rising demand in autoimmune diagnostics, microbiology, mycobacteriology, histopathology and advanced molecular tests. This uptrend reflects the evolving needs of both KPJ clinicians and external providers seeking more accurate, early and personalised diagnostics.

A key strategic thrust in 2024 was the introduction of subspecialty pathology services, enabling deeper diagnostic capabilities in highly specialised areas such as bone and soft tissue sarcoma diagnostics; renal pathology, including microscopy interpretation and lymphoreticular pathology, critical in diagnosing haematological malignancies

These new services not only expand the scope of KPJ's diagnostic ecosystem but also reduce turnaround time and referral dependencies, enabling better outcomes for patients across Malaysia.

On the quality assurance and compliance front, Lablink sustained its leadership by completing the transition of its Reference Laboratory to the latest MS ISO 15189:2022 accreditation, a rigorous international standard for medical laboratory quality and competence.

PHARMASERV ALLIANCES SDN BHD ("PASB")

As the central procurement and logistics hub for the KPJ Group, PASB plays a foundational role in ensuring that pharmaceuticals, medical devices and clinical consumables are delivered efficiently, safely and cost-effectively across KPJ's extensive hospital network.

In 2024, PASB delivered a robust financial performance, with its external revenue surged significantly. This reflects PASB's growing presence and credibility beyond KPJ's internal ecosystem, tapping into private sector opportunities and expanding its relevance in Malaysia's healthcare distribution landscape.

PASB also demonstrated strong operational agility, contributing to the cost-containment strategies in group-wide savings, including through competitive tendering in partnership with KPJ Group Procurement.

A cornerstone of PASB's operational strength lies in its strategically located logistics infrastructure, with main distribution centres in Shah Alam and Johor Bahru. The company manages cold chain logistics, warehousing and inventory control with an unwavering focus on compliance, reliability and speed. In 2024, PASB achieved a 98% order fulfilment rate, delivering within 24 hours to the Klang Valley and 48 hours to other regions–a benchmark in healthcare logistics.

Key to this performance was the deployment of a Warehouse Management System ("WMS") at its Shah Alam HQ. This system improved inventory tracking, reduced stock discrepancies and lifted inventory accuracy to over 99%, laying the groundwork for greater automation and real-time monitoring across the supply chain.

EZpilZ is KPJ Healthshoppe's e-pharmacy platform, offering customers convenient online access to medications and healthcare products. With easy prescription uploads and virtual consultations with pharmacists, EZpilZ makes healthcare more accessible.

KPJ HEALTHSHOPPE ("HEALTHSHOPPE")

Healthshoppe expanded to 14 hospitals and introduced a Digital & Merchandising Hub in Subang Jaya. Its e-Pharmacy platform, EZpilZ, launched in March 2024, enables online prescriptions, teleconsultation and pharmacist guidance – streamlining access to care. Retail expansion continued with the opening of Healthshoppe+ outlets in DSH, Menara KPJ, KPJ Penang and KPJ Bandar Dato' Onn. Healthshoppe also saw an increase of 700% growth in e-commerce sales.

STERILE SERVICES SDN BHD ("SSSB")

In 2024, SSSB extend the services to a government & private hospital to offer reliable outsourced sterilisation services, enabling KPJ hospitals to focus on core clinical operations. With centralised sterilisation, hospitals benefit from improved compliance, lower overhead and enhanced efficiency.

TOTAL MEAL SOLUTION ("TMS")

The company launched 16 certified halal RTE meals under MyChoice and expanded OEM products to enter new markets. Through this, TMS managed to secure external business with other private hospitals. TMS also secured HACCP certification and implemented IoT-based monitoring systems to optimise cooking safety and operational efficiency.

Allied and Retail Health Operations:
Building A Stronger Healthcare Ecosystem

HEALTHCARE TECHNICAL SERVICES ("HTS")

HTS secured new projects and delivered energy efficiency upgrades across three facilities. In addition to securing four new Maintenance Manager roles and five contract renewals, HTS continued to expand its service offering in project management, hospital planning, BIM and sustainable design.

SUSTAINABILITY

Sustainability remains a core tenet across GARHO operations. In 2024, Lablink launched a pioneering ESG initiative by transitioning its liquid waste disposal to a recycling programme under Scheduled Waste Code SW429. This reduces the environmental burden of lab waste and aligns with Malaysia's sustainable waste policies.

In addition, Lablink received the Malaysian Society for Occupational Safety and Health ("MSOSH") Silver Award for its exemplary workplace safety practices, reinforcing its commitment to employee well-being and compliance under OSHA 1994.

Group-wide, all GARHO entities are increasingly embedding ESG into operations – whether through energy efficiency upgrades by HTS, halal food certifications by TMS, or Healthshoppe's digital access model reducing unnecessary travel and medication delays.

These initiatives demonstrate KPJ's steadfast belief that environmental stewardship, employee welfare and good governance are not ancillary, but essential to delivering value to patients and society at large.

Education & Talent Development

BUSINESS OVERVIEW

KPJ Healthcare University Sdn Bhd comprises KPJ Healthcare University, KPJ Healthcare College Johor Bahru and KPJ Healthcare College Penang. Collectively referred to as the KPJ Healthcare University Group ("KPJU Group"), it has been a key player in healthcare education since its establishment in 1991.

In June 2023, KPJ Healthcare University ("KPJU" or "the university") achieved full university status, reinforcing its position as a leading provider of medical education and healthcare training in Malaysia. With a strategic vision to integrate KPJU into the broader KPJ Group healthcare ecosystem, the university is dedicated to advancing education and research excellence through strong partnerships and a culture of innovation.

Education & Talent Development

2024 Highlights and Achievements

KPJU Group offers 45 academic programmes, including 7 postgraduate medical specialty programmes, catering to the rising demand for highly trained healthcare professionals. Students benefit from structured clinical exposure and hands-on training across 21 KPJ hospitals, ensuring practical readiness for the workforce. As the only private university in Malaysia approved to offer Medical Specialist programmes, KPJU also offers the largest number of post-basic nursing programmes, addressing the industry's need for specialised nursing professionals.

Student enrollment grew by **4%**, rising from 2,930 students in 2023 to **3,050 students**

New student intake surged by **42%**, reaching **1,446 students** in 2024

KPJU Group produced 1,088 graduates across various disciplines. The university introduced 3 new postgraduate and 1 new post-basic programmes, strengthening its academic offerings. A new research centre was also launched to enhance clinical advancements and healthcare innovation.

Financial Assistance

To support students from underprivileged backgrounds, KPJU Group allocated RM4.6 million in 2024 towards healthcare education support. Three key scholarship categories are offered:

- **Biasiswa – Awarded based on academic merit**
- **Dermasiswa – Provided for students with financial need**
- **Setiasiswa – Offered as an alumni benefit**

Research, Innovation and Strategic Partnerships

KPJRIC, established in 2023, fosters a collaborative ecosystem bridging research and clinical practice. Research focus areas include:

Precision Medicine

Conducting studies in genomics and proteomics, validating medical products and exploring commercialisation opportunities.

Medical Technology and AI in Healthcare

Leveraging AI-driven diagnostics, robotic surgery, wearable health devices and predictive analytics to enhance patient care, streamline clinical workflows and improve healthcare accessibility and efficiency.

Biopharmaceuticals

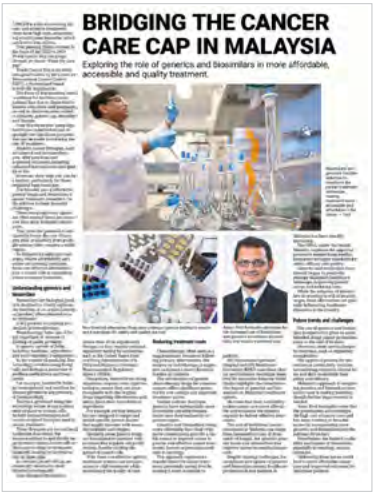
Innovating in bioengineering, nanotechnology and sensor-based medical advancements, contributing to next-generation healthcare solutions.

Preventive Medicine

Strengthening patient-centred care approaches while prioritising the health, safety and resilience of healthcare professionals.

Translational Research

Positioning KPJ hospitals as leading sites for industry-sponsored clinical trials, generating new revenue streams and contributing to medical research advancements.



Throughout 2024, KPJ attracted significant media attention, with widespread coverage across leading print and digital platforms. The company's ongoing transformation captured strong interest from the media, reaching investors and the public alike.

Care For Life Stories

A Life of Service, A Legacy of Compassion

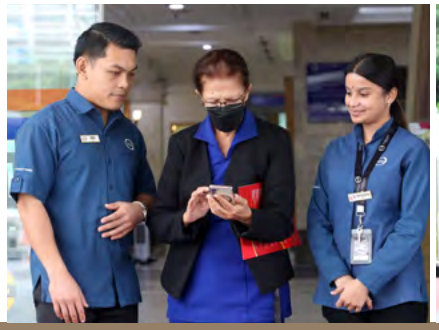
In 2004, a young nurse named Ulfat Begum Bt Mohamed Hassan walked through the doors of KPJ Ampang Puteri Specialist Hospital with a heart full of purpose – to make a difference, one patient at a time. With every smile she offered and every hand she held, she built a quiet legacy of compassion, earning the gratitude of countless patients who never forgot the care she gave.

Today, as the hospital's Patient Liaison Officer, Sister Begum, as she is fondly known, carries that same spirit onto a larger canvas. Her mission is simple yet profound: to ensure that every patient encounter – from admission to discharge – is touched by kindness, respect and dignity.

Drawing on her rich experience at the bedside, she reminds everyone that healthcare is not just about treating illness, but about uplifting lives. While technology and systems will continue to evolve, she believes that the human connection must remain at the heart of care.

As she mentors the next generation, she reminds them that we each have only one life – and it must be lived in service of making a difference. She encourages young caregivers to take time to listen, recognising it as a true virtue, to pursue excellence through lifelong learning such as reading and to embrace humility and kindness.

For Sister Begum, the greatest satisfaction lies in seeing the next generation carry forward the values that first inspired her to serve – values that continue to define her in the eyes of all who have had the privilege of crossing her path.



Section 5

HOW WE CREATE VALUE

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Market Landscape & Outlook

KPJ Healthcare Berhad remains committed to advancing patient-centric healthcare by continuously adapting to evolving industry dynamics and integrating innovative solutions. In 2024, our strategic initiatives laid a strong foundation for sustainable growth, positioning us to enhance healthcare accessibility, service quality and operational excellence. These efforts will continue into 2025, ensuring that we remain at the forefront of Malaysia's private healthcare sector.

The rapid adoption of digital healthcare solutions has redefined patient engagement, streamlining service delivery through telemedicine, online appointment scheduling and virtual consultations. These advancements have improved accessibility, efficiency and care continuity, enabling seamless and personalised healthcare experiences. By embracing a digital-first approach, KPJ is not only optimising patient outcomes but also reinforcing its role as a leader in next-generation healthcare solutions.

As the industry continues to evolve, KPJ remains focused on leveraging cutting-edge technology to drive innovation, enhance service delivery and uphold the highest standards of patient care. Our commitment to digital transformation and sustainability ensures that we are well-positioned to meet the growing healthcare needs of our communities while advancing long-term operational resilience.

OUTLOOK

Looking ahead, the global healthcare sector is expected to experience transformative growth driven by technological advancements, rising healthcare spending and evolving strategies to address financial and care delivery challenges. Global healthcare spending is projected to increase by 4.7% annually, driven by the rising costs of medical technology, pharmaceuticals and the growing demand for services fueled by aging populations and the prevalence of chronic diseases. The global medical cost trend is expected to rise by 10.4%, further straining healthcare budgets.

Malaysia's economic landscape in 2025 is poised for steady growth, with GDP projected to expand by 4.5% to 5.5%, driven by robust macroeconomic policies and strategic government investments. Reflecting this positive trajectory, the healthcare sector has received a significant boost, with RM45.3 billion allocated in the 2025 budget – a 10% increase from the previous year. This underscores the government's commitment to strengthening healthcare infrastructure and accessibility.

Inflationary pressures, estimated at 2.0% to 3.5%, are anticipated due to subsidy rationalisation policies, particularly for RON95 petrol. While targeted subsidies will still benefit 85% of the population (B40, M40 and the bottom T5 groups), these economic adjustments may indirectly affect consumer spending and healthcare affordability.

The nation's demographic profile further shapes the healthcare outlook, as Malaysia's population is expected to reach 34.3 million in 2025, with an ageing segment projected to account for 15% by 2030. This demographic shift brings a growing burden of chronic diseases, such as cardiovascular conditions, diabetes and dementia, driving increased demand for specialised and long-term care services.

On the regulatory front, the introduction of the Diagnosis-Related Group ("DRG") policy represents a significant development in private healthcare pricing. While the policy seeks to manage rising healthcare costs by standardising payments based on case complexity, its full impact on private healthcare providers remains uncertain. Ongoing consultation and collaboration will be important to ensure a measured and sustainable transition towards a Value-Based Care ("VBC") model for the healthcare sector.

Overall, the Malaysian healthcare industry is poised for transformative growth in 2025, driven by several critical megatrends. These trends underscore the dynamic shifts in demographics, technology and the economic landscape, which are shaping the healthcare sector.

I. Changing Healthcare Landscape

Consumer demand continues to evolve, with a greater emphasis on personalised and precision healthcare, fuelled by an aging population and the increasing prevalence of chronic diseases such as mental health issues and lifestyle-related conditions. Preventive healthcare initiatives, such as early disease detection programs and wellness campaigns, are gaining momentum as a cost-effective approach to combating non-communicable diseases. At the same time, hospital capacity challenges persist, including overcrowding, workforce shortages and aging infrastructure, underscoring the urgent need for investments in modernisation and workforce development. Healthcare policy reforms and public-private collaborations are expected to play a vital role in addressing affordability and accessibility concerns. These include potential regulatory measures to control medical inflation and expand healthcare coverage for underserved populations.

II. Rapid Technology Adoption

The global healthcare sector is undergoing a profound digital transformation with Southeast Asia emerging as a key growth region. However, digital healthcare delivery remains fragmented, prompting an industry-wide shift towards integrating services into unified digital platforms. This evolution is reshaping patient engagement, streamlining care delivery and enhancing healthcare accessibility.

At KPJ Healthcare Berhad, we continue to strengthen our digital infrastructure by advancing connectivity, optimising service efficiency and reinforcing cybersecurity measures to safeguard patient data and privacy. A key milestone in this transformation was the launch of the KPJ Cares App, which provides seamless digital access to healthcare services, ensuring greater convenience and continuity of care.

Malaysia's private healthcare landscape is set to be redefined by the adoption of artificial intelligence ("AI") and robotics, driving innovation in diagnostics, treatment planning and surgical procedures. These advancements will elevate operational efficiency and improve patient outcomes. Key areas of technological transformation include:

- **AI and Robotics**: Increasing integration of AI-driven diagnostics, robotic-assisted surgeries and automated treatment planning to enhance precision and efficiency
- **Digital Transformation**: Widespread adoption of digital health solutions to bridge gaps in service delivery, expand remote care capabilities and improve accessibility
- **Investment in Advanced Technologies**: Strengthening the competitiveness of private healthcare providers through AI-driven analytics, robotic surgery and personalised medicine

Market Landscape & Outlook

III. Malaysia Health Tourism

In 2025, Malaysia is intensifying efforts to position itself as a leading health tourism destination, aligning with Visit Malaysia Year 2026. The government has allocated nearly RM550.0 million to enhance promotional activities and tourism initiatives, alongside RM110.0 million to develop tourism infrastructure, foster eco-tourism collaborations and support UNESCO nominations. Key healthcare advancements include the establishment of the Sarawak Cancer Centre through a federal-state partnership, as well as preliminary works for a Cancer Specialist Hospital in Kuching and a Heart Specialist Hospital in Kota Kinabalu. These developments are expected to drive Malaysia's healthcare tourism revenue to RM2.9 billion in 2025, up from RM2.5 billion in 2024, further solidifying the nation's reputation for affordable, high-quality medical care and strengthening its economic contributions through the healthcare sector.

No industry is without challenges. KPJ Healthcare Berhad remains steadfast in adapting and evolving, rising to the challenge, exemplifying resilience, innovation and commitment to excellence towards the following key challenges:

i Environmental Stewardship as a Market Imperative

As environmental sustainability becomes increasingly central to consumer and investor priorities, KPJ Healthcare Berhad remains committed to advancing Environmental, Social and Governance ("ESG") principles. Our Green Healthcare approach, including solar photovoltaic ("PV") installations, structured clinical waste segregation and sustainable resource management, demonstrate our proactive response to market and societal expectations for sustainable practices.

ii Dynamic and Competitive Market

Malaysia's healthcare industry remains highly competitive, requiring providers to continuously differentiate their service offerings. KPJ's network of 29 hospitals nationwide gives us a strategic advantage in delivering accessible, high-quality and affordable healthcare services. Our focus on expanding subspecialty services further enhances our ability to provide comprehensive, specialised care tailored to evolving patient needs.

iii Strengthening the Healthcare Talent Pipeline

The demand for skilled nurses and specialists continues to rise, both locally and internationally, creating a competitive landscape for healthcare talent. KPJ Healthcare University ("KPJU") plays a crucial role in addressing this challenge by producing highly trained specialists, nurses and other healthcare professionals, ensuring consistent quality care across our hospitals. Notably, KPJU remains the only private education provider in Malaysia offering Postgraduate and Master's Programmes including Paediatrics, ENT, Radiology, Orthopaedics, General Surgery, Anaesthesiology and Internal Medicine. These specialists are seamlessly integrated into our KPJ network, reinforcing our long-term talent pipeline.

iv Managing Medical Inflation and Cost Sustainability

Healthcare costs in Malaysia are projected to rise significantly, with medical inflation expected to reach 15% in 2025. Contributing factors include an increasing incidence of non-communicable diseases ("NCDs"), an aging demographic and escalating medical technology expenses. In response, Bank Negara Malaysia has introduced temporary measures to control insurance premium hikes, proposing gradual increases over the next three years. Healthcare reforms and efforts to manage premiums are anticipated to continue, though challenges in maintaining affordability and fairness for policyholders persist.

Stakeholder Management

KPJ's dynamic stakeholder ecosystem serves as the cornerstone of our collaborative relationships, underpinning the Group's sustainable growth. Given the diverse roles and functions of our stakeholders, each group is integral to our operational success. We remain committed to not only meeting but exceeding stakeholder expectations by continuously refining our processes and delivering outstanding, patient-centric medical services.

Our approach is anchored in fostering relationships built on trust, respect and mutual commitment. We uphold transparency and consistency in our communications to ensure that stakeholders remain well-informed, minimising uncertainties in their engagements with us. Through proactive stakeholder identification, we seek to understand their key concerns and priorities, providing timely and accurate updates on relevant initiatives.

Wherever possible, stakeholder interests are incorporated into our decision-making framework, reinforcing our commitment to shared value creation. Effective stakeholder engagement is achieved by aligning the right engagement strategies with the appropriate stakeholder groups, ensuring meaningful interactions that drive long-term success.

Mr. Chin Keat Chyuan, President and Managing Director of KPJ Healthcare, engaging with analysts and investors during a dedicated briefing session as part of KPJ's ongoing commitment to transparent communication and proactive stakeholder engagement.

Stakeholder Management

Stakeholder Engagement Continuum

Monitor
Daily media monitoring and social listening with PR value tracking, reporting and archiving.

Consult
Solicit explicit feedback or input on projects or plans.

Message
Create messages in line with specific stakeholders' needs.

Dialogue
Organise or participate in two-way dialogue on mutual learning and solutions.

Advocate
Participate in activities to enlist support for a strategic direction when there is an imbalance/negative influence affecting the relationship.

Collaborate
Share work and value on common objectives of KPJ and stakeholders.

KPJ's Stakeholders	Stakeholder Engagement Continuum
Patients	Message, Collaborate
Employees	Message, Advocate, Dialogue, Collaborate
Consultants	Message, Advocate, Consult, Dialogue, Collaborate
Investors and Shareholders	Message, Dialogue, Collaborate
Government and Regulators	Advocate, Consult, Dialogue, Collaborate
Business Partners	Message, Advocate, Consult, Dialogue, Collaborate
Accreditation Bodies and Industry Associations	Advocate, Consult, Dialogue, Collaborate
Suppliers and Vendors	Message, Dialogue, Collaborate
Local Communities	Message, Advocate, Dialogue, Collaborate

Sustainability Themes

- E Protecting Our Environment
- PC Uplifting Our Patients and Communities
- P Fostering Our People
- G Upholding Good Governance

Frequency of Engagement

- AS As Required
- B Biannually
- W Weekly
- Q Quarterly
- A Annually
- D Daily
- M Monthly

	Stakeholder Engagement Continuum	Key Concerns	Response	Impact on Strategy
Patients	Customer Satisfaction Survey (M) Corporate and hospital websites (D) Comprehensive integrated social media presence (AS) Health-related information magazines (Q) Health awareness days (AS) Service brochures with hospital information (D)	• Cost of healthcare services • Quality of service standards • World-class health facilities and technology	Monitoring customer satisfaction, increasing access to quality and affordable healthcare, offering Group-wide packages and promoting niche markets (PC) Patient-centric, qualified and experienced healthcare professionals (P) Investment in technology and data privacy for patients' information (P)	Concerns raised can create new revenue streams by offering the right healthcare services to patients from diverse backgrounds and communities.
Employees	Town halls (A) Employee performance review programmes (B) Employee engagement survey (A) Staff wellness, engagement and recognition programmes (AS) Intranet portal (AS)	• Career progression • Health, safety and human rights • Competitive remuneration packages and benefits	Listening to and understanding employees' needs and developing strategies to attract, develop and retain staff (P) Revised salary and benefits as per EA2022 (P) Ensuring compliance with the Company's policies (P)	Although our employees were affected by the pandemic, they continued to assist us in maintaining our position in the healthcare industry until the third year of the pandemic. We conducted more programmes, particularly in mental health and career advancement, as they directly contributed to our mission of achieving business success. Therefore, KPJ strives to provide them with a safe, motivating and rewarding work environment at all times as part of our investment efforts.
Consultants	Town halls (A) Clinical Governance Meetings (A B Q) Annual Medical Conference (A) Collaboration in educating the public (AS) Meetings of the clinical committees (Q)	• Service quality and safety • Top-notch equipment and facilities • A safe, motivating and rewarding workplace	Ensuring compliance with the Company's policies (P) Enabling well-trained clinical and support staff and offering attractive new packages and services for new consultants (P)	Being in the healthcare industry, consultants are essential partners and an integral component of our business. With this in mind, we are always committed to supporting the needs of our consultants by creating the right ecosystem for them to provide the highest level of care to patients.

Stakeholder Management

	Stakeholder Engagement Continuum		Key Concerns	Response		Impact on Strategy
Investors and Shareholders	Investor and analyst briefings	Q	• Shareholder returns • Corporate governance • Business sustainability • Clear and transparent reporting	Consistent financial and non-financial performance, transparent ESG disclosures of corporate responsibility, integrity and accountability as enshrined in the MCCG	G	Our investors and shareholders are linked to our shareholder wealth creation agenda.
	Financial results and non-financial reports	Q				
	Corporate website	AS				
	General meetings (Annual General Meeting/ Extraordinary General Meeting)	AS				
	Investor meetings	A B				
Government and Regulators	Licence applications	A B AS	• Regulatory compliance • Fair and ethical business practices • Crisis management and business continuity programme	Strengthening governance policies, standards and frameworks and adhering to regulatory requirements	G	We incorporate relevant government policies and requirements into all our internal policies and procedures, strategic plans and decision-making processes to maintain our operating licence.
	Facilities inspection	AS		We developed the KPJ Business Continuity Management ("BCM") Framework to help strengthen the existing management plan for disasters and emergency situations	E	
	Healthcare conference	A				
	Public-Private Partnership Programme	AS		Supporting the Public-Private Partnership or PPP programme	G	
Business Partners	Regular meetings	AS	• Quality clinical and healthcare delivery improvements are offered at reasonable prices • Competitive pricing offered via promotional packages • Revising contracts and agreements and arranging panels for new KPJ specialist hospitals with major corporate clients • News updates on print/broadcast/ digital platforms to increase brand prominence, promote services and educating the public	Participation in our business partners' activities and performance	PC	Forging a strong relationship with a partner in another industry enables us to offer a broader range of healthcare packages and services to influence customer demand and to reach out to wider communities.
	Contract negotiations and renewals	AS		Collaborating with the mass media and the public in order to improve stakeholders' confidence and protect KPJ's reputation via crisis and reputation management	PC	
	Media releases/media announcements	W M Q A				
	Quarterly briefing sessions	AS		Immediate reactivation of health tourism strategy with our partners and agents	PC	
	Media relationship programmes	AS				

	Stakeholder Engagement Continuum		Key Concerns	Response		Impact on Strategy
Accreditation Bodies and Industry	KPJ's Management serves in various roles, including as President and Treasurer of the MSQH; and Vice President of the APHM.	A - MSQH's AGM	• KPJ's policy emphasis on accreditation based on industry standards is communicated through the APHM and MSQH vis-avis the MOH, MOF, etc. • Participation in the PPP via the APHM	KPJ has complied with the MSQH's 6th Edition Accreditation Standard in relation to the hospital industry to reach out to our nation	PC	The management and operations of industry-certified and accredited hospitals affect our ability to generate sustainable and long-term growth of our network of hospitals within the healthcare industry to reach out to our nation.
	KPJ's Senior Management serve as board members of the APHM	A - APHM Conference		KPJ is involved via its hospitals in supporting initiatives conducted by the APHM	PC	
	KPJ's Group Chief Nursing Officer is a committee member of the Nursing chapter of the APHM	R				
	Participation in conferences	AS				
Suppliers and Vendors	Regular meetings with medical and non-medical suppliers	W M Q A	• Compliance with regulatory requirements and quality standards to protect the environment and society and uphold good governance • Availability of products and services and ability to provide continuous support • Fair and transparent negotiations • Active communication with suppliers	Streamlining and centralising our procurement processes to improve efficiency and cost-effectiveness	G	Our suppliers and vendors are key enablers in achieving our objective of offering quality healthcare services.
	Tenders, bidding, quotations and contract negotiations			Contracted vendors and suppliers for medical and non-medical products are required to adhere to KPJ's Corporate Integrity Agreement ("CIA"), the KPJ Environment, Safety and Health Policy and Supplier Code of Conduct.	G	
	Product demonstrations and evaluations					
	Training and collaboration sessions					
Local Communities	Uplifting Our Patients and Communities programmes, e.g. KWAN	D M AS	• Affordable and accessible healthcare • Development of communities, prioritising solidarity, social welfare, education, health and safety	Continuous investment in identified community engagement programmes, in line with the WHO's promotions and initiatives	PC	Our engagements with local communities provide us with a platform to showcase our good corporate citizenship practices. KPJ's value is reflected in the community's quality of health and well-being.
	Educating the public			Expanding the reach of social healthcare services, targeting the urban poor and rural areas	PC	
	Other ad hoc CSR programmes			KPJU education sponsorship for the B40 income group	PC	

Determining Materiality

Materiality assessments form a core component of KPJ's value creation strategy, guiding the development of targeted sustainability initiatives and strengthening performance management. These assessments keep Environmental, Social and Governance ("ESG") priorities relevant, aligned with stakeholder expectations and responsive to evolving global trends.

Regular materiality reviews are essential to maintaining strategic relevance, resilience, and stakeholder trust. As the ESG landscape evolves, our materiality assessment processes are continuously refined to address emerging risks, regulatory developments, and changing stakeholder expectations.

In 2024, KPJ conducted a materiality validation exercise to reaffirm that our key sustainability issues remain aligned with both organisational priorities and stakeholder interests. Through this exercise, we streamlined our focus areas – refining the previous 18 key material matters into 10 prioritised issues that most significantly impact our business and sustainability performance.

The 2024 materiality validation was conducted through a structured three-phase approach:

- **Phase 1** - Review of existing material matters and integration of latest ESG trends and regulatory requirements
- **Phase 2** - Engagement with internal and external stakeholders to validate issue relevance and importance
- **Phase 3** - Prioritisation and final endorsement by senior management and the Board Sustainability Committee.

The Materiality Assessment Process

Phase 1

IDENTIFICATION

We began by refining and consolidating 18 identified sustainability topics, grouping those that share common themes. This phase involved benchmarking against industry peers, assessing emerging sustainability trends, and identifying potential risks that could impact our business and stakeholders.

Phase 2

PRIORITISATION

To determine the most critical sustainability topics, we engaged both internal and external stakeholders through a comprehensive survey. This allowed us to capture diverse perspectives on which issues are most material to KPJ and to our stakeholders, ensuring that our focus remains aligned with their concerns and expectations.

Phase 3

REVIEW AND VALIDATION

The prioritised topics were then reviewed and validated by KPJ's management and board, ensuring alignment with our corporate strategy, operational goals, and long-term business plans. The final set of material topics reflects our commitment to addressing key environmental, social, and governance ("ESG") issues that are integral to our success.

Our Material Matters

PROTECTING OUR ENVIRONMENT

Climate Change Resilience
Strengthening hospital infrastructure and operations to withstand climate-related risks while advancing sustainable healthcare practices. This includes enhancing disaster preparedness, improving energy efficiency, integrating renewable energy solutions and ensuring regulatory compliance to support long-term climate resilience in healthcare.

Related UNSDGs

Resource and Waste Management
Optimising resource use and enhancing waste management practices to minimise environmental impact while ensuring regulatory compliance. This includes expanding the clinical waste segregation programme, improving water efficiency through rainwater harvesting and promoting recycling and upcycling initiatives to drive sustainable hospital operations.

Related UNSDGs

UPLIFTING OUR PATIENTS AND COMMUNITIES

Service Quality and Safety
Upholding the highest standards of patient care and safety to enhance healthcare outcomes and maintain regulatory compliance. This includes continuous quality improvement, adherence to clinical best practices, investment in advanced medical technologies and strengthening patient safety measures to provide trusted and high-quality healthcare services.

Related UNSDGs

Community Outreach
Expanding access to healthcare and improving community well-being through targeted outreach programmes. This includes free health screenings, mobile clinics, health education initiatives and collaborations with local organisations to bridge healthcare gaps and promote healthier communities.

Related UNSDGs

FOSTERING OUR PEOPLE

Diversity, Inclusion and Human Rights
Fostering an inclusive, equitable, and safe workplace that values diversity and upholds human rights. This includes strengthening DEI initiatives, ensuring fair employment practices, implementing anti-discrimination policies, promoting gender equality and enhancing workplace safety measures to create a secure and respectful working environment.

Related UNSDGs

Employee Engagement and Development
Empowering employees through continuous learning and career growth to enhance engagement and productivity. This includes structured training programmes, leadership development, mentorship initiatives and well-being support to cultivate a motivated and high-performing workforce.

Related UNSDGs

UPHOLDING GOOD GOVERNANCE

Governance, Ethics and Integrity
Ensuring strong corporate governance and ethical business conduct to uphold transparency, accountability, and stakeholder trust. This includes compliance with regulatory frameworks, stringent anti-corruption policies and board oversight on sustainability governance.

Related UNSDGs

Data Privacy and Security
Safeguarding patient and corporate data through stringent cybersecurity protocols and regulatory compliance. This includes enhancing data governance frameworks, implementing advanced cybersecurity technologies and ensuring compliance with data protection laws.

Related UNSDGs

Technology, Innovation and Collaboration
Leveraging digital transformation and strategic partnerships to enhance healthcare services and operational efficiency. This includes investments in AI-driven healthcare solutions, electronic medical records, digital patient services and collaborations with industry experts to drive medical innovation.

Related UNSDGs

Supply Chain Management
Strengthening supplier governance and sustainability practices to ensure ethical sourcing and operational efficiency. This includes supplier ESG assessments, ethical supplier code of conduct and fostering partnerships that align with sustainability goals.

Related UNSDGs

For more information on our materiality assessments, please refer to Determining Materiality on pages 25 to 31 of the Sustainability Report 2024.

Managing Key Risks & Opportunities

PEOPLE: ENSURING AVAILABILITY OF KEY MEDICAL PROFESSIONALS AND CONSULTANTS

Risk Definition

The growing demand for private healthcare services leads to intense competition for a limited pool of nurses and consultants, particularly those with post-basic or subspecialty qualifications.

Impact of Risk on KPJ

- A shortage or unavailability of key medical staff would hinder our ability to meet regulatory compliance standards; and
- A prolonged nursing shortage/unavailability of key medical staff may have severe implications on the quality of care delivered in which patient safety and experience could be compromised.

How We Manage or Mitigate the Risk

- Established the KPJ Health System to distinguish ourselves from competitors. This initiative aims to attract medical professionals by offering various career enhancement opportunities beyond service provision, including research and education, which contribute to their long-term career development;
- Launched new medical specialty programs and increased training opportunities for medical officers. Plans are underway to introduce additional specialty training programs, providing more opportunities for medical officers to become specialists in their chosen fields;
- Set up a dedicated consultant recruitment unit under Group Clinical Services to effectively coordinate recruitment activities across the group. The consultant database has also been enhanced to facilitate better planning for service expansion and development while ensuring proper succession planning. This ensures our pool of professionals remains vibrant and capable of delivering the highest level of care to our patients; and
- Developed a human resource strategy to retain existing talent and attract top external candidates. This strategy includes measures to address nursing staff adequacy through salary adjustments, enhanced medical and staff benefits and further development of the existing talent pool by providing training opportunities aligned with an attractive rewards strategy.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

P Fostering Our People

Strategic Pillars

People

Physicians

Increase/Decrease in Importance or Same

▲ Increase

CLINICAL CARE

Risk Definition

Delivering high quality, customer-focused healthcare services to provide for market needs and expectations.

Impact of Risk on KPJ

Inability to uphold high standards of patient-centered care may lead to media scrutiny and patient dissatisfaction, potentially impacting KPJ's reputation and affecting customer retention.

How We Manage or Mitigate the Risk

- The Group has established a robust clinical governance structure and framework, guided by best practices and the standards set by the Ministry of Health and the World Health Organization;
- The Group Medical Advisory and Clinical Governance Committee ("GMACGC") oversees clinical governance, convening quarterly to ensure effective oversight;
- Clinical specialty meetings are regularly conducted to address specific issues, fostering improved engagement among consultants, facilitating prompt issue resolution and promoting efficient escalation and management of urgent matters at the Group level;
- A comprehensive reporting mechanism has been implemented for issues to be communicated from facilities to headquarters through a structured incident reporting framework;
- Strong collaborative ties with the Ministry of Health are maintained to stay informed of policies that impact private healthcare operations;
- Active participation in accreditation processes ensures compliance with both local and international industry standards; and
- The Clinical Services division launched the "Committed to Care: Towards Zero Harm" campaign, which strives to achieve zero sentinel events by enhancing patient outcomes, preventing adverse events and minimising legislative risks across KPJ's network of facilities. A key initiative within this campaign is the "Save Surgery, Save Lives" ("SSSL") programme.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

PC Uplifting Our Patients and Communities

Strategic Pillars

Patients

Physicians

Increase/Decrease in Importance or Same

Same

COMPLIANCE WITH REGULATORY & ACCREDITATION REQUIREMENTS

Risk Definition

KPJ operates in a highly regulated environment which includes laws passed by the Malaysian Government pertaining to private healthcare facilities such as the Private Healthcare Facilities and Services Act 1998 (Act 586) and the Occupational Safety and Health Act 1994 (Act 514).

KPJ obtains its hospital accreditation from national and internationally acknowledged bodies, namely the Malaysian Society for Quality in Health ("MSQH") and the Joint Commission International ("JCI"). These accreditations put the Group's hospitals on par with national and international hospital accreditation standards.

Impact of Risk on KPJ

Non-compliance with laws and regulations could expose KPJ to various risks, including patient claims, fines, penalties, reputational damage, suspension from providing patient care, or the revocation of operating licenses or accreditations. Such consequences could impair the Group's ability to operate one or more of its hospitals, leading to a reduction in revenue.

Failing to uphold accreditation standards could adversely affect KPJ's reputation and competitive positioning, potentially resulting in a loss of patient trust and a decrease in patient volume. Additionally, it may lead to a decline in service quality, as the pressure to maintain accreditation could contribute to staff burnout and turnover, ultimately undermining the quality of patient care.

How We Manage or Mitigate the Risk

1. **Regulatory Requirements**
   - KPJ continues to strengthen its ERM framework, structure and associated policies and procedures to ensure risks are mitigated as much as possible;
   - KPJ continuously engages with the Ministry of Health ("MOH") Malaysia to remain up to date on any potential changes in government policies;
   - KPJ has in place a robust Clinical Care process and policies that are overseen by the Group Medical Advisory & Clinical Governance Committee ("GMACGC") and Clinical Safety & Risk Management Committee ("CSRMC") to ensure compliance with laws and regulations;
   - Organised continuous awareness activities for all staff in relation to compliance matters, including hospital visits, e-learnings and assessments and compliance e-messages;
   - Timely renewal of hospital and operating licenses by central monitoring ensures uninterrupted service;
   - Effective stakeholder management strategies by maintaining good relations with the authorities;
   - Regular monitoring on non-compliance issues via a monthly compliance report submitted via CURA system; and
   - The implementation of the ISO 9001:2015 Quality Management System ("QMS") at KPJ enhances regulatory compliance, improves process efficiency and fosters a culture of continuous improvement.

How We Manage or Mitigate the Risk (Continued)

2. Hospital accreditation

- KPJ's accreditation programme ensures adherence to healthcare regulations and industry standards, facilitating the delivery of high-quality care. KPJ has achieved significant accreditation and certifications, with 19 hospitals accredited by MSQH and 4 by JCI;
- The self-assessment and external peer assessment process is utilised to check our level of performance and service deliverables to the target consumer. This process helps increase the level of trust and assurance of patients; and
- The accreditation process involves standardisation across quality assurance, medical ethics and prevention of medical errors, promoting patient safety with certifications renewed every three to four years. The extensive accreditation efforts underline KPJ's dedication to maintaining high standards of care and safety, enhancing patient trust and institutional credibility.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

G Upholding Good Governance

Strategic Pillars

Patients

People

Physicians

Increase/Decrease in Importance or Same

Same

FINANCIAL: INSURANCE MANAGEMENT

Risk Definition

KPJ, like other healthcare providers, is occasionally subject to legal actions alleging negligence, malpractice and other claims related to the delivery of healthcare services.

Impact of Risk on KPJ

Legal actions can result in financial losses, reputational damage, operational disruptions, regulatory scrutiny and employee morale issues.

How We Manage or Mitigate the Risk

- All specialists, medical officers and healthcare professionals within the Group are covered by Medical Malpractice Insurance, ensuring protection against medico-legal risks in the course of their duties;
- KPJ conducts a comprehensive risk assessment of its insurance portfolio before renewals to align coverage levels with the company's risk profile. The group renewed its policies from 1 January 2024 until 31 December 2024, securing cost-effective insurance solutions with competitive premium rates and appropriate coverage limits; and
- KPJ maintains adequate insurance coverage for its major assets and operations to protect against potential financial liabilities.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

G Upholding Good Governance

Strategic Pillars

People

Physicians

Increase/Decrease in Importance or Same

Same

BUSINESS CONTINUITY: READINESS TO RESPOND TO MAJOR INTERNAL OR EXTERNAL INCIDENTS

Risk Definition

In line with its commitment to robust risk management and resilience practices, KPJ has established comprehensive measures to effectively detect, assess and respond to significant internal and external incidents.

These efforts are complemented by recovery programs designed to restore business operations swiftly to normalcy following any disruption.

Impact of Risk on KPJ

Inadequate preparedness for incident response may undermine KPJ's ability to effectively manage emergencies, crises and disasters. This could lead to operational disruptions and expose both patients and employees to safety risks, potentially resulting in financial and reputational damage.

How We Manage or Mitigate the Risk

- KPJ is guided by established frameworks and plans to ensure a structured approach towards responding to emergencies, crises and disasters. This includes the Emergency Response Plan ("ERP"), Business Continuity Management ("BCM") Framework and Crisis Management Plan ("CMP") that outline the necessary response procedures and recovery protocols;
- The groupwide adoption of the BCM framework facilitates the establishment of Business Continuity Plans ("BCP"), which aid the identification and activation of critical business functions for business resumption in the event of prolonged disruption;
- Regular simulation exercises are conducted to evaluate the effectiveness of established processes and protocols, reinforcing preparedness and embedding a culture of readiness across the organisation;
- KPJ implements timely incident management and reporting to uphold structured communication and escalation protocols, ensuring appropriate precautions and corrective actions are taken to prevent incidents from escalating into major events. In addition, this mechanism provides a structured platform for capturing lessons learned, helping to prevent the recurrence of incidents within our operational ecosystem; and
- These proactive measures strengthen KPJ's ability to detect, assess and respond to emergencies or crises, safeguarding patients and staff while preserving its reputation and financial stability.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

- G Upholding Good Governance
- PC Uplifting Our Patients and Communities

Strategic Pillars

- Patients
- People
- Partners
- Physicians
- Planet

Increase/Decrease in Importance or Same

Same

CYBERSECURITY

Risk Definition

Cybersecurity breaches remain a significant threat, with the potential business impact of cyber-attacks posing substantial risks across all business units. The interconnectedness of IT systems increases the likelihood of operational disruptions and could expose the company to regulatory fines, financial losses and legal action if they result in regulatory violations.

Impact of Risk on KPJ

- Compromise patient Operational disruptions can cause service delays, inefficiencies and revenue loss; and
- Data breaches or system failures may result in legal and regulatory consequences, financial losses and loss of trust of patients and other stakeholders.

How We Manage or Mitigate the Risk

- Strengthened cybersecurity measures to mitigate risks and enhance resilience. These initiatives focus on enhancing network reliability, optimising cloud capabilities and strengthening cybersecurity defenses to protect against emerging threats. These improvements are designed not only to enhance operational efficiency but also to ensure resilience against evolving cyber-attacks and other risks that could impact business continuity;
- Implementation of key projects within the IT and security domains, aimed at enhancing network security and improving the reliability of our connectivity across the organisation. Additionally, our KPJ Cloud Modernisation Assessment explores the potential of cloud technologies to enhance scalability, operational flexibility and data security across our healthcare facilities;
- Continuously evaluating and enhancing its cybersecurity capabilities and security framework to minimise the risk of data breaches and protect the confidentiality of patient information, while reinforcing resilience against potential cyber threats;
- Refinement of policies and guidelines ensuring we remain adaptive to the evolving healthcare landscape. This includes updating cybersecurity protocols and data management practices to align with industry standards and best practices; and
- Cybersecurity insurance safeguards against financial risks and supports business recovery.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

G Upholding Good Governance

Strategic Pillars

- Patients
- People
- Partners
- Physicians

Increase/Decrease in Importance or Same

= Same

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Risk Definition

- The risk of negative financial, operational and reputational impacts arising from the Company's ESG practices, including changes in regulations, evolving stakeholder expectations and climate transition requirements.
- Failure to effectively manage ESG risks and transition to a net-zero economy could result in higher compliance costs, diminished investor confidence, operational disruptions and long-term financial vulnerabilities.

Impact of Risk on KPJ

- Stricter carbon and energy regulations will increase costs for renewable energy, efficient systems, emissions monitoring and compliance, adding financial strain;
- Delays or non-compliance in sustainability efforts could reduce investor confidence, impact patient trust and attract negative publicity; and
- Upgrading hospitals to achieve carbon neutrality standards necessitates significant investments in low-carbon technologies, waste management and sustainable procurement, which may impose financial and operational challenges.

How We Manage or Mitigate the Risk

- KPJ has enhanced its sustainability governance by establishing a Group-wide Sustainability Policy that guides the Group's efforts to integrate sustainable practices into its operations;
- KPJ has entered the second phase of its energy efficiency initiatives, focusing on the implementation of advanced energy-efficient systems across its facilities. Building on the success of the first phase, which saw the installation of solar rooftop systems at KPJ Hospitals, the Group is actively exploring additional opportunities to enhance energy efficiency and facilitate the shift to Renewable Energy;
- Strengthened carbon emissions monitoring and reporting processes to ensure alignment with the sustainability objectives outlined in the Nation's Sustainability Agenda in RMK 12;
- Implementation of community outreach programmes focusing on health awareness, particularly for underserved communities;
- Conducting staff training and engagement programmes to integrate low-carbon practices; and
- Partnering with industry experts to accelerate the adoption of sustainable technologies.

Link to Sustainability Themes and 5 Strategic Pillars

Sustainability Themes

- E Protecting Our Environment
- PC Uplifting Our Patients and Communities
- P Fostering Our People
- G Upholding Good Governance

Strategic Pillars

- Patients
- People
- Partners
- Physicians
- Planet

Increase/Decrease in Importance or Same

- ▲ Increase

Our Value Outcomes

FINANCIAL CAPITAL

Our Financial Capital is the pool of funds available to KPJ, sustained by other capitals. The components of our Financial Capital are the revenue generated from our operations, market capitalisation, Government grants, the income we derive from fund raising activities such as Sukuk, as well as loans obtained.

Trade-Offs

We use our Financial Capital to expand our hospital network as well as to invest in medical equipment and new technologies, which in turn increase our Manufactured and Intellectual Capitals. While this results in the reduction of our Financial Capital in the short-term, in the longer term it adds to the overall competitive strength of our business and therefore our Financial Capital.

Sustainability Themes

- E Protecting Our Environment
- PC Uplifting Our Patients and Communities
- P Fostering Our People
- G Upholding Good Governance

Strategic Pillars

Patients, People, Partners, Physicians, Planet

KEY INPUT

MARKET CAPITALISATION
(RM Bil)

2022	4.6
2023	6.5
2024	**10.8**

CAPITAL EXPENDITURE
(RM Mil)

2022	270.6
2023	244.1
2024	**405.8**

NET DEBT/EQUITY RATIO

2022	0.60
2023	0.45
2024	**0.39**

TOTAL BORROWINGS
(RM Bil)

2022	1.9
2023	1.9
2024	**1.7**

CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES
(RM Mil)

2022	(25.8)
2023	(94.6)
2024	**(232.1)**

KEY OUTPUT

NET PROFIT
(RM Mil)

2022	182.7
2023	270.4
2024	**407.2**

DIVIDEND PAYOUT PER SHARE
(Sen)

2022	2.00
2023	3.35
2024	**4.15**

CASH GENERATED FROM OPERATIONS
(RM Mil)

2022	459.8
2023	657.5
2024	**844.4**

REVENUE GROWTH
(%)

2022	13.1
2023	19.2
2024	**14.7**

EBITDA GROWTH
(%)

2022	34.2
2023	17.0
2024	**17.9**

Activities and Processes

- Funding the development of new hospitals to expand our network.
- Funding the expansion of existing hospitals to meet increased market demand.
- Funding for new or upgraded equipment.
- Funding for research and development ("R&D") as well as innovation activities.
- Cost optimisation programme to reduce operational and maintenance costs.
- Appropriate management of debt and equity.
- Effectively and efficiently manage the Group's liquidity to ensure a strong balance sheet.

MANUFACTURED CAPITAL

KPJ's Manufactured Capital includes all infrastructure created and utilised within our integrated healthcare business model. These include our network of hospitals and the ambulatory care centres within the regional footprint of our operations, as well as the medical and healthcare equipment, pharmacies and hospital facilities we employ in the provision of healthcare services.

Trade-Offs

We use our Financial Capital to expand our hospital network as well as to invest in medical equipment and new technologies, which in turn increase our Manufactured and Intellectual Capitals. While this results in the reduction of our Financial Capital in the short-term, in the longer term it adds to the overall competitive strength of our business and therefore our Financial Capital.

Sustainability Themes

G Upholding Good Governance

Strategic Pillars

Patients
People
Partners
Physicians

KEY INPUT

Hospital

Malaysia

2022	27
2023	28
2024	**28**

Bangladesh

2022	1
2023	1
2024	**1**

Operating Beds

Malaysia

2022	3,357
2023	3,543
2024	**3,765**

Bangladesh

2022	68
2023	82
2024	**82**

Education

Malaysia

2022	3
2023	3
2024	**3**

Bangladesh

2022	1
2023	1
2024	**1**

Ambulatory Care Centres

Malaysia

2022	5
2023	5
2024	**3**

Our Value Outcomes

MANUFACTURED CAPITAL (CONT'D)

Activities and Processes

- Completed the transition from Private Owned Cloud to Managed Private Owned Cloud ("MPC"), involving a range of IT infrastructure on Enterprise model.
- Continuous enhancements on the MPC to accommodate new initiatives for transformation.
- The MPC Core System is made ready for Industry 4.0 initiatives such as Data Integration and Big Data.
- Continued to expand and enhance our capabilities, services and equipment throughout all our hospitals to better serve the needs of our patients.
- Consultant recruitment in line with our enhancements and expansion of services.
- Intensify medical tourism efforts for the Indonesia market as our primary health tourism business for KPJ and penetrate other new markets.

KEY OUTPUT

HOSPITAL STATISTICS

Malaysia

Outpatients

2022	2,799,918
2023	2,780,522
2024	**2,821,000**

Inpatients

2022	297,071
2023	350,330
2024	**375,905**

Average Bed Occupancy Rate (%)

2022	58
2023	67
2024	**68**

Bangladesh

Outpatients

2022	158,863
2023	177,612
2024	**181,621**

Inpatients

2022	7,980
2023	11,657
2024	**12,196**

Average Bed Occupancy Rate (%)

2022	58
2023	78
2024	**92**

For more information, please refer to Our Performance Review on pages 64 to 81 of this Integrated Annual Report.

NATURAL CAPITAL

Our Natural Capital refers to the renewable and non-renewable natural resources we use in delivering our services.

Trade-Offs

Expansion of our Manufactured Capital impacts negatively on Natural Capital. However, by ensuring that we responsibly manage our environmental carbon footprint, we are able to mitigate our business' impact on our Natural Capital and add to the value of our Social and Relationship Capital.

Sustainability Themes

- E Protecting Our Environment
- PC Uplifting Our Patients and Communities

Strategic Pillars

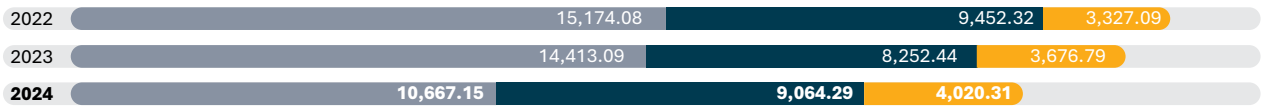
Partners Planet

Note:
In assessing Natural Capital, our evaluation encompasses our Malaysia operations including our associate in Kedah.

KEY INPUT

FUEL CONSUMPTION

Gigajoules (GJ)



- **Diesel** (Genset and Company Vehicle)
- **Petrol** (Company Vehicle)
- **Liquefied Petroleum Gas** (LPG) (Cooking Gas)

ELECTRICITY CONSUMPTION

kWh

Gigajoules (GJ)

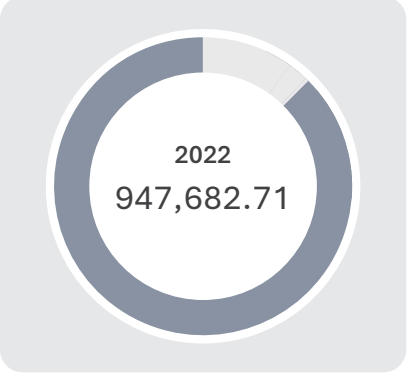
ELECTRICITY INTENSITY CONSUMPTION (PER m²)

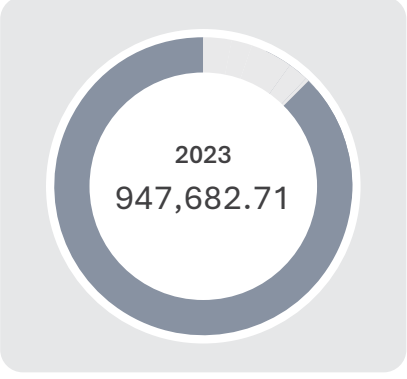
kWh

Gigajoules (GJ)

GROSS FLOOR AREA (m²)

2022 & 2023: 44 sites (m²)





2024: 42 sites (m²)

* Data for 2024 is based on 42 sites (29 hospitals and 13 subsidiaries), reflecting the closure of two subsidiaries in 2024 — Fabricare Laundry Sdn Bhd and KPJ Kuantan Care & Wellness Centre.

Our Value Outcomes

NATURAL CAPITAL (CONT'D)

WATER INTENSITY AND COMSUMPTION

Water Withdrawal (m^3)

Gross Floor Area (m^2)

* Data for 2022 and 2023 is based on figures from 44 sites (29 hospitals and 15 subsidiaries). Data for 2024 is based on 42 sites (29 hospitals and 13 subsidiaries), reflecting the closure of two subsidiaries in 2024 – Fabricare Laundry Sdn Bhd and KPJ Kuantan Care & Wellness Centre.

Water Withdrawal per gross floor area (m^3/m^2)

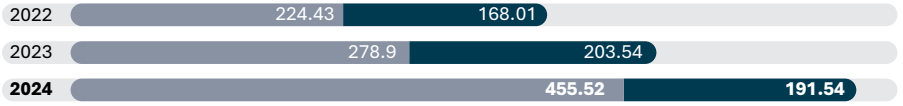
Number of Employees

Number of Patients

Water Consumption per Patient and Employee

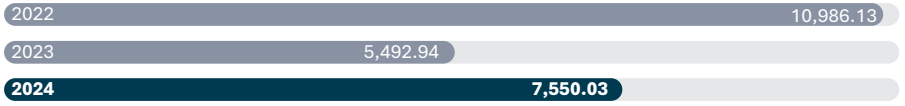
NON-HAZARDOUS WASTE (TONNES)

Total Waste Diverted from Disposal



Recycling Other Recovery Operations (Food)

Total Waste Directed to Disposal



Landfilling Other Disposal Operations

Total Waste Generated

2022	2023	2024
11,378.58 tonnes	5,975.38 tonnes	8,197.09 tonnes

HAZARDOUS WASTE (TONNES)

Clinical and Scheduled

Clinical Waste Scheduled Waste

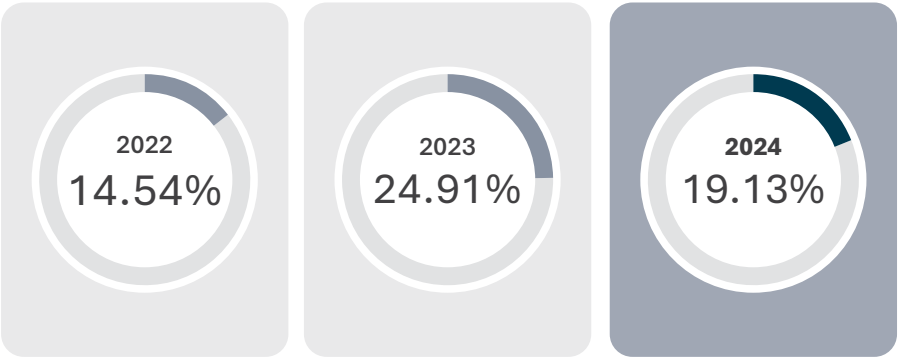
Total Waste Generated

2022	2023	2024
2,031.41 tonnes	2,122.50 tonnes	2,157.73 tonnes

NATURAL CAPITAL (CONT'D)

CLINICAL WASTE INTENSITY AND GENERATED

Clinical waste (%)



Total area of KPJ hospitals and companies (m^2)*

* Data for 2022 and 2023 is based on figures from 44 sites (29 hospitals and 15 subsidiaries). Data for 2024 is based on 42 sites (29 hospitals and 13 subsidiaries), reflecting the closure of two subsidiaries in 2024 – Fabricare Laundry Sdn Bhd and KPJ Kuantan Care & Wellness Centre

Clinical waste per gross floor area (kg/m^2)

Clinical waste per patient (kg/patient)

Activities and Processes

KPJ's commitment to environmental sustainability is evidenced through comprehensive measures in waste, water and energy management across its operations. The organisation recognises the energy and water-intensive nature of its healthcare services, which, with business growth, has led to increased consumption and waste generation. To address these challenges, KPJ implements various initiatives aimed at reducing its environmental footprint and promoting sustainability:

Energy Management:

- Implemented energy-saving measures across hospital operations, including the installation of LED lighting (indoor and street), motorised valves in Air Handling Units ("AHUs"), motion sensor lighting, chiller system optimisation and scheduled operational control for lighting and air conditioning. Additionally, electricity timers and energy-efficient HVAC systems have been adopted, alongside green building features to support long-term energy savings.
- Installing solar panels at selected hospital locations to reduce dependence on fossil fuels.
- 25 Tenaga Nasional Berhad ("TNB") accounts subscribed under the Green Electricity ("GET") programme, contributing to a 33.60% reduction in greenhouse gas ("GHG") emissions.

Water Optimisation:

- Routine checks and maintenance are carried out to detect and promptly repair leakages in the water supply system, ensuring efficient usage and preventing unnecessary loss. Installation of water-saving faucets and time-delay or push taps across facilities help minimise water usage in daily operations.
- Modifications such as converting auto flush systems to manual push flush in men's toilets have been introduced to better control water flow and reduce unnecessary flushing.
- Selected hospitals are equipped with rainwater harvesting systems to collect and utilise non-potable water for landscaping and other non-clinical applications.

Our Value Outcomes

NATURAL CAPITAL (CONT'D)

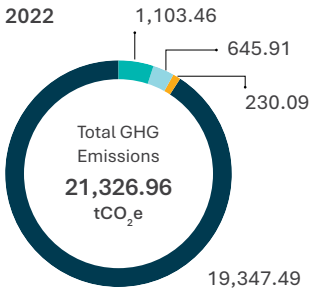
Activities and Processes (Cont'd)

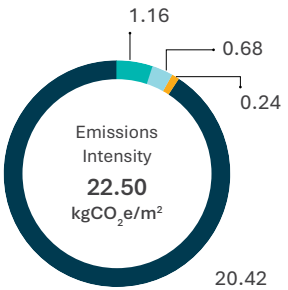
Waste Management:

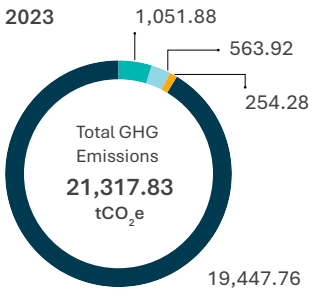
- Implementing a Group-wide clinical waste segregation programme with colour-coded bins and safe disposal in compliance with DOE regulations.
- Partnering with licensed vendors to ensure full traceability and environmentally sound treatment of clinical waste.
- Standardising recycling practices across hospitals, including three-category recycling bins, reverse vending machines and staff training.
- Introducing food composting machines at in-patient kitchens and supporting initiatives like used cooking oil and pre-loved clothing collections.
- Promoting behavioural change through digitalisation, reducing single-use plastics and encouraging reusable alternatives.
- Organising community engagement activities such as beach cleanups, river restoration and staff-led recycling drives.

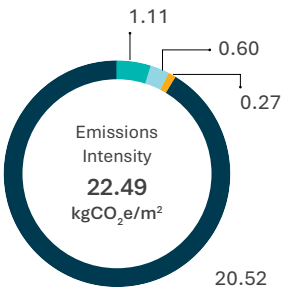
KEY OUTPUT

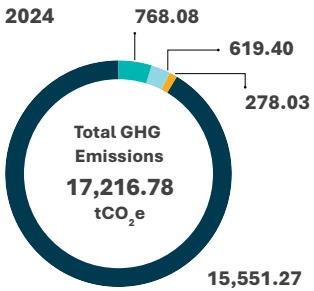
SCOPE 1 – DIRECT EMISSIONS

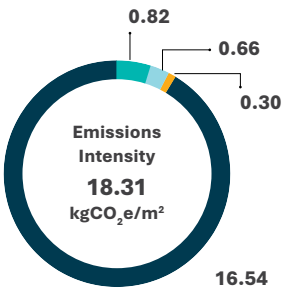








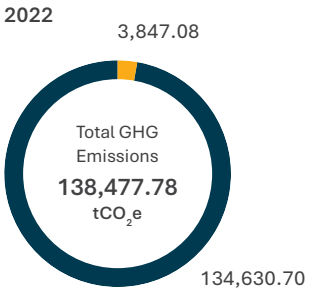


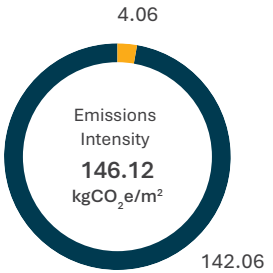


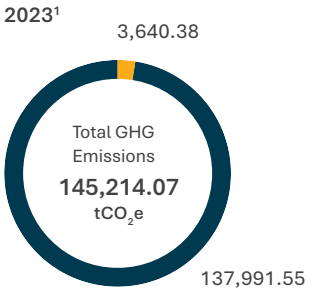
Diesel (litre) Petrol (litre) Liquefied Petroleum Gas (kilogramme) Medical Gas (m^3)

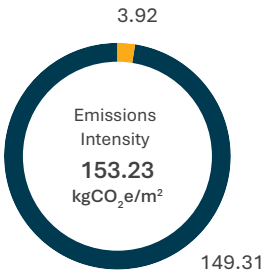
Notes :
- The Total GHG Emissions and Emissions Intensity figures presented above excludes fugitive emissions.
- The figures reported for 2022 and 2023 have been independently verified by a third-party assurance provider.

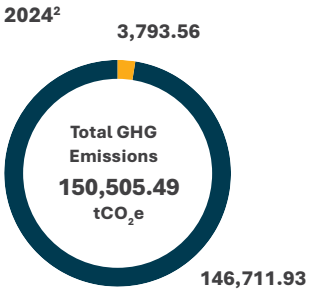
SCOPE 2 – INDIRECT EMISSIONS

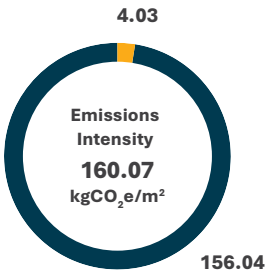












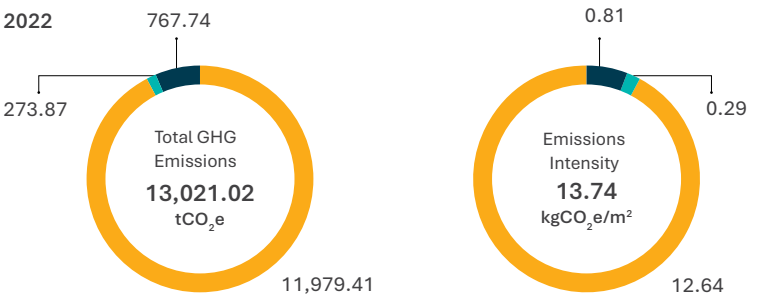
Head Office Hospitals

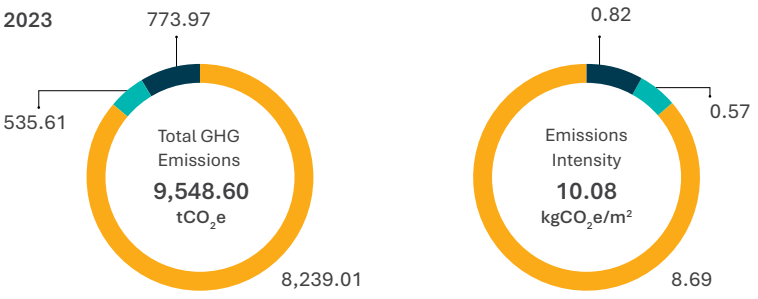
Notes :
The figures reported for 2022 and 2023 have been independently verified by a third-party assurance provider.
[1] Scope 2 emissions in tonnes of CO2 data for 2022 and 2023 have been restated due to changes in emissions factor.
[2] Increase from the 2022 baseline due to higher energy consumption across expanding hospital facilities.

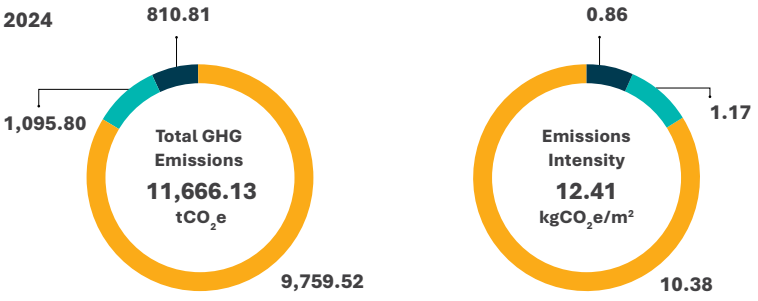
Our Value Outcomes

NATURAL CAPITAL (CONT'D)

SCOPE 3 – INDIRECT EMISSIONS







Waste Generation · Business Travel · Water Consumption

Notes :
- The Total GHG Emissions and Emissions Intensity figures presented above excludes fugitive emissions.
- The figures reported for 2022 and 2023 have been independently verified by a third-party assurance provider.
- In 2024, we expanded our Scope 3 emissions monitoring to include employee commuting for the first time. Based on 422 of employee commuting samples, emissions from this category totaled to 303.87 tCO_2e. As baseline data is unavailable, emissions from employee commuting are not reflected in the Scope 3 charts above. Moving forward, this category will be incorporated into future disclosures for a fuller Scope 3 emissions profile.

TOTAL GHG EMISSIONS

2022
172,825.76
tCO_2e

2023
176,080.49
tCO_2e

2024
179,388.40
tCO_2e

EMISSIONS INTENSITY

2022
182.37
$kgCO_2e/m^2$

2023
185.80
$kgCO_2e/m^2$

2024
190.79
$kgCO_2e/m^2$

HUMAN CAPITAL

In KPJ, our skilled and dedicated employees are the driving force behind our success. Their expertise enables us to deliver healthcare services that benefit everyone involved. The employees support our medical consultants who play a crucial role to provide high quality care. Investing in our employees' growth not only strengthens our team but also enhances healthcare delivery.

Trade-Offs

Our investment in Human Capital reduces our Financial Capital in the short-term. However in the long-term, it adds to our Human, Financial and Social and Relationship Capital.

Sustainability Themes

P Fostering Our People

Strategic Pillars

People

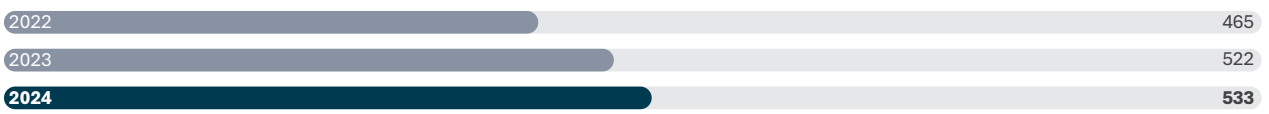
KEY INPUT

DIVERSE WORKFORCE

Total Staff In Group (31 December 2024)

Total Staff In Malaysia (31 December 2024)

Total Staff In Bangladesh (31 December 2024)



Investment In Training and Development (RM Mil)

Male-Female Gender Diversity Ratio In KPJ (31 December)

Medical Consultants

Our Value Outcomes

HUMAN CAPITAL (CONT'D)

Activities and Processes as a high-value employer

- **Diversity & Anti-Discrimination Policy Enhancement ("DEI")**

  The new DEI Policy was formalised on 11 October 2023 and took effect on 1 November 2023. The DEI policy is applicable to all including the Board of Directors, Senior Management and all employees. It considers various viewpoints while being free from any bias and discrimination.
- Competitive and fair remuneration packages.
- Investing in employees' career development, including skillset training and leadership initiatives.
- Succession planning to identify and prepare internal talent as future leaders in the organisation.
- Continuing Education opportunities for all qualified employees.
- Organise annual healthcare conferences/workshops at both national and industry levels such as KPJ Conference and GP Symposiums.
- Occupational health and safety management systems.
- Employee engagement initiatives such as:
  - Activities conducted by the Sports and Recreational Clubs.
  - Annual events such as Family Day, HR Engagement Day and Sports Carnival.
  - Employee participation in CR initiatives.

KPJ, in collaboration with mStar, brought essential healthcare services to the streets of Chow Kit during Ramadan 2024, supported by nearly 50 volunteers, demonstrating KPJ's commitment to compassion and community care.

KEY OUTPUT

EMPLOYEE COMPENSATION & BENEFIT COSTS
(RM MIL)

STAFF RETENTION RATE
(%)

STAFF ATTRITION RATE
(%)

AVERAGE TRAINING HOURS PER EMPLOYEE
(HOURS)

For more information on our employees, please refer Fostering Our People of our Sustainability Report.

INTELLECTUAL CAPITAL

Our Intellectual Capital comprises intangibles that drive KPJ's competitive advantage. This encompasses health service offerings, quality standards, integrated IT systems, medical technology ("MedTech"), sustainability initiatives and strategic collaboration.

Trade-Offs

In the short-term, our investment in Intellectual Capital reduces Financial Capital. However it grows our Human, Financial and Social and Relationship Capitals in the longer term.

Sustainability Themes

- E Protecting Our Environment
- PC Uplifting Our Patients and Communities
- P Fostering Our People
- G Upholding Good Governance

Strategic Pillars

Patients | People | Partners

KEY INPUT

HOSPITAL ACCREDITATION

IT INVESTMENT (RM Mil)

NUMBER OF HOSPITALS INTEGRATED WITH KPJ ONLINE BOOKING SYSTEM

Activities and Processes

- Collaboration with industry leaders to implement new systems, to boost KPJ's operations.
- Opened new specialist facilities including a Stroke Centre in KPJ Ipoh and a Women & Children Centre in KPJ Damansara.
- Continued with digitisation initiatives via Health Information System ("HIS") migration, to third generation Cloud Computing.
- Implementation of integrated systems that increase effectiveness, improve monitoring and tracking of treatment outcomes with an emphasis on information security.
- Continuous improvement on the completed Data Centre in line for any new transformation initiatives to support the hospital network.
- Cyber security and IT Risk Assessment actions were undertaken to prepare for ISO 27001.
- KPJ group of hospitals and companies continued implementing and reassessing their quality services through the accreditation and certification programmes including:
  i. Joint Commission International ("JCI") hospital accreditation.
  ii. Malaysian Society for Quality in Health ("MSQH") hospital accreditation.
  iii. The Integrated Management System ("IMS") combines or merges the Quality Management System ("QMS") with the Environmental Management System ("EMS") and the Occupational Health & Safety Management System ("OHSAS") certifications.
    - QMS (ISO 9001:2015)
    - EMS (ISO 14001:2015
    - OHSAS (ISO 45001:2018)
  iv. Customer Services Management ("CSM") recognition by SIRIM.
- Continuous review of KPJ's in-house nursing and healthcare dashboard which encompasses medication safety, prevention of patient falls, prevention of IV phlebitis, correct identification of a cardiac arrest and accelerated time to treatment.
- Comprehensive Clinical Governance policies, structure and management in place.
- KPJ drives and embeds integrity as a key factor in governance and ensures all the policies and procedures are in place. These have been incorporated in KPJ Group Anti-Bribery Management System which has been established according to the provisions of ISO 37001:2016 Anti-Bribery Management system.

Our Value Outcomes

INTELLECTUAL CAPITAL (CONT'D)

KEY OUTPUT

NUMBER OF STUDENTS IN SPECIALIST PROGRAMMES
(Graduate School of Medicine) **YEAR 2023**

Programme	Total
Master of Anesthesiology	1
Master of Orthopedic	1
Master of Radiology	8
Master of Otorhinolaryngology	10
Master of General Surgery	4
Postgraduate in Internal Medicine	3
Postgraduate in Paedtric Training	1
Total	**28**

NUMBER OF STUDENTS CURRENTLY UNDERGOING OTHER POSTGRADUATE PROGRAMMES YEAR 2023

Programme	Total
PhD in Nursing	10
Master of Nursing Science	13
Master of Science in Pharmaceutical Technology	12
Master of Physiotherapy	4
MBA in Healthcare Management	31
Total	**70**

CERTIFICATIONS BY NUMBER OF HOSPITALS

Name of Certification/Accreditation	Number of Hospital/ Companies Certified with The Certification/ Accreditation
Joint Commission International (JCI)	4
Malaysian Society for Quality in Health (MSQH) - Hospital	19
Malaysian Society for Quality in Health (MSQH) - KWAN	1
Baby Friendly Hospital Initiative (BFHI)	19
Planetree	1
Integrated Management System – ISO 9001:2015, ISO 14001:2015 & ISO 45001: 2018	20
Quality Management System – ISO 9001:2015	3 (Including HQ)
Anti-Bribery Management System – ISO 37001:2016	1 HQ
Information Security Management System – ISO 27001:2022	1 HQ
Recognition of Customer Service Management – SIRIM 6:2016	13
Food Safety Management System – ISO 22000:2018	2
Energy Management System – ISO 50001:2018	1
Educational Organisational Management System – ISO 21001:2018	1
Medical Laboratories Management System – ISO 15189:2014	1
Malaysian Education Blueprint 2015-2025 for Higher Education, SETARA	1
Hazard Analysis Critical Control Point (HACCP)	3
GDPMD (Good Distribution Practice for Medical Devices)	1
GMP (Good Manufacturing Practice)	3

SOCIAL AND RELATIONSHIP CAPITAL

Our Social and Relationship Capital refers to the long-term relationships we have cultivated with our stakeholders, including patients, suppliers, business partners and the Government. This also plays a large role in the Group's long-term reputation management.

Trade-Offs

In the short-term, investment in Social and Relationship Capital reduces our Financial Capital. However through our wide spectrum of initiatives which create value for our stakeholders, we are able to grow our Social and Relationship, Human, Intellectual and Financial Capitals in the longer term.

Sustainability Themes

- PC Uplifting Our Patients and Communities
- P Fostering Our People
- G Upholding Good Governance

Strategic Pillars

Patients | People | Partners

KEY INPUT

OUTPATIENTS

INPATIENTS

Bangladesh Indonesia Malaysia

TOTAL NO. OF KWAN CLINICS' PATIENTS

TOTAL NO. OF MOBILE CLINICS' PATIENTS

Activities and Processes

For our Patients

- Increased focus on KPJ Brand through specially designed onground and online initiatives.
- KPJ's Customer Service Tools include:
  - Customer Care & Experience ("CCX") Coach
  - Customer Service Workshops
  - Standard People Practice ("SPP")
  - Planetree project focusing on person-centred care
  - Premier Customer Service Programme
  - Customer Service Management Recognition by SIRIM
  - KPJ Care Card Loyalty Programme
- Integrated CCX Portal comprising the following elements:
  - Patient Communication Management System ("PCMS")
  - CCX External Survey
  - Online Training Module
  - FAQ on CCX Portal
  - KPJ Dashboard
- Planned Preventive Maintenance ("PPM") .
- Ongoing commitment to reduce admission and discharge waiting times.

For the Industry

- Active engagement with the Government on healthcare issues and legislation.
- Representation on Government bodies such as the Malaysian Nursing Board.

Our Value Outcomes

SOCIAL AND RELATIONSHIP CAPITAL (CONT'D)

Activities and Processes as a high-value employer

For our Intermediaries

- Embarking on an online portal for outpatient specialist guarantee letters ("GL") and e-billing, with the objective of increasing the efficiency of admission workflow process.

For our Vendors and Suppliers

- Efficient, streamlined and fair procurement processes and policies.
- Regular interaction with suppliers.
- Fair contract negotiations with suppliers and vendors.
- Assessment process with regards to suppliers and vendors.
- All suppliers, vendors and other related third parties are required to sign the Corporate Integrity Agreement ("CIA"), to ensure transparency in building mutually beneficial working relationships.

For Accreditation and Industry Bodies

- Representation in accreditation and industry bodies such as the Association of Private Hospitals Malaysia ("APHM") and MSQH.
- All our consultants are duly registered on the National Specialist Register.

For the Community

- Uplifting Our Patients and Communities programmes such as:
  - Klinik Waqaf An-Nur ("KWAN"), including Mobile Clinics and Dialysis Centres.
- Baby Hatches that provide safety for babies left behind by their parents.
- Public health education programmes.
- Community grievance platforms and channels.

For our Investors and Shareholders

- Investor relations information via uploaded presentations.
- Corporate website that provides relevant information on hospitals.
- Updating of investor-related information via meetings/briefing with analysts.
- General Meetings – AGM and EGM.
- Participation in investment roadshows and conferences.

Briged Waqaf JCorp (BW) successfully carried out the Flood Relief Mission 2024 in Kelantan from December 2 to 6. A dedicated team of volunteers and KPJ Perdana employees cleaned 10 homes, benefiting flood-affected families. On December 5, a symbolic ceremony at KPJ Perdana Specialist Hospital saw 110 employees receive Flood Relief Kits, reflecting KPJ's commitment to care, compassion, and unity in supporting its people.

KEY OUTPUT

CUSTOMER SATISFACTION INDEX

2022	93
2023	95
2024	**96**

TOTAL INVESTMENT IN COMMUNITY OUTREACH PROGRAMMES

(RM Mil)

2022	10
2023	10
2024	**15**

TOTAL NO. OF STAFF TRAINED IN CUSTOMER SERVICE

2022	31,523
2023	20,860
2024	**16,748**

NO. OF HOSPITALS WITH BABY HATCHES

2022	7
2023	4
2024	**5**

TOTAL NO. OF CUSTOMER CARE & EXPERIENCE COACHES

2022	68
2023	65
2024	**80**

TAX DISTRIBUTION TO GOVERNMENT/APPROVED AGENCIES

(RM Mil)

2022	73
2023	75
2024	**166**

Klinik Waqaf An-Nur

CLINICS

2022	17
2023	11
2024	**11**

CLINICS WITH DIALYSIS CENTRES

2022	8
2023	9
2024	**9**

CLINICS WITH MSQH CERTIFICATION

2022	3
2023	3
2024	**1**

MOBILE CLINICS

2022	8
2023	9
2024	**9**

For more information on our customer service and intermediary initiatives, please refer to Uplifting Our Patients and Communities of our Sustainability Report. Full disclosures on our investor and shareholder activities can be found within our standalone Corporate Governance Overview section of our Integrated Report

Care For Life Stories

Cross-Border Neurosurgical Care at KPJ DSH2

A patient from Indonesia travelled to Damansara Specialist Hospital 2 ("DSH2") to seek treatment for a complex neurological condition involving a tumour located near the eye. Her decision reflected the growing confidence among international patients in Malaysia's private healthcare sector, where subspecialty services are increasingly accessible.

At DSH2, the patient's care journey was supported by a multidisciplinary clinical team, who worked together to develop a comprehensive treatment plan. Following a surgical procedure, she continued her recovery with the support of nursing and allied health professionals, focusing on rehabilitation and post-operative care.

Today, the patient is progressing steadily in her recovery and has resumed daily activities under continued medical supervision. Her case reflects KPJ's commitment to delivering integrated, patient-centred care, in line with the KPJ Health System's focus on combining clinical services, research and education to enhance outcomes and meet the diverse needs of patients, both locally and internationally.

Section 6

GOVERNANCE

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Corporate Information

REGISTERED OFFICE
KPJ Healthcare Berhad
Level 13, Menara KPJ
238, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

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F (603) 2681 6888

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KPJ Healthcare Berhad
Level 12, Menara KPJ
238, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

T (603) 2681 6222
F (603) 2681 6888
E marketing@kpjhealth.com.my

PRINCIPAL BANKERS
Maybank Islamic Berhad
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

HSBC Amanah Malaysia Berhad
Level 31, Menara IQ,
Lingkaran TRX,
55188 Tun Razak Exchange,
Kuala Lumpur, Malaysia.

REGISTRAR
Larkin Sentral Property Berhad
Lot S8, Podium 1, Menara Ansar
65, Jalan Trus
80888 Ibrahim International Business
District, Johor, Malaysia

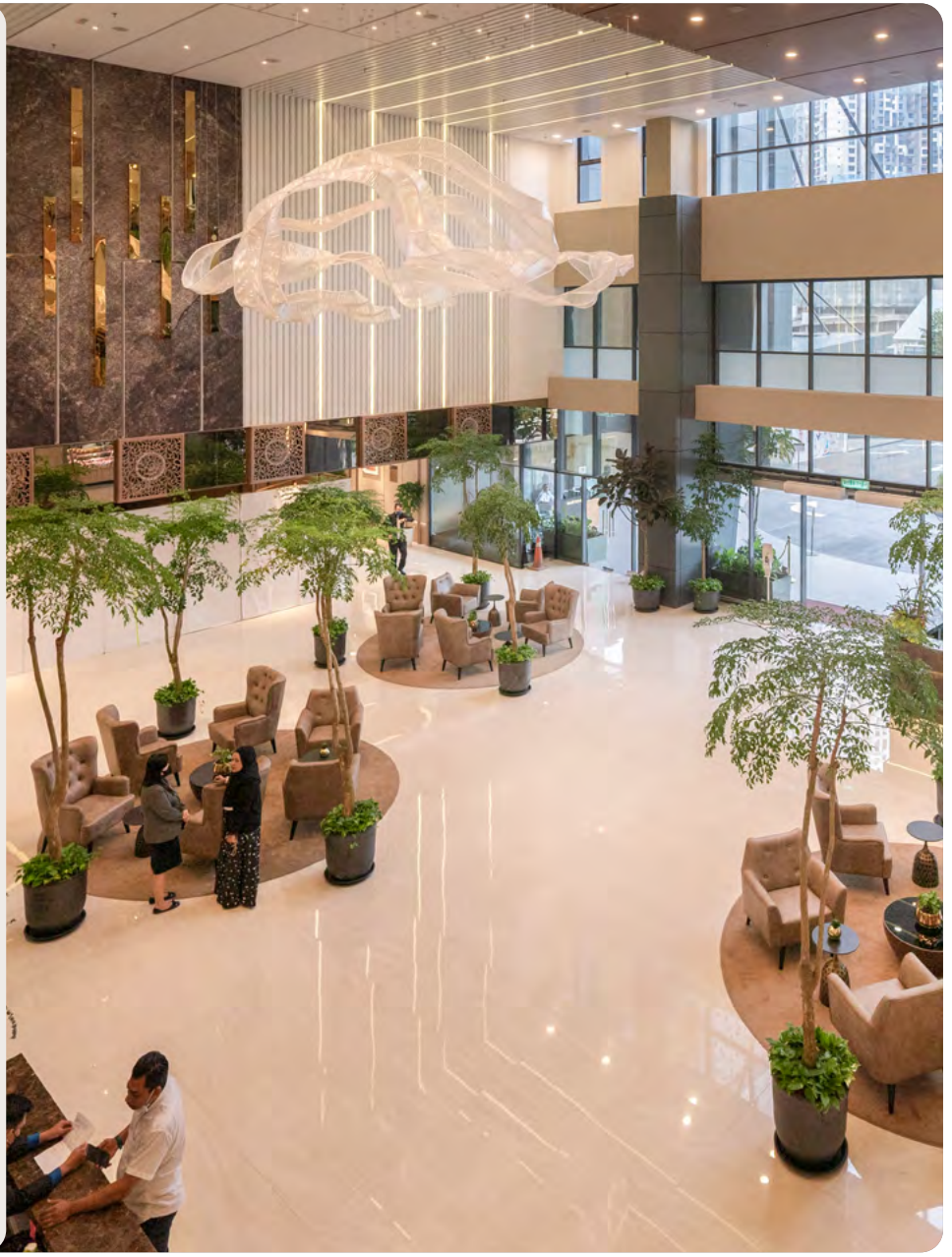
T (607) 297 2521
F (607) 223 3275

AUDITOR
Ernst & Young PLT
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

STOCK EXCHANGE LISTING
Listed on the Main Market of
Bursa Malaysia Securities Berhad
Listing date : 29 November 1994
Stock Name : KPJ
Stock Code : 5878

COMPANY SECRETARIES
Keh Ching Tyng
(MAICSA 7050134)
(SSM Practising Certificate
202008002616)

Hana binti Ab Rahim @ Ali
(MAICSA 7064336)
(SSM Practising Certificate
202408000758)



Company Secretaries

KEH CHING TYNG

- 49 years old
- Female
- Malaysian

Date of Appointment:
1 September 2023

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):

- Master's Degree in Business Law, Universiti Kebangsaan Malaysia, Malaysia
- Fellow of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

HANA BINTI AB RAHIM @ ALI

- 58 years old
- Female
- Malaysian

Date of Appointment:
1 February 2013

ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):

- Associate of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Bachelor of Science in Economics, Oregon State University, USA
- Associate of General Studies, Mara Institute of Technology/Midwest University Consortium of International Activities, Shah Alam, Selangor in collaboration with Indiana University, USA

PRESENT DIRECTORSHIP(S):

Listed Entity	Other Companies
Nil	Nil

Corporate Structure

As At 2 April 2025

KPJ healthcare
A JCORP Company

- 100.00% Kumpulan Perubatan (Johor) Sdn Bhd
- 100.00% Johor Specialist Hospital Sdn Bhd
  - 100.00% Bandar Dato' Onn Specialist Hospital Sdn Bhd (KPJ Bandar Dato' Onn Specialist Hospital) (KPJ Johor Specialist Hospital)
  - 100.00% Kluang Specialist Hospital Sdn Bhd
- 100.00% Point Zone (M) Sdn Bhd
- 100.00% Tawakal Holdings Sdn Bhd
- 100.00% Ipoh Specialist Hospital Sdn Bhd (KPJ Ipoh Specialist Hospital)
  - 100.00% Sri Manjung Specialist Centre Sdn Bhd (KPJ Sri Manjung Specialist Hospital)
- 100.00% Pusat Pakar Tawakkal Sdn Bhd (KPJ Tawakkal KL Specialist Hospital)
- 100.00% Puteri Specialist Hospital (Johor) Sdn Bhd
- 34.49% Al-'Aqar Healthcare REIT
  - 100.00% Ampang Puteri Specialist Hospital Sdn Bhd (KPJ Ampang Puteri Specialist Hospital)
  - 100.00% Kajang Specialist Hospital Sdn Bhd (KPJ Kajang Specialist Hospital)
  - 100.00% Maharani Specialist Hospital Sdn Bhd (KPJ Bandar Maharani Specialist Hospital) (KPJ Seremban Specialist Hospital)
  - 100.00% Pasir Gudang Specialist Hospital Sdn Bhd (KPJ Pasir Gudang Specialist Hospital) (KPJ Puteri Specialist Hospital) (KPJ Batu Pahat Specialist Hospital)
  - 100.00% Penang Specialist Hospital Sdn Bhd (KPJ Penang Specialist Hospital) (Taiping Medical Centre)
  - 100.00% Pusat Pakar Kluang Utama Sdn Bhd (KPJ Kluang Specialist Hospital)
  - 100.00% Rawang Specialist Hospital Sdn Bhd (KPJ Rawang Specialist Hospital) (KPJ Klang Specialist Hospital) (KPJ Damansara Specialist Hospital) (Damansara Specialist Hospital 2) (KPJ Kuala Selangor Specialist Hospital)
  - 100.00% Sentosa Medical Centre Sdn Bhd (KPJ Sentosa KL Specialist Hospital)
  - 100.00% Sibu Medical Centre Corporation Sdn Bhd (KPJ Sibu Specialist Medical Centre)
  - 100.00% SMC Healthcare Sdn Bhd (KPJ Sabah Specialist Hospital)
    - 100.00% Amity Development Sdn Bhd
  - 100.00% Perlis Specialist Hospital Sdn Bhd (KPJ Perlis Specialist Hospital)
  - 92.61% Kuching Specialist Hospital Sdn Bhd (KPJ Kuching Specialist Hospital)
  - 84.00% Miri Specialist Hospital Sdn Bhd (KPJ Miri Specialist Hospital)
  - 70.00% Pahang Specialist Hospital Sdn Bhd (KPJ Pahang Specialist Hospital)
  - 60.56% Perdana Specialist Hospital Sdn Bhd (KPJ Perdana Specialist Hospital)
  - 60.00% Selangor Specialist Hospital Sdn Bhd (KPJ Selangor Specialist Hospital)
    - 52.00% Pusrawi SMC Sdn Bhd
  - 100.00% Advanced Health Care Solutions Sdn Bhd
  - 100.00% BDC Specialist Hospital Sdn Bhd
  - 100.00% Healthcare IT Solutions Sdn Bhd
  - 100.00% KPJ Ambulatory Care Centre Sdn Bhd

● Malaysian Operations ● Support Services ● Overseas Operations ● Dormant Companies ● Associates

- 100.00% KPJ Eyecare Specialist Sdn Bhd (KPJ Centre For Sight)
- 100.00% KPJ Healthcare University Sdn Bhd *[Formerly known as KPJ Healthcare University College Sdn Bhd]* (KPJ Healthcare University)
  - 100.00% KPJ Education (M) Sdn Bhd
- 100.00% KPJ HealthShoppe Sdn Bhd
- 100.00% Kuantan Wellness Center Sdn Bhd (KPJ Kuantan Care & Wellness Centre)
- 100.00% PharmaCARE Sdn Bhd
- 100.00% Sibu Geriatric Health & Nursing Centre Sdn Bhd
- 100.00% Sterile Services Sdn Bhd
- 100.00% Total Meal Solution Sdn Bhd
- 100.00% Pharmaserv Alliances Sdn Bhd
  - 74.99% Malaysian Institute of Healthcare Management Sdn Bhd
- 93.75% DTI Resources Sdn Bhd
- 51.00% Lablink (M) Sdn Bhd
- 51.00% Healthcare Technical Services Sdn Bhd
- 100.00% KPJ Dhaka (Pte) Ltd (Sheikh Fazilatunnessa Mujib Memorial KPJ Specialised Hospital & Nursing College)
- 57.16% Jeta Gardens (Qld) Pty Ltd (Jeta Gardens Retirement Village, Brisbane, Australia)
  - 100.00% Jeta Gardens Aged Care (Qld) Pty Ltd
  - 100.00% Jeta Gardens Management (Qld) Pty Ltd
- 100.00% Bandar Baru Klang Specialist Hospital Sdn Bhd
- 100.00% Damansara Specialist Hospital Sdn Bhd
- 100.00% Kota Kinabalu Wellness Sdn Bhd
- 100.00% Seremban Specialist Hospital Sdn Bhd
- 100.00% Taiping Medical Centre Sdn Bhd
- 100.00% Massive Hybrid Sdn Bhd
- 100.00% UTM KPJ Specialist Hospital Sdn Bhd
- 100.00% Bayan Baru Specialist Hospital Sdn Bhd
- 100.00% Crossborder Aim (M) Sdn Bhd
- 100.00% Crossborder Hall (M) Sdn Bhd
- 100.00% Pride Outlet Sdn Bhd
- 100.00% Skop Yakin (M) Sdn Bhd
- 100.00% Energy Excellent Sdn Bhd
- 100.00% KPJ Education Services Sdn Bhd
- 100.00% KPJ MedikTV Sdn Bhd
- 99.99% Pharmacare Surgical Technologies (M) Sdn Bhd
- 80.00% Freewell Sdn Bhd
- 45.66% Kedah Medical Centre Sdn Bhd (Kedah Medical Centre)
- 23.37% Vejthani Public Company Limited (Vejthani Hospital, Thailand)

Corporate Governance Overview Statement

At KPJ Healthcare Berhad ("KPJ" or "Company"), we are committed to upholding the highest standards of corporate governance. Our governance model is designed to ensure transparency, accountability and integrity in all our operations, aligning with the principles and best practices outlined in the Malaysian Code on Corporate Governance.

We believe that robust corporate governance is essential for fostering sustainable growth, enhancing shareholder value and maintaining the trust of our stakeholders. Our Board of Directors (the "Board"), supported by various committees, diligently oversees the implementation of governance policies and practices, ensuring that we adhere to regulatory requirements and ethical standards.

This statement provides an overview of KPJ's corporate governance practices for the financial year ended 31 December 2024, highlighting key initiatives and measures undertaken to strengthen our governance. The Board remains committed to continuous improvement and strives to achieve excellence in corporate governance, reflecting its dedication to responsible and effective management.

This statement should be read in conjunction with the Statement on Risk Management and Internal Control ("SORMIC") and Audit Committee ("AC") Report, as well as the Group Medical Advisory and Clinical Governance Committee ("GMACGC") Report. The Corporate Governance Model is developed based on the following statutory requirements, best practices and guidelines:

- Companies Act 2016 ("Act")
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Malaysian Code on Corporate Governance ("MCCG")
- Corporate Governance Guide (4th Edition)

The Board has considered and taken guidance from the key Corporate Governance ("CG") Principles as set out in the MCCG. As at 31 December 2024, we have applied all the Practices in the MCCG, save for those disclosed in the CG Report.

The explanation for the departures from the Practices and the measures to be taken are provided in the CG Report, which is available at *https://kpj.listedcompany.com/corporate_governance.html*

PRINCIPLE A

BOARD LEADERSHIP & EFFECTIVENESS

Further explanation on the Principle A is on pages 127 to 136.

PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT

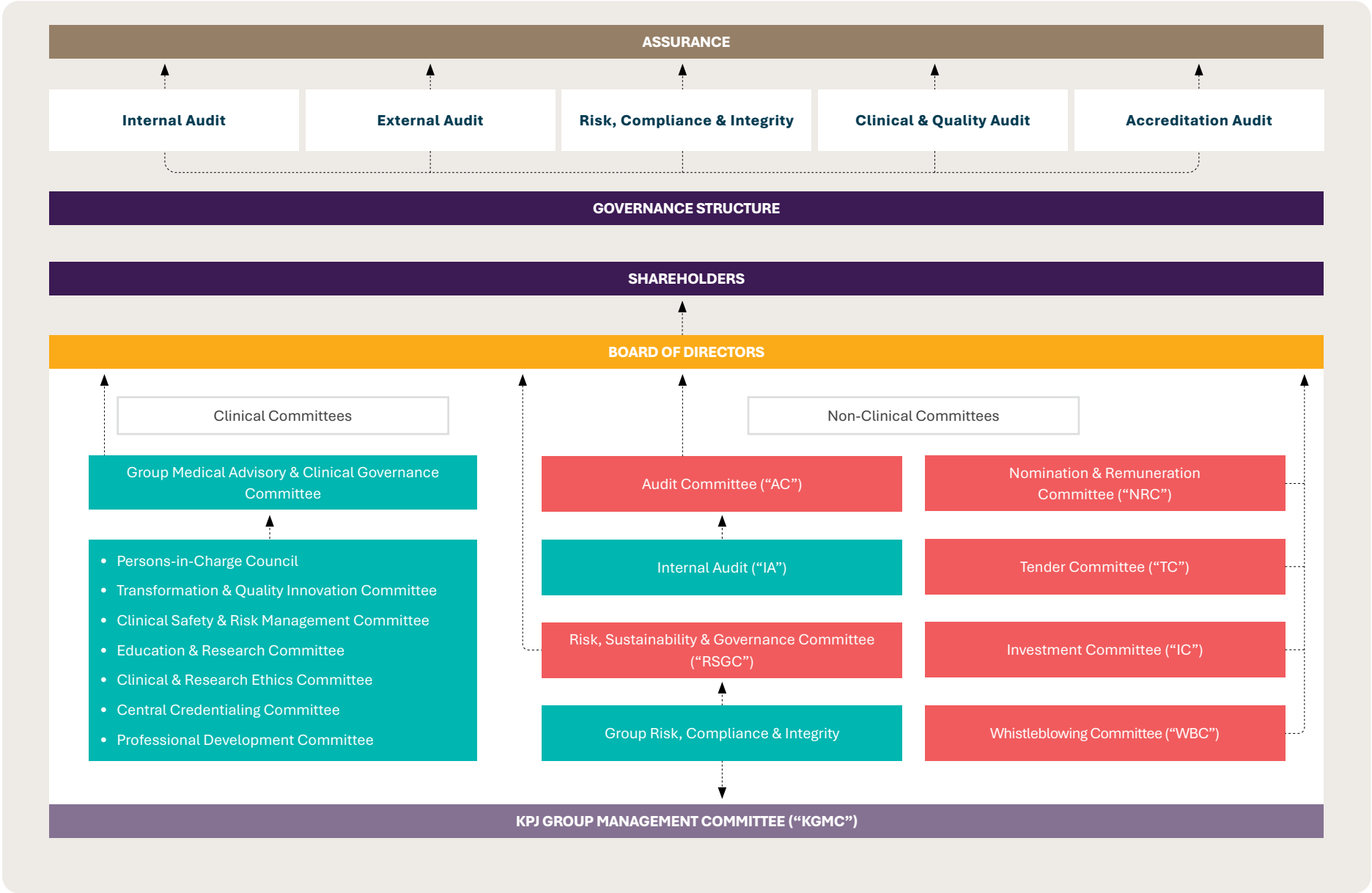
Further explanation on the Principle B is on pages 137 to 144.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

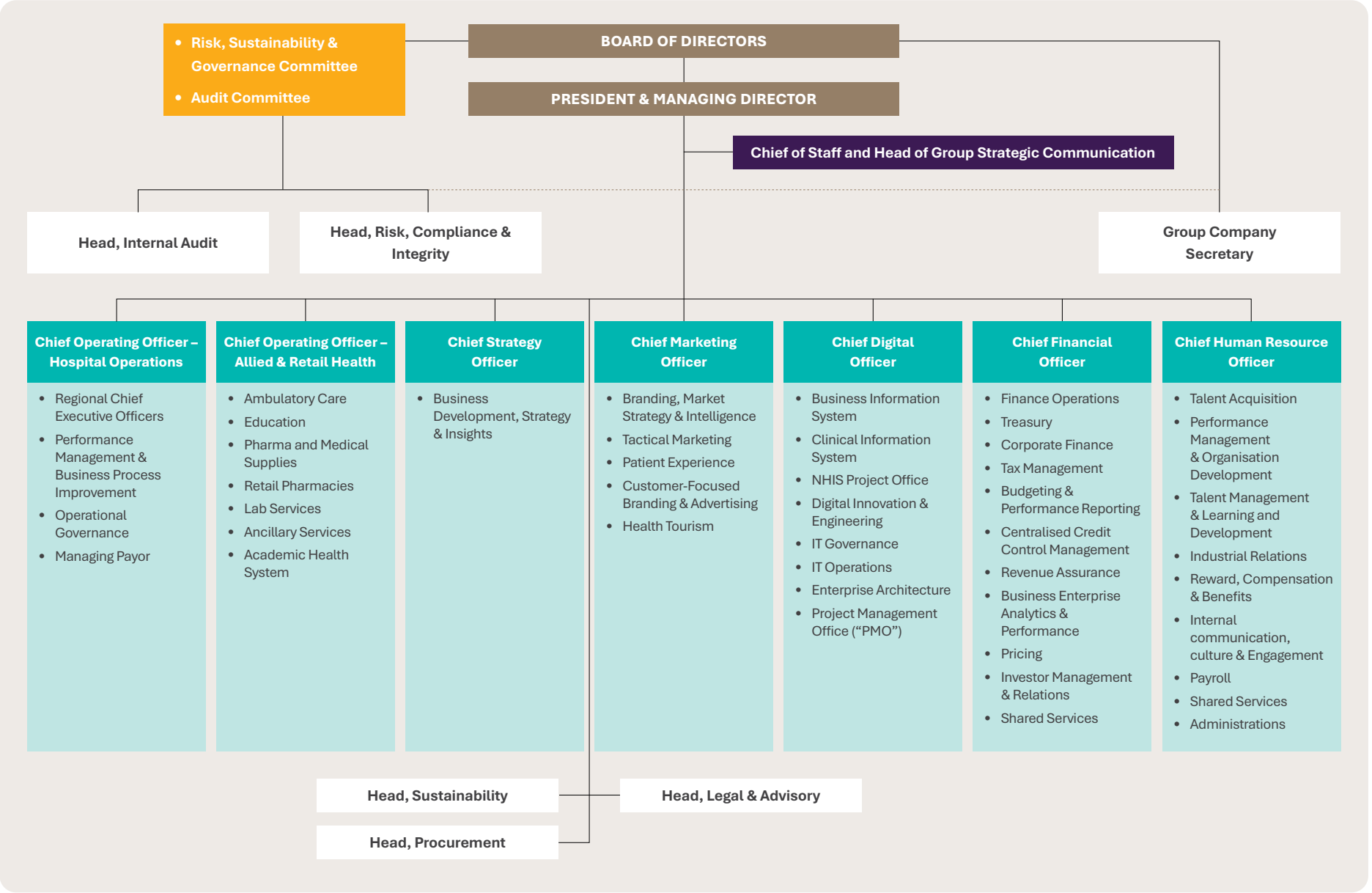
Further explanation on the Principle C is on pages 145 to 146.

CORPORATE GOVERNANCE MODEL



Corporate Governance Overview Statement

KPJ GROUP ORGANISATION STRUCTURE



PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

STRUCTURAL CHANGE TO THE BOARD COMPOSITION

Name of Director	Designation	Date of Change
Datuk Md Arif bin Mahmood	Non-Independent Non-Executive Chairman	Resigned on 1 April 2024
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar	Non-Independent Non-Executive Chairman	Appointed on 2 April 2024

All Board members contributed significantly to the formulation of strategic objectives and policies, governance, performance monitoring, resource allocation and compliance. Each Director brought extensive experience and valuable insights, enabling the Board to effectively discharge its duties and responsibilities in accordance with the Committees' Terms of Reference ("TOR").

The roles of the Chairman of the Board, the President & Managing Director ("PMD") and the Non-Executive Directors ("NEDs") are clearly delineated to ensure a separation of responsibilities in line with best practices. This distinction between the Chairman's and the PMD's roles ensures a balance of power and authority, preventing any individual from holding unfettered decision-making powers. This structure supports effective governance and accountability across the organisation.

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar serves as the Non-Independent Non-Executive Chairman of KPJ, a role he assumed on 2 April 2024, following the resignation of Datuk Md Arif bin Mahmood. As Chairman, he is responsible for leading the Board by providing oversight of the Group's strategies and business affairs.

The PMD, Mr. Chin Keat Chyuan, who joined KPJ on 1 September 2023, is tasked with managing the business and operations of the Group and is responsible for leading Management in executing the broad policies, strategies and action plans approved by the Board. He regularly engages the Board to report on and discuss the Group's business performance and developments, including all strategic matters affecting the Group. The PMD is supported by the KPJ Group Management Committee ("KGMC") and other management committees established under the Group's CG model.

The Board has approved the Group Balance Scorecard for 2024. With strategic objectives in place, the PMD plays a key role in leading and ensuring the Senior Management team executes these objectives. The successful attainment of these goals forms the basis for KPJ Management's performance evaluation.

The Company Secretaries advise the Board on the Company's Constitution, the Companies Act 2016, Board policies, procedures and compliance with relevant regulatory requirements, including codes, guidance and legislation. They support the Board in managing the Group's CG Model, ensuring its effectiveness and relevance. Each Board member has unrestricted access to the advice and services of the Company Secretaries.

BOARD OF DIRECTORS

Roles and Responsibilities

The Board ensures effective leadership and governance. Together with Management, the Board sets the tone from the top by providing thought leadership, championing good corporate governance culture within the Company and formalising and committing to ethical values. The Board is mindful of their wider obligations and considers the impact their decisions will have on the Group's various stakeholders. Sustainability considerations have been integrated in corporate strategy, governance and decision-making to create sustainable value for its stakeholders.

The Board also promotes the Group's new C.A.R.E culture, which stands for Committed, Accountable, Respectful and Excellent. Each value represents a core principle of the Company's ethos, guiding its actions and decisions while fostering a patient-centric workplace culture.

C.A.R.E

Committed | **A**ccountable | **R**espectful | **E**xcellent

Corporate Governance Overview Statement

Activities in 2024

- Reviewed and approved the Group's quarterly financial results and audited financial statements;
- Reviewed and approved quarterly interim dividends;
- Reviewed and approved Recurrent Related Party Transactions and Related Party Transactions;
- Reviewed the Group's Balanced Scorecard achieved for the year 2023;
- Deliberated and approved the Group's Balanced Scorecard for the year 2024;
- Reviewed and approved the recommendation to the shareholder for the re-election of Directors for approval at the Annual General Meeting ("AGM") of the Company;
- Reviewed the Board Composition and the Board Effectiveness Evaluation;
- Reviewed and approved the appointment of senior management (Chief Financial Officer, Chief Digital Officer and Chief Medical Director);
- Reviewed and approved the purchase of assets and equipment, as well as hospital renovation, upgrading and expansion to maintain and enhance the service quality of KPJ hospitals;
- Reviewed and approved the strategic investment as well as divestment proposals;
- Deliberated and provided feedback on the Group's Strategic Planning 2025-2029;
- Reviewed and approved the Group's Budget for the year 2025; and
- Deliberated and approved KPJ's rebranding and culture transformation.

Matters Reserved for the Board

- Approval of corporate plans and programmes;
- Approval of annual budgets, including major capital commitments;
- Approval of new ventures;
- Approval of material acquisitions and disposals of undertakings and properties; and
- Changes to Management and the control structure within the Company and its subsidiaries, including key policies and delegated authority limits.

BOARD CHARTER

The Company has established clear policies to delineate the functions and responsibilities between the Board and Management, as well as between the Chairman and the PMD, ensuring the smooth operation of the Group's business.

These policies are detailed in the Board Charter, available on the Company's website at *https://kpj.listedcompany.com/misc/board_charter.pdf*

Continuing Education Programmes

As part of the appointment process, the Board, through the Nomination and Remuneration Committee ("NRC"), ensures that an orientation and education programme is provided to new Board Members to familiarise them with the Company's governance framework, operations and responsibilities.

The Directors also receive further training from time to time through the Continuous Education Programme ("CEP"). During the year 2024, the Board members attended training sessions/programs organised by various parties as disclosed under Practice 2.1 of the CG Report.

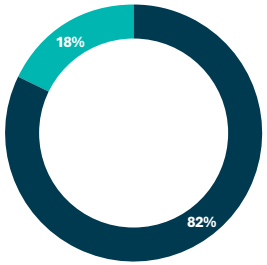
2024 Directors' Training Focus Areas	
Corporate Governance	3 (27%)
Leadership	11 (100%)
Business Management	2 (18%)
Information Technology	3 (27%)
Sustainability	5 (45%)
Health	11 (100%)

BOARD COMPOSITION

Board Diversity

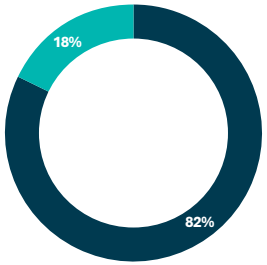
The analysis on the composition of the Board of Directors was as follows:

Gender Diversity



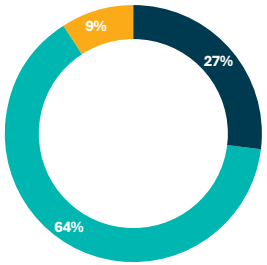
Male	9
Female	2

Racial Diversity



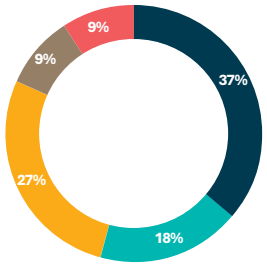
Malay	9
Chinese	2

Tenures



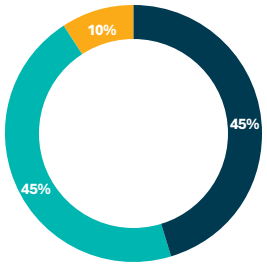
0 – 3 Years	3
3 – 6 Years	7
6 – 9 Years	1

Age Profile



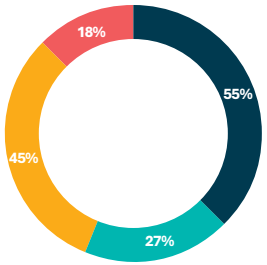
51 – 55 Years	4
56 – 60 Years	2
61 – 65 Years	3
66 – 70 Years	1
> 70 Years	1

Board Composition



Non-Independent Non-Executive Directors	5
Independent Non-Executive Directors	5
President and Managing Director	1

Skill & Experience



Accounting/Finance/ Banking/Investment/Audit	6
Legal/Risk/Sustainability	3
Business Admin/ Marketing/Branding	5
Medicine/Healthcare	2

The Board's current size and composition are well-balanced, comprising professionals with diverse expertise in business and operations, as well as in key areas such as medical, legal, finance and investment. These skills are highly relevant to the strategic direction of a large, expanding group and to sustainability matters, including material environment, social and governance ("ESG") considerations, as outlined in the Fit and Proper Policy for the Board.

These are available in the Fit and Proper Policy for the Board, which is available on the Company's website at *https://kpj.listedcompany.com/misc/KPJ_Fit_&_Proper_Policy_(For_website)_29.06.2022.pdf*

Detailed profiles of all Board Members, including their qualifications, experience and expertise, are disclosed in the Board Profile section of the Integrated Annual Report 2024 under the "Board of Directors" section of this Integrated Annual Report 2024.

Each year, the Board, through the Nomination and Remuneration Committee ("NRC"), conducts a rigorous evaluation to assess the performance of the Board, its Committees, individual Directors and the Chairman, in line with the Fit and Proper Policy. This includes evaluating the independence of Independent Directors, considering their ability to exercise independent judgment at all times and making recommendations for their re-election at the AGM. The current Board composition reflects an appropriate mix of diversity, skills, experience and capabilities.

The Board is guided by KPJ's Diversity, Equity and Inclusion Policy, introduced on 1 November 2023. This Policy applies to all levels, including the Board and Senior Management, covering career opportunities, training and development, recruitment, compensation and benefits, talent identification, retention, performance management, promotions, job assignments, succession planning and engagement activities.

Corporate Governance Overview Statement

MEETING CALENDAR 2024

The Board members' attendance at meetings during the financial year were indicated below:

Director	BOD	AC	TC	RSGC	NRC	IC
Non-Independent Non-Executive Chairman						
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar [(a)]	9/9					
Datuk Md Arif bin Mahmood [(b)]	3/3					
Independent Non-Executive Directors						
Dato' Mohd Redza Shah bin Abdul Wahid	12/12	10/10	7/7		10/10	6/6
Mohamed Ridza bin Mohamed Abdulla	11/12			4/4	10/10	6/6
Khairuddin bin Jaflus	11/12	10/10	7/7	4/4		
Hisham bin Zainal Mokhtar	11/12	10/10		4/4		6/6
Lee Lai Fan	12/12		7/7		10/10	
Non-Independent Non-Executive Directors						
Rozaini bin Mohd Sani	12/12	10/10	7/7	4/4		
Shamsul Anuar bin Abdul Majid	12/12				10/10	6/6
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar	12/12			4/4	10/10	
Annie binti Rosle	11/12		5/7			5/6
President and Managing Director						
Chin Keat Chyuan	11/12					
TOTAL NUMBER OF MEETINGS	**12**	**10**	**7**	**4**	**10**	**6**

Chairman

Notes:
The WBC did not convene any meetings during the financial year ended 31 December 2024.
[(a)] *Appointed as Non-Independent Non-Executive Chairman on 2 April 2024.*
[(b)] *Resigned as Non-Independent Non-Executive Chairman on 1 April 2024.*

BOARD REMUNERATION 2024

The Board has set a remuneration to attract and retain qualified Directors. The Board believes that the levels of remuneration offered by the Company are adequate to attract and retain Directors of high caliber, experience and talent who can contribute meaningfully to the Group's performance. The NEDs are remunerated based on fixed annual fees and meeting allowances.

Director	Fees (RM)		Allowance (RM)		Salary (RM)	Bonus (RM)	Benefits-In-Kind (RM)	Other Emolument (RM)	Total
	Company*	Subsidiary	Company	Subsidiary					
Non-Independent Non-Executive Chairman									
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar [(a)]	235,934	-	36,000	-	-	-	28,735	-	300,669
Datuk Md Arif bin Mahmood [(b)]	55,640	-	12,000	-	-	-	7,788	60,000	135,428
Independent Non-Executive Directors									
Dato' Mohd Redza Shah bin Abdul Wahid	242,813	40,000	132,000	10,500	-	-	-	60,000	485,313
Mohamed Ridza bin Mohamed Abdulla	202,703	-	77,000	-	-	-	-	60,000	339,703
Khairuddin bin Jaflus	210,659	60,000	92,000	25,500	-	-	-	60,000	448,159
Hisham bin Zainal Mokhtar	210,659	-	89,000	-	-	-	-	60,000	359,659
Lee Lai Fan	174,527	-	70,000	-	-	-	-	60,000	304,527
Non-Independent Non-Executive Directors									
Shamsul Anuar bin Abdul Majid [(c)]	174,527	-	68,000	-	-	-	-	60,000	302,527
Rozaini bin Mohd Sani [(c)]	202,082	-	88,000	-	-	-	-	60,000	350,082
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar	202,703	40,000	80,000	12,500	-	-	-	276,000	611,203
Annie binti Rosle [(d)]	174,527	-	53,000	-	-	-	-	60,000	287,527
President and Managing Director									
Chin Keat Chyuan	-	-	-	-	2,071,200**	509,500**	55,515	420,000	3,056,215

Notes:

Meeting allowances were paid directly to all NEDs.

* *Fees paid under Company comprised of Directors' fees and Committees' fees.*

** *Inclusive of contribution to Employees Provident Fund ("**EPF**").*

(a) *Appointed as Non-Independent Non-Executive Chairman on 2 April 2024.*

(b) *Resigned as Non-Independent Non-Executive Chairman on 1 April 2024.*

(c) *Payment of Directors' fees for nominee Directors who represent and are employees of Johor Corporation ("**JCorp**") were paid directly to JCorp as Corporate Fee.*

(d) *50% of the Directors' fees and Committees' fees for the nominee Director representing EPF were paid directly to EPF as Corporate Fee.*

Corporate Governance Overview Statement

SENIOR MANAGEMENT

The Company underwent changes in its Senior Management Team (SMT) where:

Two (2) members have resigned during the year:

- Chief Financial Officer; and
- Chief Digital Officer

Two (2) new appointments were made during the year:

- Chief Financial Officer; and
- Chief Digital Officer

The Company is dedicated to offering competitive total compensation packages to attract, retain, motivate and reward employees. Performance is evaluated based on the Company's relative performance and individual employees' achievement of business goals and objectives.

The range of remuneration of the top five Senior Management (including salary, allowance, bonus, benefits in kind and other emoluments) for the financial year ended 31 December 2024 is as follows:

No	Name	Designation	Salary (RM)	Allowance (RM)	Bonus (RM)	Benefits (RM)	Other Emoluments	Total (RM)
1	**Norhaizam Mohammad**	Chief Financial Officer	300,001-350,000	0-50,000	-	0-50,000	1,400,001-1,450,000	1,750,001-1,800,000
2	**Michael Leddin**	Chief Strategy Officer	800,001-850,000	50,001-100,000	50,001-100,000	0-50,000	-	1,000,000-1,050,000
3	**Dato' Mohamad Farid Salim**	Chief Operating Officer, Hospital Operations	600,001-650,000	50,001-100,000	250,001-300,000	0-50,000	-	950,001-1,000,000
4	**Norhamijah Mohd Hanafiah**	Chief Human Resource Officer	600,001-650,000	50,001-100,000	250,001-300,000	0-50,000	-	950,001-1,000,000
5	**Dr. Nik Fawaz Nik Abdul Aziz**	Chief Operating Officer, Group Allied and Retail Health Operations	600,001-650,000	50,001-100,000	150,001-200,000	0-50,000	-	900,001-950,000

BOARD COMMITTEES

The Board has established several committees to assist in its oversight function and ensure appropriate checks and balances for specific functions or areas. Each committee operates under defined written terms of reference, detailing their authority and responsibilities, which have been approved by the Board.

The Chairman of each committee reports to the Board on the items discussed and actions taken at their meetings. Each committee periodically reviews its terms of reference and collaborates with the Board to make necessary adjustments. The Board may establish and maintain additional committees as needed.

Despite the delegation of responsibilities, the ultimate decision-making authority remains with the Board. As at 31 December 2024, there are (6) six effective committees under the Board's purview:

1. **Nomination and Remuneration Committee**
2. **Investment Committee**
3. **Tender Committee**
4. **Audit Committee**
5. **Risk, Sustainability and Governance Committee**
6. **Group Medical Advisory and Clinical Governance Committee**

NOMINATION AND REMUNERATION COMMITTEE

Chairman:
Dato' Mohd Redza Shah bin Abdul Wahid *Senior Independent Non-Executive Director*
Members:
Mohamed Ridza bin Mohamed Abdulla *Independent Non-Executive Director*
Lee Lai Fan *Independent Non-Executive Director*
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar *Non-Independent Non-Executive Director*
Shamsul Anuar bin Abdul Majid *Non-Independent Non-Executive Director*

The Nomination and Remuneration Committee ("NRC") plays a dual role in assisting the Board with Board composition and remuneration governance to ensure a strong leadership framework that supports KPJ Group's strategic objectives. The committee is responsible for overseeing Board composition, succession planning and remuneration policies to align with corporate strategy, regulatory compliance and long-term value creation. The NRC convenes quarterly and works in close collaboration with the PMD and Group Human Resources Management ("GHRM") to drive best practices in governance, remuneration and leadership development.

Roles and Responsibilities

1. **Board Composition & Leadership Succession**

   - Ensures the Board has the right mix of skills, expertise and diversity to drive KPJ's growth.
   - Manages succession planning for the Board, Executive Directors and key leadership roles.
   - Conducts annual Board Effectiveness Evaluations ("BEE") to assess performance and competency gaps.

2. **Remuneration & Reward Strategy**

   - Develops competitive, performance-driven remuneration policies for Executive Directors, Senior Management and Non-Executive Directors ("NEDs").
   - Aligns remuneration with industry benchmarks, shareholder value, short term and long-term business objectives.
   - Implements pay-for-performance incentives to attract, retain and motivate high-caliber talent.

3. **Governance & Compliance**

   - Ensures adherence to Main Market Listing Requirements ("MMLR") of Bursa Securities, MCCG and other regulatory frameworks.
   - Strengthens Board operations, transparency and decision-making efficiency.
   - Oversees the Board Performance Improvement Programme to enhance governance impact.

Key activities in 2024

NRC considered and, where applicable, made recommendations to the Board on the following matters:

1. **Board Composition & Succession Planning**

   - Reviewed the overall size and composition of the Board and its Committees;
   - Assessed and recommended the reappointments of Non-Independent Non-Executive Chairman ("NINEC"), PMD, Non-Independent Non-Executive Directors ("NINEDs") and Independent Non-Executive Directors ("INEDs");
   - Reviewed the membership of KPJ's Directors & its subsidiaries' committees; and
   - Reviewed the succession plan for the Board and its Committees

Corporate Governance Overview Statement

Key activities in 2024 (Continued)

2. Succession Planning of Pivotal Positions

- Reviewed the contract expiry and retirement of pivotal positions;
- Reviewed the framework for the pivotal positions, talent pool and succession plan for pivotal positions; and
- Assessed potential candidates for pivotal positions

3. Remuneration

- Reviewed the performance evaluation of PMD, pivotal positions and the Group Company;
- Reviewed the FY2023 Bonus Pool for KPJ's employees;
- Assessed the FY2023 KPJ's Scorecard, PMD and the pivotal positions;
- Reviewed remuneration for pivotal positions after expiry of contract;
- Proposed the framework of Long-Term Incentive Plan ("LTIP") for pivotal positions the eligibility for granting & vesting of RS and PS shares; and
- Reviewed the framework & implementing the Mutual Separation Scheme ("MSS").

4. Board Effectiveness Evaluation ("BEE")

- Reviewed the results of the BEE exercise for FY2023 and deliberated the results with Chairman and Board for follow up actions;
- Considered the implementation and scope for the FY2024 BEE by an external independent consultant; and
- Assessed the FY2023 Results and identified improvement plans.

5. Governance

- Deliberated on the conduct of the 31st AGM ensuring compliance with relevant guidelines and best practices;
- Updated the status of Directors' continuing education programme in compliance with the Board Training Plan ("BTP"); and
- Monitored the Board Training Plan ("BTP") as an agenda at the Board and its Committees' meetings.

The NRC's diligent efforts in 2024 have laid the necessary foundation for KPJ Group's continued success. As we move forward, our commitment to robust corporate governance, aligned with our strategic vision and ethical standards, will continue to drive KPJ Group's journey towards achieving sustainable growth and operational excellence. We remain dedicated to producing high quality human capital that upholds the highest standards of integrity and transparency, ensuring KPJ Group's position as a leader in the healthcare industry.

INVESTMENT COMMITTEE

Chairman:
Hisham bin Zainal Mokhtar *Independent Non-Executive Director*
Members:
Dato' Mohd Redza Shah bin Abdul Wahid *Senior Independent Non-Executive Director*
Mohamed Ridza bin Mohamed Abdulla *Independent Non-Executive Director*
Shamsul Anuar bin Abdul Majid *Non-Independent Non-Executive Director*
Annie binti Rosle *Non-Independent Non-Executive Director*

Roles and Responsibilities

To review and recommend to the Board on matters pertaining to KPJ's core operations, strategic initiatives, potential investments, acquisitions, divestments, disposals, terminations, joint ventures and/or other forms of corporate exercises. The approvals by the committee or its recommendations to the Board are as per the authority limits of the Terms of Reference. Additionally, the committee reviews the performance of approved investments to ensure they meet expectations and contribute to overall corporate goals.

Activities in 2024

- Reviewed and assessed KPJ's hospital expansion and development plans, ensuring alignment with long-term strategic goals for recommendations to the Board.
- Evaluated and recommended investment and divestment proposals to optimise KPJ's portfolio to align with its strategic direction.
- Emphasised the evaluation of investment requirements to achieve targeted returns and enhance operational efficiency.
- Deliberated on corporate exercises to strengthen KPJ's financial position and market competitiveness as well as its long-term financial sustainability.
- Supported funding initiatives to ensure business continuity and mitigate financial risks.
- Engaged in in-depth discussions on the KPJ Group of Companies' Business Plan, focusing on investment requirements, projected returns and alignment with long-term corporate objectives.

Priorities in 2025

The KPJ Investment Committee will continue to evaluate and oversee the pursuit of strategic initiatives, focusing on expanding existing assets and supporting business growth proposed by KPJ's Management. In each of these activities, the committee will ensure the following:

- Assess opportunities that align with KPJ's strategic goals and ensure they meet targeted returns and contribute to long-term value creation.
- Oversee business growth through strategic initiatives that support long-term sustainability.
- Safeguard initial capital, mitigate excessive risks and prevent losses in the investment portfolio.
- Stay abreast of industry trends to guide our strategic decisions and investment approach.
- Monitor and assess the performance of investments and business ventures post-implementation to ensure they meet expected outcomes.
- Ensure thorough due diligence is conducted on all proposed business opportunities and asset transactions.

Corporate Governance Overview Statement

TENDER COMMITTEE

Chairman:
Khairuddin bin Jaflus *Independent Non-Executive Director*
Members:
Dato' Mohd Redza Shah bin Abdul Wahid *Senior Independent Non-Executive Director*
Lee Lai Fan *Independent Non-Executive Director*
Rozaini bin Mohd Sani *Non-Independent Non-Executive Director*
Annie binti Rosle *Non-Independent Non-Executive Director*

Roles and Responsibilities

The Tender Committee ("TC") evaluates, deliberates and approves recommendations made by Management for the award of tenders within its approving authority and recommends for approval to the Board any tenders that are beyond the TC's approving limit.

The TC oversees the timeline and cost of each project undertaken by the Group which it approved and recommends for approval, including addressing any issues relating to these projects. The TC also oversees governance in KPJ's operational procurement, ensuring transparency, compliance and adherence to established procurement policies and good governance.

Activities in 2024

- Oversaw key matters related to the procurement for the Group, driving significant achievements including:
  a) Execution of procurement transactions amounting to RM411.0 million across CAPEX and OPEX categories which contributed to enhancing operational sustainability, supporting business growth and strengthening financial governance; and
  b) Empanelment of 110 types of medical equipment and modalities to enhance operational efficiency and organisational performance resulting in better patient care.
- Provided high level strategic oversight on project implementation, ensuring alignment with the organisation's objectives. This included reviewing, deliberating and making recommendations to the Board on key strategic matters related to the development of new projects and establishment of mitigation plans for underperforming projects.

Priorities for 2025

Looking ahead to 2025, the Tender Committee ("TC") remains committed to enhancing procurement governance, cost optimisation and operational efficiency across the Group with a focus on the following priorities:

- Centralising procurement processes across all companies within the Group through SAP Ariba's e-procurement system to better enhance budgetary control, accelerate approval workflows and advanced data analytics;
- Upholding governance and compliance excellence through initiatives to reinforce the commitment to transparency and conformity;
- Embracing advanced data analytics to significantly enhance procurement decisions and vendor selection by providing insights and enabling data-driven decision making;
- Enhancing the procurement efficiency through strategic sourcing initiatives to promote better expenditure utilisation; and
- Ensuring the necessary plans and actions are being undertaken to achieve timely completion of all key strategic projects which include among others:
  a) The implementation of the new Hospital Information System ("nHIS") in enhancing operational efficiency, patient care and data-driven decision-making and ensuring seamless integration of digital solutions across all hospital functions, reinforcing the Group's position as a leader in innovative and technology-driven healthcare solutions;
  b) The execution of the Enterprise Financial System ("EFS") in providing an integrated financial management with real-time data access that allows for timely and informed decision-making; and
  c) The realisation of the Hospital Expansion Project to develop multiple new hospital towers to add close to 2,500 new patient beds by 2031. This initiative strengthens the company's commitment to expanding healthcare services, meeting growing patient needs and enhancing accessibility. It reflects the Group's focus on sustainable growth and improved healthcare delivery for the community.

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

AUDIT COMMITTEE

Chairman:
Dato' Mohd Redza Shah bin Abdul Wahid *Senior Independent Non-Executive Director*
Members:
Khairuddin bin Jaflus *Independent Non-Executive Director*
Hisham bin Zainal Mokhtar *Independent Non-Executive Director*
Rozaini bin Mohd Sani *Non-Independent Non-Executive Director*

Roles and Responsibilities

The Audit Committee ("AC") ensures transparency, integrity and accountability in the Group's activities to safeguard the rights and interests of the shareholders. At the same time, assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices. The AC is also responsible to improve the Group's business efficiency, the quality of the accounting and audit function as well as strengthening public confidence in the Group's reported financial results. AC also ensures the independence of the External and Internal Audit functions within the Group.

Activities in 2024

- Reviewed the quarterly financial statements in compliance with Malaysian Financial Reporting Standards ("MFRS") 134 and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") before recommending the same to Board for approval;
- Reviewed the draft announcements of the quarterly financial results to Bursa Securities, to ensure compliance with the applicable accounting standards in Malaysia and other legal and regulatory requirements prior to tabling to the Board for approval;
- Reviewed the Financial Results for the year ended 2024 and reviewed the Management Letter, together with the Management's response to the issues raised by the External Auditor on their review of KPJ operations and internal control system;
- Assessed and recommended the dividend pay-outs in line with the Company's dividend guideline, ensuring compliance with the provisions of the Companies Act 2016;
- Reviewed the 2024 External Audit Plan on the scope and focus area of the External Auditor;
- Reviewed and monitored the non-audit services provided by the External Auditor while ensuring there was no impairment of independence or objectivity;
- Reviewed the related party transactions ("RPT") and recurrent related party transactions ("RRPT"), ensuring they were in the best interest of the Company, fair and reasonable, on normal commercial terms and not detrimental to the interest of the minority shareholders;
- Reviewed the estimated RRPT mandates for the ensuing year and Circular to Shareholders on the Renewal of Shareholders' Mandate and Additional Mandates for RRPT amount transacted during the year;
- Assessed the effectiveness of the mitigation action taken for the assessment of the technological risks identified in KPJ's computing environment to support the Hospital's Operation;
- Assessed the effectiveness of the process and adherence to SOP by the Management and staff at all hospitals/subsidiaries in order to ensure efficient and sound control systems;
- Reviewed the performance of the Head of Internal Audit Services ("IAS") and the department against the Internal Audit Plan for 2024;
- Reviewed the Internal Audit Plan for 2025 and its budget to ensure that high-risk auditable areas are being covered in the audit scope;
- Reviewed and approved the Audit Charter in line with the International Standards for Professional Practice of Internal Auditing by the Institute of Internal Auditors ("IIA"); and
- Reviewed and recommended to the Board the revised Terms of Reference for the AC to ensure compliance with the relevant changes and updates to the Malaysian Code on Corporate Governance ("MCCG") and MMLR of Bursa Securities.

Corporate Governance Overview Statement

Priorities in 2025

- AC is dedicated to fostering a culture of continuous improvement in the company's auditing and compliance practices. This includes promoting the use of technology and self-assessment frameworks, such as the self-audit checklist, to drive efficiency and accountability throughout the organisation;
- In alignment with the 2025 Internal Audit Theme of 'Continuous Monitoring through Self-Audit Checklists for Compliance and Enhanced Internal Control Awareness,' Internal Audit Services will assist KPJ Management in optimising the operational effectiveness of the KPJ Group of Companies. The strategic implementation of self-audit checklists by hospital management not only cultivates a culture of continuous self-assessment but also empowers staff to proactively identify and address non-compliance issues. This approach reinforces internal controls, instills a sense of responsibility among employees and ensures consistent adherence to policies, ultimately enhancing organisational accountability and governance;
- Internal Audit Services continues to review the effectiveness of the internal control structures over the Group's activities by focusing on high-risk areas that are determined using a risk-based approach;
- All high-risk activities in each auditable area are audited annually following the approved Audit Plan. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group;
- As KPJ increasingly utilises digital tools for transformation, Internal Audit Services must prioritise both the effective implementation and alignment of technology investments with business objectives – focusing on system integrations, data integrity and IT governance–while simultaneously bolstering cybersecurity measures to protect sensitive data from escalating cyber threats, necessitating rigorous audits of data protection protocols to prevent data leakages and security breaches; and
- To continuously develop skilled audit professionals and enhance the quality of audit processes by providing relevant training to the auditors. This includes training to adapt to new technologies and regulatory changes while emphasising continuous professional development i.e. training on the use of AI in audit processes, cyber security, Environmental, Social and Governance ("ESG") Reporting Audit, Forensic Audit etc.

Review of the Performance of AC

The annual review of the composition and performance of the AC, including members' tenure, performance and effectiveness as well as their accountability and responsibilities, was duly assessed via the Board Effectiveness Evaluation.

Relationship with External Auditors

A dialogue was held between Audit Committee, Internal Audit, Group Finance and the External Auditors to discuss the External Auditor's audit plan, report, internal controls issues and procedures. The performance of External Auditors was assessed and the AC recommended their appointment and remuneration to the Board.

In 2024, the External Auditors attended three (3) out of ten (10) meetings held on 15 February 2024, 22 August 2024 and 19 November 2024, respectively.

Separate private sessions were conducted without Management's presence at two (2) out of three (3) of the meetings.

RISK, SUSTAINABILITY & GOVERNANCE COMMITTEE

Chairman:
Mohamed Ridza bin Mohamed Abdulla *Independent Non-Executive Director*
Members:
Khairuddin bin Jaflus *Independent Non-Executive Director*
Hisham bin Zainal Mokhtar *Independent Non-Executive Director*
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar *Non-Independent Non-Executive Director*
Rozaini bin Mohd Sani *Non-Independent Non-Executive Director*

Roles and Responsibilities

The Risk, Sustainability and Governance Committee ("RSGC") supports the Board by overseeing Risk Management, Sustainability and Governance across KPJ and its Group of Companies, ensuring the Risk Management, Sustainability & Governance's framework adequacy and effectiveness. Its key objectives include establishing a strategic risk management approach, ensuring compliance to protect patients, staff and assets and overseeing ESG policies and strategies to manage risks and drive sustainability leadership. The committee also monitors the Sustainability Framework, covering environmental protection, community upliftment, employee well-being and good governance. Additionally, it manages governance matters and provides recommendations on risk, sustainability and governance to align with the Group's strategy.

Activities in 2024

- Reviewed and recommended for Board's approval for the Statement on Risk Management and Internal Control ("SORMIC"), Sustainability Statement and the Corporate Governance Overview Statement ("CGOS") in the Integrated Annual Report 2024, as well as the Corporate Governance Report for submission to Bursa Malaysia;
- Assessed and revised Medical Malpractice insurance coverage for KPJ hospitals and consultants, embarking on a group-wide coverage approach. Additionally, implemented a standalone Directors & Officers' ("D&O") policy;
- Reviewed reports on clinical and non-clinical incidents, including associated action plans and mitigation initiatives;
- Reviewed and endorsed the revisions to the Limit of Authority ("LOA");
- Supported the professional development of risk officers through training, risk certification programs and upskilling initiatives whereby the risk officers successfully completed Level 1 Risk Certification;
- Monitored the implementation of Business Continuity Management ("BCM") across the Group;
- Supervised the execution of a live BCM simulation to enhance preparedness, response and recovery strategies in real-time scenarios;
- Oversaw the implementation of the Sustainability Roadmap, including key initiatives and progress;
- Reviewed and monitored the implementation of the GTS IT project and digitalisation initiatives, along with the new Hospital Information System ("nHIS");
- Emphasised the importance of policy and procedure awareness and enforcement, urging Management to strengthen implementation with a top-down approach;
- Monitored hospital licensing status and progress, ensuring compliance with regulatory requirements to support operational excellence;
- Oversaw initiatives related to cybersecurity, information management, data security and the Security Roadmap;
- Assessed the Anti-Bribery Management System ("ABMS") framework and implementation plan to ensure compliance with relevant laws, standards and regulatory requirements;
- Oversaw matters related to corruption, fraud, malpractice and unethical conduct within the organisation;
- Oversaw the development and execution of Integrity Plans aimed at fostering a culture of integrity both internally and externally across the KPJ Group;
- Reviewed the strategy and associated risks concerning the divestment of international business.
- Approved and endorsed the Group Risk, Compliance and Integrity ("GRCI") 2025 plan;
- Endorsed the Sustainability Policy to strengthen ESG commitments and strategic alignment; and
- Endorsed the Ransomware Policy to enhance cybersecurity resilience and incident response capabilities.

Corporate Governance Overview Statement

Priorities in 2025

- Strengthening KPJ's risk strategy and appetite to ensure alignment with business objectives and corporate strategy;
- Enhancing the integration of risk thinking and risk culture across KPJ through structured alignment with corporate strategy;
- Strengthening collaboration with other lines of defense to improve risk identification, seamless reporting and monitoring;
- Advancing the professional development of risk officers through certification programs and upskilling initiatives;
- Exploring and optimising group insurance coverage to enhance claims exposure management;
- Enhancing emerging risk sensing and scanning to ensure proactive risk identification;
- Strengthening Strategic & Investment Risk Assessment to support well-informed and balanced decision-making at the Management and Board levels;
- Enhancing risk management through the integration of new Key Risk Indicators ("KRIs") that provide early warning signals for emerging risks, enabling data-driven decision-making and effective risk mitigation strategies;
- Strengthening the execution and monitoring of Business Continuity Management ("BCM") to ensure resilience across the Group;
- Conducting more comprehensive BCM live simulations to improve response, recovery and crisis management strategies;
- Refining the BCM framework and Crisis Management Plan ("CMP") to enhance resilience and response strategies;
- Strengthening awareness and preparedness on business continuity and crisis management across all levels of the organisation;
- Update departmental Business Continuity Plans ("BCP") to ensure alignment with evolving risks and operational needs;
- Establish BCM war chests at each alternate worksite to support critical functions during disruptions;
- Advancing the implementation of the Sustainability Roadmap and initiatives to drive long-term ESG value creation;
- Strengthening sustainability-related governance, reporting and compliance frameworks to align with international best practices;
- Reinforcing compliance culture and management by improving policies, procedures, internal controls and training programs;
- Enhancing the execution of the annual risk and compliance management plan;
- Strengthening regulatory compliance efforts, particularly in hospital licensing, data security and cybersecurity;
- Strengthening the Anti-Bribery Management System ("ABMS") across the KPJ Group through continuous evaluation, monitoring, training, awareness initiatives and audits;
- Enhancing integrity and ethical practices within the organisation by fostering a strong governance culture;
- Review the refinement of the Sustainability Framework and initiatives to align with strategic goals and key Environmental, Social and Governance ("ESG") pillars. Additionally, monitor the divestment of international business and assess the associated risks and implications; and
- Verify the baseline calculation process conducted by Société Générale de Surveillance ("SGS").

GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE

Chairman:

Prof. Emeritus Dato' Dr. Azizi bin Haji Omar
Chairman, Group Medical Advisory & Clinical Governance Committee ("GMACGC")
Chairman, Central Credentialing Committee

Chin Keat Chyuan
President and Managing Director

Dato' Mohamad Farid bin Mohd Salim
Chief Operating Officer - Hospital Operations

Dr Mohd Hafetz bin Ahmad
Chairman, Group Person In Charge Council

Dato' Dr. Sivamohan a/l S. Namasivayam
Chairman, Professional Development Committee

Dato' Dr. Fadzli Cheah bin Abdullah
Chairman, Clinical and Research Ethics Committee

Assoc. Prof, Dr. Abd Razak bin Samsudin
Chairman, Clinical Safety and Risk Management Committee

Prof. Emeritus Dato' Dr Lokman bin Saim
Chairman, Education and Research Committee

Dr. Noor Hisham bin Mansor
Chairman, Transformation and Quality Innovation Committee

Dr. Rusli bin Arshad
Member of GMACGC

Dr. David Ling
Member of GMACGC

Dr. Munirah binti Khudri
Head, Group Clinical Services

Dr. Mohamed Ahsan bin Mohamed Ismail
Head, Medical Affairs

Jayanthi a/p Marimuthu
Group Chief Nursing Officer

Zarihasyum Wan binti Zein
Head, Pharmacy and Allied Health Services

Dr. Rafiza binti Mohamed Nazir
Head, Clinical Governance

GMACGC Meeting Attendance

Details of the attendance of Group Medical Advisory and Clinical Governance Committee ("GMACGC") members can be found in the Group Medical Advisory and Clinical Governance Committee Report on pages 166 to 179 of this Integrated Annual Report.

Roles and Responsibilities

The GMACGC reviews and recommends policies, guidelines, standard operating procedures and a clinical compliance framework for the approval of the Board to inculcate a safe, healing, ethical environment and promulgate good clinical governance practices that are consistent with the Board's business direction and risk tolerance. The GMACGC ensures that the best clinical governance activities and guidelines are adopted and practiced by the Group in order to strengthen existing systems for quality care, based on clinical standards, evidence-based practice and lessons learnt from past cases. The GMACGC conducts clinical governance based on the framework supported by the seven pillars, which include clinical effectiveness, clinical audit, risk management, education and training, patient involvement, use of information and staffing and management. The GMACGC is also encouraging innovations, creating new services, establishing centers of excellence and enhancing patient and community experiences.

Corporate Governance Overview Statement

Activities in 2024

- Publishing the KPJ Medical Bylaw and the KPJ Rules and Regulation;
- Enhancing collaboration between KPJ and Mayo Clinic with two of KPJ hospitals; KPJ Damansara Specialist Hospital and KPJ Damansara Specialist Hospital 2;
- Revisiting the Resident Consultant Agreement ("RCA");
- Introducing the medical benefit for Resident Consultant who converted into Sessional/Visiting Rights;
- Developing the Centre of Excellence; Oncology Centre, Stroke Centre, Orthopedic Centre, Robotic Centre, Heart and Lung Centre;
- Recruiting top-tier consultants to ensure delivery of high-quality patient care, promote innovation and maintain a competitive edge in the dynamic healthcare industry;
- Partnering with Human Resources to enhance KPJ nurses' recruitment and retention efforts;
- Collaborating with the Ministry of Health to organise inaugural Malaysia International Healthcare ("MIH") Megatrends 2024;
- Standardising the Processes and Practices in Pharmacy and Allied Health Services;
- Focusing on Lean Management and Total Patient Experience projects involving selected key service areas (Nursing, Pharmacy, Allied Health and Clinical Indicators);
- Enhancing the expansion of the services; Rehabilitation Services, Audiology Services and Dietetic Services;
- Introducing Medication Safety and Root Cause Analysis ("RCA") workshop;
- Introducing external certification for Aseptic Technique for Pharmacy Services;
- Aligning silo practices to cluster practices;
  - Diabetic Management Cluster (2024):
    The management of Diabetic patients to be holistic in nature with support from multidisciplinary Consultants and services.
- Aligning career pathways for nursing and allied health services;
- Standardisation of Nursing and Allied Health Uniform Groupwide;
- Uncovered Long-Term Medication ("LTM") by the Third-Party Administrator ("TPA");
- Finalising the Digital Signature Tender aiming to improve documentation efficiency and reduce reliance on manual processes in clinical operations;
- Organising Cytotoxic Drug Reconstitution ("CDR") Workshop to create awareness among hospital staff on proper management and disposal of chemotherapy drugs;
- Organised Cardiac Rehabilitation Specialisation Training;
- Standardisation of charge code for food services to minimise leakage and ensure accurate billing and inventory control;
- Rolled-out Digital Halal Certification Trial Project to automate and streamline workflow for halal certification processes in food services;
- Organised PDPA and Medico-Legal Workshops focusing on the Personal Data Protection Act ("PDPA") and medico-legal compliance to ensure the security and confidentiality of patient information;
- Visiting EP pathway;
- Organised KPJ x Mayo Clinic Grand Ward Rounds in Neurology with Dr. James Bower;
- Organised KPJ x Mayo Clinic Grand Ward Rounds in Cardiology with Dr. Kwan Lee;
- Implementation of Oncology Nurse Navigator at KPJ Damansara Specialist Hospital;
- Organised KPJ Emergency Medicine Workshops; and
- Executed Bedside Handover and Huddle project.

Proposed activities 2025

- Promoting "Toward Zero Sentinel Event" Campaign throughout the Group
  Safe Surgery Saves Lives ("SSSL"), Step Up to Reduce Fall, Medication without Harm and Prevention and Control of Infection.
  The goal of the campaign is to reduce the number of preventable surgical injuries, death or complication.
- *Step up to reduce fall: sustainable campaign*
  This campaign builds on successful outcomes in reducing fall rates in KPJ Hospital and aim to ensure sustainability of our existing projects.
- *Medication without harm*
  Under the 'Medication without Harm 'campaign, nursing services will focus on creating awareness and developing strategies to reduce the administration errors.
- *Clean hands and environment, save lives*
  This campaign focused on preventing hospital acquired infection and creating a better patient experience.
- Revisit Locum Consultant Agreement;
- Enhancing the roles and responsibilities of the Medical Officer in Charge and Medical Officers;
- Integrating Academic Health System with the hospital Day to Day Operation;
- Enhancing the Development of Centre of Excellence;
- Redesigning a better model for home nursing to ensure efficacy and marketable in current healthcare scenario;
- Annual Clinical survey, validation survey, focus survey and gap analysis;
- Nursing recruitment with Group Human Resource Management ("GHRM");
- Salary benchmarking and revision exercise for the entire nursing workforce with GHRM;
- Revisiting the Privileges for the entire nursing services;
- Developing Central Privileging Process for Pharmacy and Allied Health for standardisation;
- Preparation and submission of a proposal to replace the current incident reporting system to a new incident reporting system to improve the tracking and management of clinical and non-clinical incidents across KPJ hospitals;
- Redirecting Etiqa Uncovered Long-Term Medications ("LTM") to Hospitals subject to approval following the pilot at KPJ Tawakkal. Efforts will be made to redirect Etiqa uncovered LTM back to KPJ hospitals, increasing in-house pharmacy utilisation;
- Medication Price Transparency supporting the implementation of medication price transparency in line with Ministry of Health directives;
- Selection of staff for advanced cardiac rehabilitation training (Latihan Lanjutan Rehabilitasi Kardiak) in collaboration with UKM Hospital Canselor Tuanku Muhriz ("HCTM") to upskill physiotherapists in specialised cardiac care;
- Strengthening the process for nutrition screening of new admissions, ensuring early identification of patients at nutritional risk and implementing appropriate interventions;
- Introducing a standalone weight loss package aimed at patients seeking professional dietetic guidance, helping to improve health outcomes and service offerings;
- Collaboration with Westin Hotel (Marriott) to enhance inpatient food services, focusing on improving food quality, presentation and patient satisfaction; and
- KPJ Emergency Medicine Workshops.

Corporate Governance Overview Statement

Function of sub-committee of Group Medical Advisory and Clinical Governance Committee:

Committees	Functions
Person in Charge Council	1. Work closely with Group Clinical Services to improve clinical governance at the hospital levels making sure all the resolution from GMACGC is cascaded at the hospital level.
Transformation and Quality Innovation Committee	1. Drive transformation initiatives in providing care. 2. Implement innovations in quality and safety. 3. Drive culture change. 4. Develop service clusters and Centres of Excellence.
Clinical Safety and Risk Management Committee	1. Monitor, analyse and report scientifically safety- incidents, safety goals and clinical indicators. 2. Develop quality and safety dashboards. 3. Analyse and report mortality, morbidity and sentinel-incidents and incidence.
Education and Research Committee	1. Integrate KPJ Healthcare University and Hospitals into a single platform to train and educate healthcare professionals of all levels. 2. Enhance research activities in hospitals. 3. Elevate major hospitals into academic health centres.
Clinical and Research Ethics Committee	1. Monitor ethical issues involving clinical care. 2. Provide advice on ethical questions as they arise. 3. Review and decide on ethical appropriateness of research proposals.
Central Credentialing Committee	1. Act as oversight body to credentialing approvals of hospital credentialing committees.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises its major responsibility to provide timely and sufficient information to shareholders and investors, reflecting good corporate governance practices. Maintaining transparency, building trust and fostering understanding through active dialogue and communication with shareholders and investors are imperative.

As part of the Company's commitment to promoting high levels of communication and transparency with the investment community, Senior Management team are directly involved in the Group's investor relations ("IR") function. The PMD, supported by the KPJ Senior Management team, regularly engages with analysts, investors and shareholders to discuss the Group's results and performance.

The key Senior Management personnel involved in the IR function during the year were:

- Chin Keat Chyuan – President & Managing Director;
- Mohd Khairul Izzad bin Mohammed Shamsudin – Chief Financial Officer; and
- Michael Leddin – Chief Strategy Officer

Presentations are conducted, where appropriate, to explain the Group's strategies, performance and major developments. However, any information considered privileged or material will be safeguarded until it has been officially announced to Bursa Malaysia, in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Securities.

All shareholders have equal access to information. The Company has established formal channels to engage with shareholders and stakeholders as follows:

- Integrated Annual Report and Sustainability Report;
- Announcements to Bursa Malaysia;
- KPJ Investor Relations Website;
- Annual General Meeting;
- Quarterly results briefings with analysts and investors; and
- Face-to-face engagement at investor conferences, site visits and frequent 1-on-1 and group investor meetings.

Annual General Meeting ("AGM")

- The 31st AGM of KPJ was held at the Ballroom 1 and 2, Level 1, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on Wednesday, 26 June 2024.
- Pursuant to the Securities Commission Guidance Note and Section 327(2) of the Companies Act 2016, the Chairman was present at the main venue of the AGM to chair the AGM. All the other KPJ Directors, Senior Management and auditor were also present at the AGM.
- The Company dispatches the notice of its 31st AGM to its shareholders more than 28 days before the AGM, which exceeds 21-day requirement under the Companies Act 2016.
- The proceedings of the 31st AGM included an overview of KPJ's achievements and strategic initiatives by the Chairman, followed by a presentation from the PMD covering KPJ's financial performance, growth plans, value-creation activities and the Company's commitment to ESG practices.
- Shareholders were given the opportunity to pose questions to the Board and Management during the 31st AGM.
- In accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements ("MMLR") of Bursa Securities, all resolutions in the 31st AGM Notice were put to vote by poll using the Remote Participation and Voting facility provided by Tricor Investor & Issuing House Sdn Bhd.
- The minutes of the AGM were uploaded on the Company's website following the event.

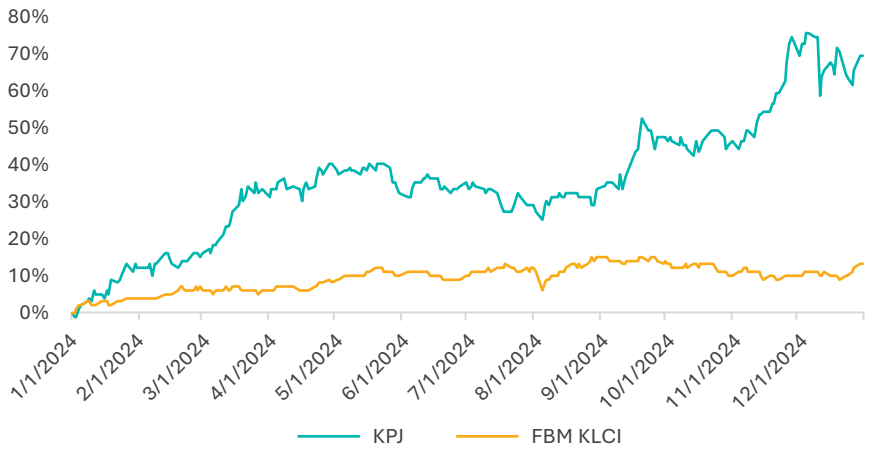
Communication via Mass Media

- Media interviews on corporate developments;
- Press releases on key issues; and
- Social media platforms at the Group and subsidiary levels.

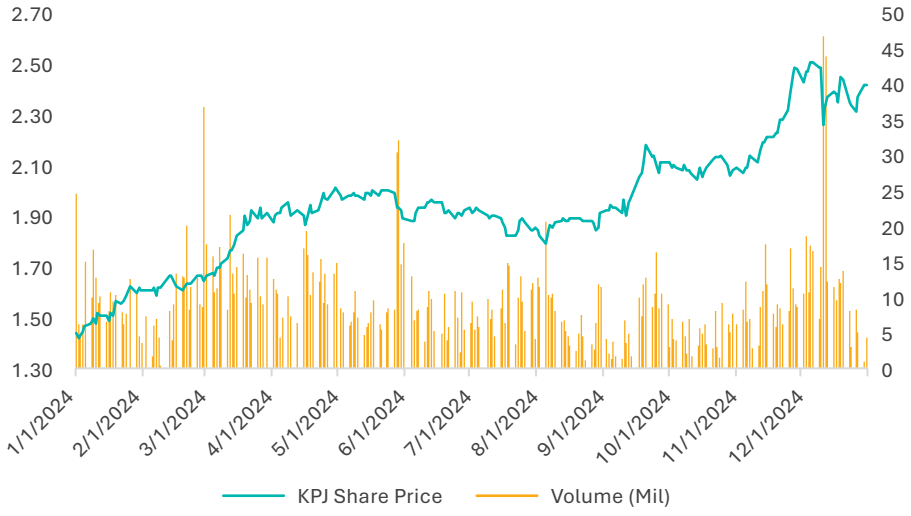
Corporate Governance Overview Statement

KPJ Share Performance

KPJ vs FBMKLCI 2024



KPJ Share Price and Volume Traded



KPJ Quarterly Volume and Trading

	1Q 2024	2Q 2024	3Q 2024	4Q 2024
Total Volume	656,936,100	597,821,400	498,175,700	727,384,500
Daily Average Volume	10,948,935	10,132,566	7,783,995	9,194,038
Closing Price	1.92	1.93	2.12	2.43
High	1.96	2.05	2.20	2.54
Low	1.41	1.85	1.72	2.04
Trading	0.55	0.20	0.48	0.50

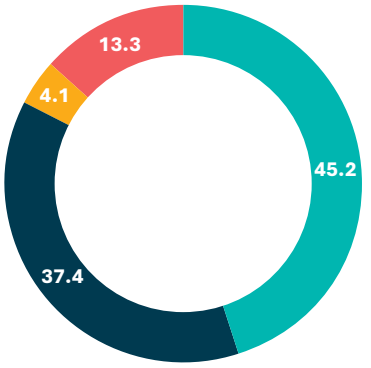
KPJ Share Price 5 Years

	2024	2023	2022	2021	2020
Market Cap (RM Billion)	10.77	6.52	4.55	5.00	4.40
Closing Price	2.43	1.44	1.01	1.11	1.00
High	2.54	1.45	1.15	1.21	1.04
Low	1.41	0.98	0.79	0.92	0.72
Foreign Shareholding	13.32	9.09	0.36	6.81	5.94

Shareholder Composition

as at 31 December 2024

Category	%
Government Bodies	45.2
Institutions	37.4
Individuals	4.1
Foreign	13.3
Total	**100.0%**



Audit Committee Report

Audit Committee ("AC") provides oversight of the internal audit activity to ensure it is effectively carrying out its role and responsibilities in enhancing and protecting the organisational value by providing risk-based and objective assurance, advice and insight. The AC fulfils its oversight responsibilities by providing impartial insights on the effectiveness and efficiency of the Company's internal controls, ensuring alignment with the established policies, procedures, industry best practices, as well as relevant laws and regulations.

The AC Report for the financial year ended 31 December 2024 outlines the AC's activities and its execution of oversight functions.

TERMS OF REFERENCE

AC Reporting	Internal Audit Services
Chairman	Senior Independent Non-Executive Director (Not the Chairman of the Board)
Composition	• At least 3 members • Must be Non-Executive Directors, with a majority being Independent Directors • At least one member must be a member of Malaysian Institute of Accountants • No alternate Director • Financially literate
Key Functions	• Financial Reporting • Internal Audit Function • External Audit • Annual Reporting of the AC Report • Internal Control • Related Party Transactions ("RPT")
Performance Review	Annual Evaluation by the Board

TERMS OF REFERENCE

The duties and responsibilities of the AC are defined in its Terms of Reference ("TOR") which is available online in the KPJ website under Corporate Governance section at *https://kpj.listedcompany.com/audit_committee.html*

COMPOSITION OF MEMBERS

The Audit Committee ("AC") comprises four (4) members, with one (1) Senior Independent Non-Executive Director, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, who are also members of the Board of KPJ Healthcare Berhad. The composition of the AC are as follows:

Name of Member	Status of directorship
Dato' Mohd Redza Shah bin Abdul Wahid	*Chairman* Senior Independent Non-Executive Director
Khairuddin bin Jaflus	*Member* Independent Non-Executive Director
Hisham bin Zainal Mokhtar	*Member* Independent Non-Executive Director
Rozaini bin Mohd Sani	*Member* Non-Independent Non-Executive Director

Audit Committee Report

The AC composition is in line with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") as follows:-

MMLR Requirements	Annotation
Paragraph 15.09(1)(a) & (b)	• The AC comprises four (4) members who are all Non-Executive Directors, with a majority being Independent Directors. This satisfies the requirement under the MMLR of Bursa Securities.
Paragraph 15.09(1)(c)	• The Chairman of the AC, Dato' Mohd Redza Shah bin Abdul Wahid, is an Associate Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. This meets the requirement which stipulates at least one (1) of the AC members fulfils the financial expertise requisite.

Collectively, the AC members are qualified individuals having the essential skills and expertise to discharge the functions and duties of the AC. The financial literacy and ability of the AC members to understand the financial reporting process have contributed to the AC's discussions as well as upheld the integrity of the Company's financial reporting process and financial statements.

PERFORMANCE OF AC

The annual review of the composition and performance of the AC, including its members' tenure, performance and effectiveness, as well as their accountability and responsibilities, was duly assessed via the Board Effectiveness Evaluation.

Attendance

- AC meetings for 2024 were pre-arranged in December 2023 and communicated to the members early to ensure their time commitment. There were eight (8) meetings planned in 2024 and additional meetings were called as and when required. The AC deliberated on matters related to the Internal Audit reports and quarterly financial results presented by Group Finance in a separate session.
- During the financial year, the quorum for all 10 meetings held was fulfilled. The meetings were held on 15 February 2024, 15 March 2024, 20 March 2024, 30 April 2024, 26 May 2024, 21 June 2024, 15 August 2024, 22 August 2024, 19 November 2024 and 18 December 2024 respectively.
- The Company Secretaries act as the AC's Secretary in all AC meetings. The President and Managing Director, the relevant Senior Management, together with the Head of Group Internal Audit normally attend the meetings. Other Directors, C-suites, Regional Chief Executive Officers of the hospitals and employees of the company and/or Group may attend any particular meetings upon invitation where appropriate. This was to clarify issues highlighted in the audit reports, as well as to provide conformance and commitment that any rectifications needed were undertaken. Additionally, the External Auditors were invited to the meetings to deliberate on their audit plan and any key audit matters.
- Minutes of the AC meetings are circulated to all members and extracts of the decisions made are escalated to relevant process owners for action. The Chairman of the AC provides a summary report and highlights significant points on the decisions and recommendations from the AC meetings to the KPJ Board.

Meetings with External Auditors

- In the year 2024, the External Auditors attended three (3) out of ten (10) meetings held on 15 February 2024, 22 August 2024 and 19 November 2024 respectively.
- Separate private sessions were conducted without Management's presence at two (2) out of three (3) of the AC meetings.

SUMMARY OF AC ACTIVITIES

During the financial year 2024, the AC carried out the following principal activities in discharging its responsibilities and functions:

Area of Focus	Matters Considered
Financial Reporting	• Reviewed the quarterly financial statements in compliance with Malaysian Financial Reporting Standards ("MFRS") 134 and the MMLR of Bursa Securities before recommending the same to the Board for approval. • Reviewed the draft announcements of the quarterly financial results to Bursa Malaysia, to ensure compliance with the applicable accounting standards in Malaysia and other legal and regulatory requirements prior to tabling to the Board for approval. • Reviewed and deliberated the audited financial statements for the year ended 2024 in terms of the key audit matters arising from the external auditor's review. Subsequently, AC recommended this to the Board for approval. • Reviewed the impact of changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements. • Assessed and recommended the dividend pay-outs in line with the Company's dividend guideline, ensuring compliance with the provisions of the Companies Act 2016.
Internal Audit	• Reviewed and approved the Annual Audit Plan for the year 2024 to ensure the audit scopes were comprehensive and covered the significant and high-risk audit activities, as well as resources were adequate to execute the plan. Reviewed and endorsed the annual budget for the Internal Audit Services ("IAS") as presented in the Annual Audit Plan. • Reviewed the performance of the Head of IAS according to the approved Key Performance Indicators ("KPI") targets for year 2024. • Deliberated on the audit, investigation and special review reports that were tabled, along with the action plans implemented by Management based on IAS' recommendations to remediate issues and enhance oversight mechanisms to further strengthen the internal control system. Key discussion points and resolutions from the AC were also cascaded to the Management through the IAS for their attention and necessary action. • Assessed the status of audit activities as compared to the approved Annual Audit Plan. • Reviewed the submission of the Self-Audit Checklist by KPJ Group of Hospitals presented by IAS on a quarterly basis. • Assessed the analysis on the feedback received from the auditees via Auditee Survey for the audits conducted by the IAS in year 2024. • Deliberated and consented to the appointment of an independent external reviewer in conducting the Quality Assessment Review on IAS. • Approved the annual revision of the Internal Audit Charter in line with the International Standards for Professional Practice of Internal Auditing by the Institute of Internal Auditors. • Reviewed and recommended to the Board for approval on the annual revision of the AC's TOR to ensure compliance with the relevant changes and updates to the MCCG and MMLR of Bursa Securities.

Audit Committee Report

Area of Focus	Matters Considered
External Audit	• Reviewed the External Auditors audit plan, audit strategy, audit timeline, scope of work for the year and the proposed audit fees. • Reviewed the results of the interim and annual audit, audit reports, Management Letter, together with Management's response to their findings. • Reviewed and monitored the non-audit services provided by the External Auditors and the fees incurred while ensuring there was no impairment of independence or objectivity. The AC also received from the External Auditors their written confirmation regarding their independence. Following the nature, scope and the fees of the non-audit services, the AC was satisfied that there was no conflict of interest and it would not impair the independence and objectivity of the External Auditors. • Deliberated on the developments relating to financial reporting and the regulatory environment. • Assessed the performance of the External Auditors and recommended their appointment and remuneration to the Board of Directors. • Met with the External Auditors without the presence of Management on 15 February 2024 and 19 November 2024.
Related Party Transactions (RPT)	• Reviewed the related party transactions ("RPT") and recurrent related party transactions ("RRPT"), ensuring they were in the best interest of the Company, fair and reasonable, on normal commercial terms, not detrimental to the interest of the minority shareholders and the transactions were within the RRPT mandates from the shareholders. • Reviewed the estimated RRPT mandates for the ensuing year and Circular to Shareholders on the Renewal of Shareholders' Mandate and Additional Mandates for RRPT amount transacted during the year.
Annual Reporting	• Reviewed and recommended the Audit Committee Report for inclusion in the Integrated Annual Report to ensure compliance with the relevant regulatory reporting requirements, prior to Board approval. • Reviewed the AC section in the Corporate Governance Overview Statement for the Board approval and inclusion in the Integrated Annual Report 2024.
Other Matters	• Reviewed the write-off for bad debts exercise prior to recommending this to the Board for approval. • Deliberated on the progress and status of IT-related strategic issues. • Reviewed and deliberated on the subsidiaries' performance. • Deliberated on the status and updates on the credit management of the Group.
Continuous Professional Development	• For the year under review, the relevant AC members have attended various conferences, seminars and training. Details of all training sessions attended are reported under the Corporate Governance Report, Practice 2.1 published on KPJ's website.

INTERNAL AUDIT SERVICES

Roles and functions

- The Group's in-house Internal Audit Services ("IAS") team carries out its function to provide independent, objective assurance and consulting services designed to add value and improve the Group's operations. IAS assisted the Group to accomplish its objectives by bringing a systematic, discipline approach to evaluate and enhance the effectiveness of governance, risk management and control processes. The IAS function is independent of the activities audited and from the daily operations of the Group.
- The Head of IAS reports functionally to the AC and administratively to the President and Managing Director of the Group to maintain independence and objectivity as outlined in the Audit Charter approved by the Board.
- IAS is managed by the Head of IAS, Encik Mohd Firdaus Mohamed Din. He is a Certified Credit Professional (Business), Certified Credit Professional – Islamic (Business), Chartered Member of the Chartered Institute of Islamic Finance Professionals Malaysia and an associate member of CPA Australia. He holds a Bachelor of Commerce (Accounting) from the Australian National University, Canberra.
- As the third line of defense, the IAS assesses the effectiveness of the Group's internal control structures, prioritising high-risk areas identified through a risk-based approach.
- All high-risk activities within each auditable area are audited annually under the approved Audit Plan which encompasses the business operations and IT functions to provide reasonable assurance that these systems continue to function effectively and satisfactorily across the Group. Investigation and special audit reviews would be performed on a case-by-case basis upon request from the AC or Management. Additionally, IAS provides independent consultative reviews on the implementation of new processes within the Group.

Resources

- There are a total of 21 internal auditors who performed audits across the KPJ Group. The auditors are segregated into two (2) teams comprising Financial and Operational auditors, as well as IT auditors.
- Various physical and virtual in-house training programmes and external courses were provided to staff members in the areas of auditing skills, technical skills, leadership, data analytic, business acumen, strategic management and personal development to enhance their skills and align them with the desired competency levels.
- IAS had been awarded with Corporate Award Winner – Exemplary Engagement in Year 2024 by the IIA Malaysia for demonstrating strong commitment to Continuous Professional Development Programs.
- A sub-unit of IAS namely Strategic, Quality and Development ("SQD") Unit has been continuously monitoring the utilisation of the Audit Management System ("AMS"). The SQD Unit assists the auditors by providing feedback and relevant training.
- IAS remains committed to the continual upskilling of the auditors by enabling the auditors to advance in the Certified Internal Auditor ("CIA") programme. All auditors are encouraged to enroll in the CIA training and certification programme, which forms part of the auditor's Key Performance Indicators ("KPIs"). This commitment serves to enhance the auditors' competencies and support their continuous professional development.

Independence and Objectivity

- IAS function operates independently from all other operational units within the KPJ Group. IAS' authority, scope and responsibilities are governed by its revised Audit Charter and are aligned with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors ("IIA").
- All Internal Audit personnel are required to sign an Independence Statement as well as a declaration on compliance with the Code of Ethics of the IIA in the execution of their duties.
- The Head of IAS and the auditors have confirmed that they are free from any conflict of interest or relationship which would impair their independence and objectivity in conducting the audit engagements.

Quality Assurance and Improvement Programme

- IAS shall maintain a Quality Assurance and Improvement Programme ("QAIP") to uphold the conformance of internal audit activities with the International Standards for Professional Practice of Internal Auditing (Standards) issued by the IIA.
- The said programme includes the IAS function's self-assessment process and assessment by a qualified independent assessor once in five years.

Audit Committee Report

Summary of Work by IAS

- The IAS within its terms and reference, undertook the following scope-of-work for the financial year 2024:-

  i) Reviewed and appraised the adequacy and integrity of the internal controls and information system controls to ensure that these provide a reasonable but not absolute assurance that KPJ's assets are properly safeguarded;
  ii) Collaborated with other internal or external assurance providers or consulting services to determine the scope-of-work to ensure proper audit coverage and to minimise duplication efforts i.e. External Auditors, Compliance Services, etc;
  iii) Ascertained the level of compliance with the Group's policies, procedures and adherence to laws and regulations in ensuring an efficient and sound internal control system.
  iv) Performed periodic internal control testing and independent assessment on business units, operations and processes across the Group as identified in the annual audit plan. Amongst key areas assessed were effectiveness and the adequacy of the process as well as adherence to Standard Operation Procedures ("SOP") by the Management and staff of the Group. In addition, the IAS plays an advisory role in the course of performing its audit activities.
  v) All findings resulting from the audits were reported to the AC, Senior Management and relevant Management of the operating hospitals, support companies and the business units at headquarters. Management of these entities was accountable for ensuring proper rectification of the audit findings and for implementing action plans within the timeframe specified.
  vi) Conducted follow-up reviews on outstanding audit findings to ensure that appropriate actions have been taken or are in progress to address the significant gaps in governance, risk management and internal control.
  vii) Carried out special reviews/ investigations requested by the AC and/or Management and provided independent consultative reviews on the new processes in the Group.
  viii) Conducted post implementation reviews on new systems to assess whether the objectives were all met and achieved.
  ix) Monitored the implementation of the Self-Audit Checklist performed by the KPJ Group of Hospitals. Through this checklist, which was initiated by IAS, the Management of KPJ Hospitals self-assess the adequacy of the controls as well as ensure compliance with the existing policies and procedures. The update on the Self-Audit Checklist submission was presented in the AC on a quarterly basis.
  x) Updated the AC on the assessment done on the feedback received from the auditees via Auditee Survey for the audits conducted by the IAS in year 2024.
  xi) Witnessed the tender opening and validated the evaluation process for procurement of goods and services to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner.
  xii) Prepared and tabled the annual audit plan including its financial budget and required resources to the AC for their review and approval.
  xiii) Prepared the Audit Committee Report for the Company's Integrated Annual Report for financial year ended 31 December 2024.

- During the financial year ended 31 December 2024, IAS accomplished a total of 83 audits comprising scheduled financial and operational audits as well as IT audits at the hospitals, support companies and business units at headquarters. These audits included special audit reviews and ad hoc assignments. Reviews on compliance with established procedures, guidelines and statutory obligations were also performed.

Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

The Board of Directors of KPJ Healthcare Berhad, together with its group of companies and subsidiaries ("KPJ") is pleased to provide the following statement on the state of risk management and internal controls of the Group which has been prepared in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers endorsed by Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing a sound risk management and internal controls framework as well as for reviewing its adequacy and effectiveness. The Board has put in place a sound governance structure, risk management framework and internal control system pursuant to Principle B (II) of the Malaysian Code on Corporate Governance 2021 to ensure effective oversight of the Group's controls and risks.

To this end, the Board is supported by the Audit Committee ("AC") and the Risk, Sustainability and Governance Committee ("RSGC"). The AC reviews the effectiveness of the internal control structure over the Group's activities focusing on high-risk areas which are determined using a risk-based internal audit approach. The RSGC evaluates and reviews the assessment of identified risks, the effectiveness of the Enterprise Risk Management ("ERM") Framework, as well as the process for accessing and managing the Group's principal risks. Issues raised and actions taken by Management to address these issues are deliberated at the AC and RSGC meetings.

MANAGEMENT RESPONSIBILITY

The Management has overall responsibility for implementing the Board's policies on risks and controls. Management facilitates this by allocating resources towards the design and implementation of policies and procedures on the risk management framework and internal control system so that significant risks faced by the Group can be identified and evaluated. Management also formulates adequate controls to manage these risks, according to the risk appetite set by the Board.

The principal objective of the risk management framework and internal control system is to identify and manage business risks effectively as well as to safeguard assets.

As the internal controls system is designed to manage and reduce risks rather than eliminate them, it can only provide reasonable assurance to the Board regarding the achievement of company objectives through:

- The effectiveness and efficiency of operations;
- The reliability of financial reporting; and
- Compliance with applicable laws and regulations.

The likelihood of achieving the Group's objectives is affected by limitations inherent in any internal control system. The management therefore has to consider the cost of implementation of internal controls against the expected benefits to be derived.

Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

RISK MANAGEMENT FRAMEWORK

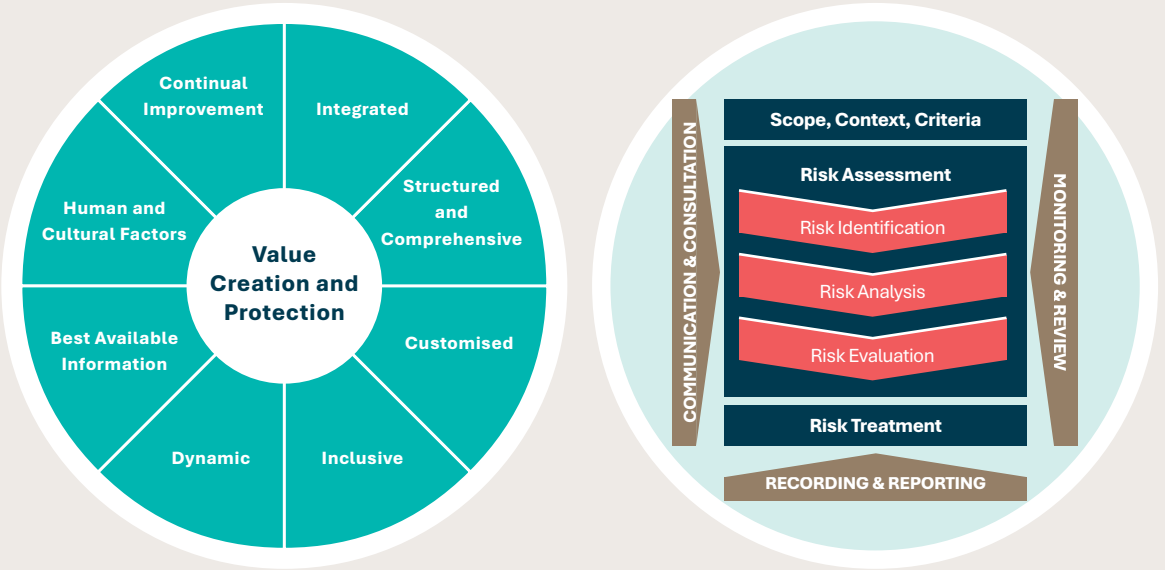
Enterprise Risk Management

Risk management at KPJ Healthcare Berhad, together with its group of companies and subsidiaries ("KPJ") is governed at an enterprise-wide level through well-defined strategies, frameworks and policies, ensuring independent assessment and monitoring of both emerging and existing risk challenges. As a key enabler of sustainable growth, the Enterprise Risk Management ("ERM") framework is integrated into the Group's strategic planning, business operations and decision-making processes.

KPJ fosters a proactive risk culture by embedding risk management at the early stages of strategic discussions and operational initiatives. Through independent risk assessments and impact evaluations, the risk management team provides valuable insights to support informed decision-making. This approach enables the organisation to optimise risk-return trade-offs, safeguard stakeholder value and enhance operational resilience in a dynamic healthcare landscape.

The Group adopts an Enterprise-Wide Risk Management framework as a standardised approach to effectively manage risks and opportunities. This framework provides the Board and management with the necessary tools to anticipate, assess and address both current and emerging risks, ensuring alignment with evolving business strategies, regulatory requirements and external market conditions.

PRINCIPLE OF RISK MANAGEMENT & RISK MANAGEMENT PROCESS



KPJ Risk Management Guidelines were updated in October 2023 and continue to serve as the standard reference for all business unit across KPJ Group. The 2023 KPJ Risk Management Guidelines, in accordance with ISO 31000:2018 and the COSO framework, represent an enhanced version of prior guidelines, ensuring alignment with industry best practices. The objective of the KPJ Risk Management Guidelines is to provide structured and consistent approach to risk management across the Group for informed decision making.

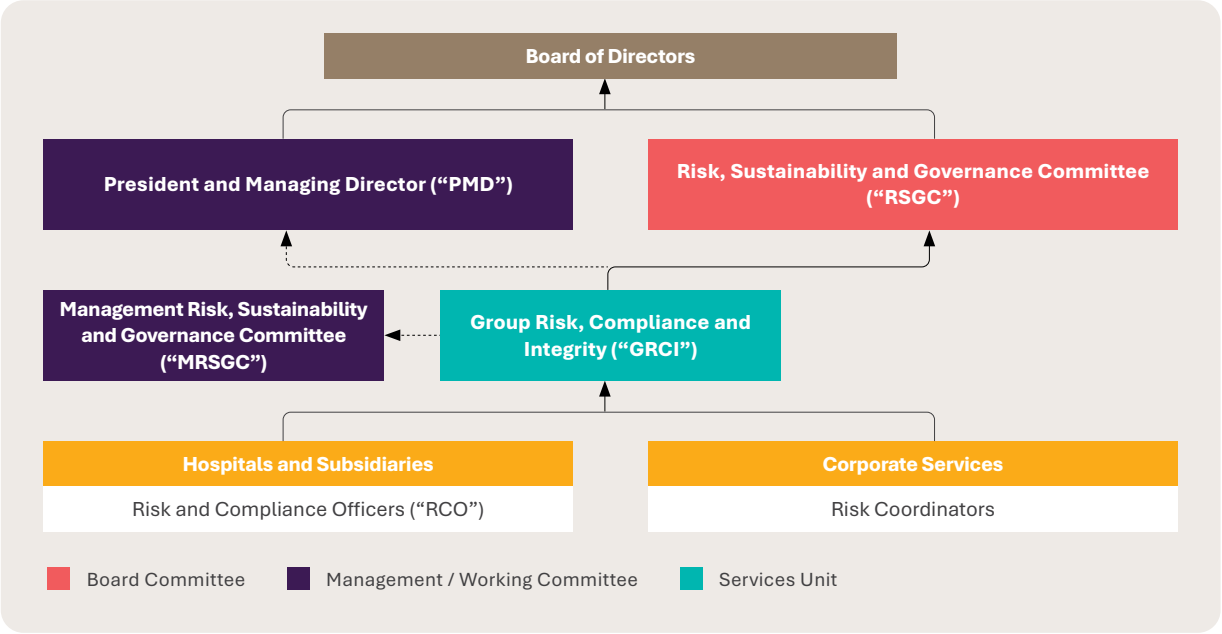
The Group has put in place an ERM Framework for managing risks associated with its business and operations and robust ERM practices have been implemented throughout KPJ to support our organisational business and strategic objectives. Group Risk, Compliance and Integrity ("GRCI") is structured to provide adequate support to business units and subsidiaries in relation to risk management practices and implementation, as well as to guide the priorities and direction of Group risk management activities.

The enhanced risk reporting format introduced in 2023 remains in place, categorising and prioritising risks based on their rating and impact across four key areas, namely Strategic Risk, Financial Risk, Operational Risk and Compliance Risk. KPJ's RSGC, KPJ Group Management Committee ("KGMC") and Management Risk, Sustainability and Governance Committee ("MRSGC") continue to provide oversight and appraise the adequacy and effectiveness of the ERM practices in view of the increasingly complex operating environment.

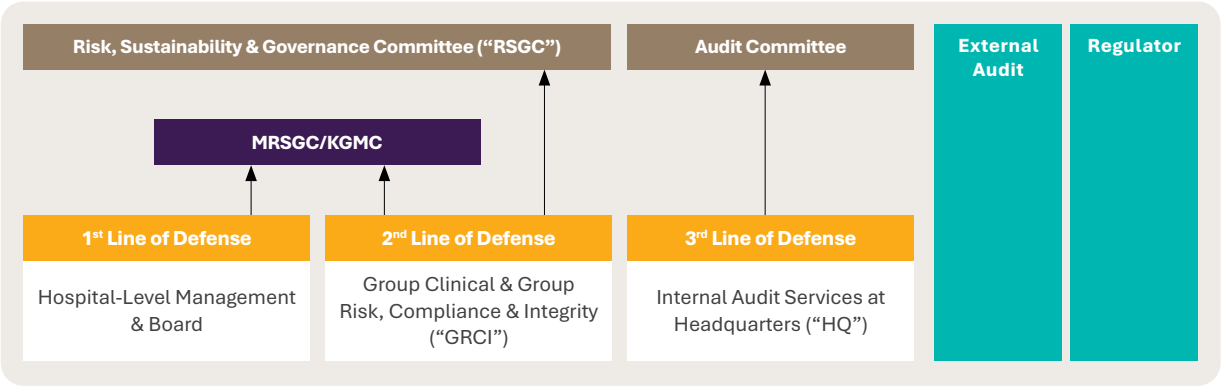
The KPJ Business Continuity Management ("BCM") Framework that was revised and approved by President & Managing Director on 1st October 2023 continues to be implemented across all business units. The framework provides a structured and scalable approach to Business Continuity Planning ("BCP"), serving as a comprehensive reference for BCM concepts, expectations and deliverables. It remains aligned with the ISO 22301 Business Continuity Management standard.

In line with KPJ's commitment to enhancing data quality management and streamlining risk governance practices, the Governance, Risk Management and Compliance ("GRC") software, KPJ CURA, which went live on 1st November 2023, continues to be utilised across the Group. This system provides a systematic and structured approach to monitoring and reporting risks, reinforcing KPJ's commitment to effective risk management.

KPJ'S ERM FRAMEWORK FOR RISK GOVERNANCE



The ERM governance structure adopted by KPJ comprises three levels of defence as follows:



Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

KPJ's ERM structure spans the entire organisation, from the Board, right down to the operational level. Material risks are consolidated from all Business Units to the Group Management, escalated up to RSGC and finally to the Board. Risk and Compliance Officers have been appointed at all hospitals to co-ordinate and monitor the implementation of risk management activities across all operations. All hospitals and subsidiaries are required to identify and mitigate relevant risks that may affect the achievement of the Group's objectives and report all significant risks arising from operations to GRCI.

The Group coordinates its risk management activities through a risk reporting and escalation framework called the Incident Reporting and Root Cause Analysis framework. This is to ensure that all risk incidents are documented, investigated and root causes are identified to prevent future recurrence and ensure patient safety is given top priority. Our Incident Reporting and Root Cause Analysis are conducted via the Q-Radar online risk reporting system which was first rolled-out to all hospitals in June 2017. Today, all hospitals have access to report incidents (clinical and non-clinical) via this online risk reporting system.

As a healthcare service provider, clinical risk forms the biggest risk class that the Group faces. Therefore, the Board has entrusted the Clinical Safety and Risk Management Committee ("CSRMC") which comprises medical consultants of various disciplines to discuss various clinical issues and to initiate clinical governance activities. The minutes and decisions of this Committee are presented to the Group Medical Advisory and Clinical Governance Committee ("GMACGC"), which is the Apex-Committee for all clinical matters of the Group.

Both clinical and non-clinical risk matters are also reported to the RSGC, which has oversight authority on all risk management and internal control issues of the Group.

INTERNAL CONTROL ACTIVITIES

Internal Audit Function

Internal Audit Services ("IAS") is an in-house internal audit function that reports functionally to the AC and administratively to the President and Managing Director. As the third line of defence, IAS evaluates the effectiveness of the internal control structures across the Group's activities, focusing on high-risk areas identified through a risk-based approach. All high-risk activities within each auditable area are subject to annual audits, in accordance with the approved Audit Plan.

This approach ensures independence, provides reasonable assurance and offers valuable advice and insight to enhance the controls and safeguard the organisational value.

The IAS function operates independently from all other operational units within the Group. IAS's authority, scope and responsibilities are governed by the Audit Charter and are aligned with the International Professional Practices Framework ("IPPF") established by The Institute of Internal Auditors ("IIA"). All IAS personnel are required to sign an Independence Statement as well as a declaration of compliance with the IIA's Code of Ethics in the execution of their duties. Additionally, the effectiveness of the IAS function is evaluated by a qualified independent assessor at least once every five years.

The details of the IAS function are further elaborated under Audit Committee Report, page 151 to 152.

Sustainability Management

KPJ Group is committed to integrating sustainability into our core operations. This includes implementing environmentally responsible practices, reducing our carbon footprint and promoting sustainable resource use. By embedding and integrating sustainability factors into our risk management framework, we aim to enhance long-term resilience, meet regulatory requirements and contribute positively to the environment and society. Our sustainability initiatives are regularly monitored and reported to ensure continuous improvement and alignment with our strategic goals.

KPJ's Sustainability Approach is built upon four (4) key themes that serve as a foundation for the Group's sustainability commitments.

i E Protecting Our Environment
ii PC Uplifting Our Patients and Communities
iii P Fostering Our People
iv G Upholding Good Governance

KPJ has established a Sustainability Governance Structure to integrate sustainability across the organisation and to ensure transparency and accountability, whereby all sustainability matters are managed by Group Sustainability with oversight by the Board of Directors on the Group's overall sustainability strategies through the RSGC.

KPJ strives to ensure that its sustainability efforts are always aligned and in support of the National Agenda, particularly to achieve Net-Zero Emissions by 2050. Sustainability is embedded into all processes of decision-making to allow us to augment our efforts in identifying opportunities for value creation and managing ESG risks.

Policies and Procedures

Policies and procedures are documented accordingly with the objective to ensure that appropriate authority limits are in place, that business activities are carried out according to set standards and that the necessary actions are taken to address and minimise risks and ensure the orderliness and continuity of business functions.

Segregation of Duties

The delegation of responsibilities by the Board to the Management and Operating Units are clearly defined and authority limits are strictly enforced and reviewed regularly. The Authority Limit was revised and approved by the Board on 20th December 2023. Different authority limits are set for different areas of procurement such as capital expenditure and operational expenditure. Similarly, cheque signatories and authority limits are clearly defined and enforced.

Key Performance Indicators ("KPIs")

KPIs with detailed balance scorecards are monitored and tracked to ensure the Group achieves the financial, strategic, operational and customer perspective targets that were set at the beginning of the financial year. The KPIs are cascaded down to all the operating subsidiaries in the Group.

Insurance Coverage

The Group works closely with the insurance broker to ensure optimum coverage with competitive premium rates to protect its major assets against any mishaps that could result in material loss. Insurance policies will undergo a comprehensive annual review to ensure they provide sufficient and appropriate coverage, considering evolving risks, regulatory changes and the hospital's expanding scope of activities.

All the staff in Group are covered by the Group Personal Accident Policy for injuries resulting from incidents or accidents.

All directors, medical officers and professionals of the KPJ Group are covered by the Liability Insurance (Medical Malpractice Policy and Directors and Officers Policy) in respect of their potential exposure to any personal liability which may arise in the course of performing their duties.

Cyber Liability Insurance is in place to protect KPJ Group from the financial and reputational risks associated with cyberattacks.

Integrity And Ethical Values

The KPJ Group remains steadfast in its commitment to upholding the highest standards of ethics and integrity. Guided by the principles of honesty, fairness, transparency and accountability, integrity forms the cornerstone of the Group's operations and business practices. Performing duties with integrity is a core value embraced throughout the organisation, underscoring the Group's dedication to ethical conduct.

Our values reflect the philosophy of the KPJ Group, acting as a compass for decision-making and actions. Anchored by our "Care for Life" commitment, we strive to create a patient-centred environment that prioritises compassionate care while ensuring ethical practices across all facets of our operations.

In alignment with the KPJ Group's Anti-Bribery Management System ("ABMS"), newly appointed employees pledge their dedication to maintaining high standards of integrity and ethics. This commitment is formalised through the Staff Integrity Pledge, accessible via the Employee Self-Service Portal and reinforced during refresher training programmes conducted by the Integrity Unit and Integrity Ambassadors for existing employees.

The KPJ Group's Whistleblowing Policy underscores its dedication to governance, ethics and integrity. This comprehensive policy provides employees and stakeholders a secure channel to report unethical practices or perceived wrongdoings via integrity@kpjhealth.com.my. The policy ensures the confidentiality of whistleblowers' identities, the protection of their information and safeguards against retaliation, thereby fostering a safe environment for raising concerns.

Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

Enhancing this policy, the Whistleblowing Committee ("WBC") was established in March 2023, replacing the previous 3-tier reporting system. Chaired by the Senior Independent Non-Executive Director ("SINED") and comprising Independent Non-Executive Directors ("INED") from the RSGC, the WBC reflects KPJ's commitment to governance and transparency.

Since 2011, KPJ has been a signatory to the Malaysian Corporate Integrity Pledge, initiated by the Malaysian Institute of Integrity ("MII") to support national efforts against corruption. In 2024, under the GRCI initiative, regional Integrity Pledge ceremonies which covers the whole KPJ Group were organised from May to October 2024 to reaffirm this commitment, ensuring integrity remains central to the KPJ's culture.

The Group's No Gifts and Entertainment Policy has been in effect since 2014, complemented by the Asset Declaration Policy (2017) and Conflict of Interest Declaration (2020). These policies ensure ethical conduct among employees, preventing conflicts of interest in engagements with suppliers and service providers.

Additionally, KPJ has adopted Integrity Pact implementation guidelines to safeguard against corruption in procurement processes. These guidelines require declarations from employees, Procurement Committee and vendors/suppliers/contractors to ensure compliance with laws and regulations while upholding integrity in business dealings.

To strengthen governance practices, KPJ continuously monitors and validates the implementation of ABMS policies and procedures through the ABMS Compliance Checklist Reporting mechanism, introduced in 2021. Regular on-site validations at hospitals and subsidiaries ensure adherence to the Anti-Bribery Management System, aligning with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This robust governance framework underscores KPJ's commitment to addressing bribery and corruption effectively.

KPJ's Anti-Bribery Management System ("ABMS")

KPJ established its Integrity Unit ("IU") in February 2020 in line with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Prime Minister's Directive No. 1 of 2018. The IU plays a pivotal role in embedding integrity as a cornerstone of governance within KPJ and ensuring the effective implementation of Anti-Bribery Management System ("ABMS") policies and procedures.

In October 2020, KPJ achieved ISO 37001:2016 ABMS certification, reaffirming its commitment to combating bribery and corruption. The certification was successfully renewed in 2024, extending its validity until 2027. This milestone reinforces KPJ's capability to manage corporate liability risks effectively and ensures compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), enforced on 1st June 2020. Following this, KPJ's subsidiary companies adopted these practices beginning in January 2021.

The Group remains steadfast in upholding good ethical business values by preventing and eradicating bribery and corruption in alignment with its vision, mission and stakeholders' interests.

ABMS Objectives:

- Foster ethical values and virtues in the workplace.
- Prevent unethical or dishonest practices.
- Ensure compliance with the Malaysian Anti-Corruption Commission Act 2009, regulations and ISO 37001:2016 ABMS.
- Take decisive action against any violations of laws, policies or procedures.
- Collaborate with relevant agencies to address bribery and fraud threats.
- Monitor and enhance ABMS implementation through the ABMS Committee and IU, reporting to the RSGC.
- Uphold ethical work practices and ensure continuous improvement based on moral principles.
- Provide reporting channels under the Whistleblowing Policy for bribery or corruption risks.

To support these efforts, Integrity Ambassadors were appointed across all Group companies to promote and reinforce ethical values among employees and stakeholders.

Promoting Awareness and Building a Culture of Integrity

In 2024, the IU and Integrity Ambassadors conducted ongoing physical and virtual awareness sessions, including refresher training on ABMS and its Standard Operating Procedures ("SOPs"). Collaborative integrity talks with the Malaysian Anti-Corruption Commission ("MACC") were held, with plans for continued engagement in 2025 and partnerships with other regulatory bodies. These initiatives aim to cultivate transparency, accountability and integrity across the value chain.

Quarterly sessions with Integrity Ambassadors monitor the Groupwide implementation of ABMS SOPs, while an annual process is in place to assess bribery risks across hospitals and subsidiary companies. Since 2021, the ABMS Compliance Checklist Reporting has served as a vital control mechanism for monitoring ABMS implementation. Regular on-site validations by the IU ensure adherence to ABMS policies and compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This robust governance framework effectively addresses bribery and corruption risks.

Guidance and Tools for Continuous Improvement on Integrity

Key references, including the "Guidance on Good Practice and Checklist for Adequate Procedures," "Employers' Handbook for SMEs," and the "Ministerial Guidelines on Adequate Procedures," were distributed to internal stakeholders. Published by Transparency International Malaysia in 2022, these resources have been integrated into ABMS awareness and training programmes.

Benchmarking against the Compliance Checklist Reporting ensures continuous improvement in integrity governance and operational compliance.

Whistleblowing Mechanism

The administration of KPJ's whistleblowing channels is managed by the Head of Group Risk, Compliance and Integrity with reports reviewed by the WBC, chaired by the Senior Independent Director. The increase in whistleblowing reports indicates heightened awareness and trust in the reporting mechanism, which also serves as a preventive tool to manage integrity effectively.

This comprehensive approach underscores KPJ's unwavering commitment to fostering a culture of integrity and ethical excellence across its operations.

CONTROL STRUCTURE

Effective March 2024, the management structure of KPJ, chaired by the President & Managing Director is as follows:

- Chief Operating Officer, Hospital Operations;
- Chief Financial Officer;
- Chief Strategy Officer;
- Chief Operating Officer, Allied & Retail Health Operations;
- Chief Digital Officer;
- Chief Human Resource Officer;
- Chief Marketing Officer;
- Head of Group Risk, Compliance & Integrity;
- Head of Group Internal Audit Services;
- Head of Group Procurement;
- Head of Group Strategic Communication & Chief of Staff;
- Head of Group Legal & Advisory; and
- Head of Group Sustainability Services.

The structure was designed to enhance KPJ operational excellence, fostering increased efficiency and synergy across the entire Group.

ASSIGNMENT OF AUTHORITY AND RESPONSIBILITY

The Board has delegated certain responsibilities to Board Committees and Management Committees with clearly defined terms of reference ("TOR").

The functions and activities carried out by the Board Committees are set out in the Corporate Governance Overview Section on pages 124 to 146.

The Board also assigns authority and responsibility to the President and Managing Director ("PMD"). The KGMC that is chaired by the PMD oversees all business operations and executes all strategic initiatives approved by the Board.

Several Committees have been formed to identify, evaluate, monitor and manage the significant risks affecting the Group operations.

Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

1. Risk, Sustainability and Governance Committee ("RSGC")

The RSGC is a Board Committee chaired by an Independent Non-Executive Director of the Board. The RSGC is entrusted with evaluating and reviewing the assessment of identified risks, the effectiveness of the ERM Framework, as well as the process of assessing and managing the Group's principal risks. In addition, the Committee reviews and evaluates the Group-level risk exposures and manages significant identified clinical and non-clinical risks. The Committee also oversees the overall effectiveness of the Group's strategies, targets, policies and roadmap pertaining to sustainability recommended by the Group Sustainability Services.

2. Group Medical Advisory and Clinical Governance Committee ("GMACGC")

The GMACGC is the Apex Clinical Committee that is responsible for reviewing the Group's clinical governance practices including policies, guidelines, SOPs and clinical compliance framework for the approval of the Board to inculcate a safe, healing, ethical environment as well as to promulgate good clinical governance practices that are consistent with the Board's business direction and risk tolerance.

The GMACGC is chaired by a Senior Medical Professional who sits on the KPJ Board of Directors as a non-independent non-executive director. The appointment of the GMACGC Chairman is deliberated at the Nomination & Remuneration Committee and approved by the Board.

On 24 April 2024 the Medical Directors' Council convened as the Persons-in-Charge ("PIC") Council, to reflect compliance to the Private Healthcare Facilities and Services Act 1998 definition of PIC. Furthering from this, the Medical Directors are now referred to as Persons-in-Charge.

There are six Clinical Governance Committees, outlined as follows:

1. Clinical Safety and Risk Management Committee ("CSRMC")
2. Transformation and Quality Innovation Committee ("TQIC")
3. Professional Development Committee ("PDC")
4. Clinical & Research Ethics Committee ("CREC")
5. Education and Research Committee ("ERC")
6. Central Credentialing Committee ("CCC")

3. Audit Committee ("AC")

The AC, one of the Board Committees, assists the Board in the execution of its governance and oversight function as well as ensures transparency, integrity and accountability in the Group's operations and financial reporting. The AC oversees the financial reporting process and assesses the adequacy and effectiveness of the Group's internal control system and compliance with the applicable laws and regulations through the Internal Audit Services ("IAS") function.

The AC is also responsible to improve the Group's business efficiency, the quality of the accounting and audit function, as well as strengthening public confidence in the Group's reported financial results. AC also ensures the independence of the External and Internal Audit functions within the Group.

The AC is also in authority to oversee the scope of work and resources of the IAS, with the IAS activities being governed by the Audit Charter approved by the AC. The AC reviews the audit plans for both internal and external audit, deliberates on the IA findings highlighted in the IA reports and evaluates the responsiveness of Management in making sure action is taken on the findings raised by IAS. Additionally, the AC deliberates on any unresolved findings, ensuring the remedial and corrective actions are taken by Management within the stipulated timeframe. Significant control deficiencies are escalated by the AC to the Board for further deliberation, where necessary.

The details of the AC duties are further elaborated under Audit Committee Report, pages 147 to 152.

4. Tender Committee ("TC")

The TC is a Board Committee chaired by an Independent Non-Executive Director of the Board. The TC oversees the timeline and costing of each project undertaken by the Group and addresses any issues relating to these projects. The TC evaluates, deliberates and approves all major procurement contracts within the authority limits set by the Board, for the amount between RM5.0 million to RM20.0 million.

5. Clinical Safety & Risk Management Committee ("CSRMC")

The Chairman of the CSRMC is a Senior Medical Professional who is appointed jointly by the Management and the GMACGC of KPJ. The CSRMC is an amalgamation of the now-defunct Clinical Governance Action Committee and the Clinical Risk Management Committee.

The Clinical Safety and Risk Management Committee is the platform to discuss various clinical issues and to initiate clinical governance activities recommended by the Medical Advisory and Clinical Governance Committee ("GMACGC"). The activities include the following:

i. To identify the problems that are hindering implementation of the agreed policies/programmes,

ii. Training and development of clinical staff to support the clinical governance activities;

iii. Overseeing the implementation of the Clinical Audit, Mortality review, Clinical Performance Indicators and others;

iv. To analyse, evaluate and monitor activities, policies and procedures that need to be carried out with regards to ensuring quality in clinical care;

v. Improve the quality of care received by the patients;

vi. Ensure the maintenance of a safer environment for patients, employees and visitors;

vii. Reduce losses to a minimum; and

viii. Enable achievement of clinical operational and strategic objectives.

All major clinical risk incidents related to patient and staff safety are presented to the CSRMC. Additionally, Statistical Process Control Charts ("SPCC") are used to analyse the medication error and patient fall trends.

Medication errors under the category D - F as well as hospitals with high number of incidents are given particular attention. Risk reduction action plan ("RRAP") are closely looked into. The Head of Pharmacy and Allied Health engage with hospital representatives for root cause analysis discussions in order to dentify mitigation plans and improvement activities to prevent recurrence of the medication errors. The mitigation and improvement activities are shared for implementation at other hospitals as well. The Good Catch Initiative involves monitoring near misses.

There have been intensified efforts to improve patient safety in terms of falls prevention. Fall prevention programmes with teaching toolkits for the patient and caregivers, the establishment of interdisciplinary falls prevention team and exploring technology to reduce falls are some of the risk reduction strategies employed.

All strategic corrective and preventive measures discussed and decided by the CSRMC are escalated to the GMACGC for its notation and endorsement.

6. Management Tender Committee ("MTC")

The MTC is appointed by the Board of Directors of the Group and a Management Committee chaired by PMD together with Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Head of Group Risk, Compliance and Integrity and Head of Group Legal and Advisory services. This Committee is established to oversee the tendering process and monitor the hospital development and expansion projects of the Group, ensuring alignment with good corporate governance practices.

MTC has the authority to approve procurement proposals based on the limit of authority as approved by the Board, for the amount between RM1.0 million to RM5.0 million. Proposal exceeding RM 5.0 million, MTC shall recommend for TC's approval.

7. Tender Evaluation Committee ("TEC")

The TEC is a Management Committee chaired by COO together with RCEO and Manager from the corporate office. The TEC is responsible for deliberating procurement evaluation report presented to them and gave recommendation to the MTC & TC for their consideration and approval.

The Terms of Reference ("TOR") for all the aforementioned Committees are available at *www.kpjhealth.com.my*.

Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

PEOPLE MANAGEMENT AND COMMITMENT TO CONTINUOUS LEARNING

At KPJ Healthcare Berhad ("KPJ"), we recognise that our people are the foundation of our success. Guided by our purpose of Care for Life, our Human Resource Policies provide a strategic framework to cultivate a high-performance ethical and inclusive workplace. These policies reinforce our commitment to safeguarding employee rights through ethical employment practices and compliance with labour laws, fostering a workplace free from harassment discrimination and bias, promoting talent growth and leadership excellence through structured development programmes and upholding the highest standards of integrity and professionalism in human capital management.

In 2024, we reinforced our KPJ Diversity Equity and Inclusion Policy as part of our DEI agenda, affirming our commitment to upholding human rights, gender equality and diversity by adhering to the UN Guiding Principles, MCCG guidelines and Women's Empowerment Principles. Through merit-based selection and a strong focus on DEI, we foster a fair inclusive and high-performing workplace. This aligns with our WE C.A.R.E. values (Committed, Accountable, Respectful & Excellent), principles that define our organisational culture and ethical responsibilities.

To ensure the effectiveness and integrity of our human capital strategies, we have implemented a robust risk management and internal control framework that identifies and assesses HR-related risks affecting operational efficiency, workforce well-being and regulatory compliance. This framework includes proactive controls to mitigate risks associated with talent acquisition, employee conduct, workplace safety and data protection while continuously enhancing HR governance to align with evolving industry standards and regulatory requirements.

We prioritise talent acquisition, development and retention through merit-based recruitment and succession planning to build a skilled and diverse workforce. Our leadership development programmes, including the Manager Development Programme, Post-Graduate Studies and Nursing Education Advancement, foster career growth and professional excellence. Competitive compensation, benefits and well-being initiatives further enhance employee retention and engagement.

We uphold workplace ethics and conduct through a strong commitment to professional and ethical standards. Our Code of Ethics and Conduct ensures all employees act with integrity, while our zero-tolerance policy on discrimination, bullying and harassment is reinforced through mandatory training. A Whistleblowing Policy with secure reporting mechanisms promotes transparency and accountability across the organisation.

We uphold compliance with employment laws and human rights protection through rigorous HR compliance audits that ensure adherence to labour standards. Our DEI Policy on People reinforces human rights protection and fair employment practices, while our Diversity Equity and Inclusion programmes promote equal opportunities and fair workplace policies for all employees.

We prioritise workplace health, safety and employee well-being through a comprehensive Occupational Health and Safety Programme that ensures a secure and hazard-free workplace. Employee Assistance Programmes provide mental health counselling and well-being resources, while flexible work arrangements and wellness initiatives support work-life balance.

We ensure the security and confidentiality of HR systems and data through Workday, a secure HR Information System with strict access controls and cybersecurity protocols. Compliance with data protection regulations, such as PDPA, safeguards personal information, while regular cybersecurity awareness and annual assessments help prevent phishing and data vulnerabilities.

KPJ is committed to continuously enhancing its HR risk management framework by conducting regular internal audits to evaluate governance effectiveness, refining policies and procedures to address workforce challenges and regulatory changes and engaging employees through surveys, feedback channels, performance appraisals and leadership dialogues.

The Board and Management of KPJ affirm their steady commitment to maintaining a safe ethical and inclusive workplace where employees thrive. Through robust risk management governance and continuous improvement, we safeguard the well-being dignity and professional growth of all employees, ensuring that our purpose of Care for Life extends beyond patient care to the heart of our organisation– our people.

INFORMATION AND COMMUNICATION

Information Communication Technology ("ICT")

In the ever-evolving landscape of Information and Communication Technology ("ICT"), KPJ Healthcare continues to be a leader, embracing innovation and ensuring that its technological strategies are aligned with the organisation's long-term vision. As KPJ advances towards becoming a fully Integrated Healthcare Provider, the integration of cutting-edge technologies such as Artificial Intelligence ("AI"), the Internet of Things ("IoT"), Cloud Computing, Robotic Process Automation ("RPA") and Big Data plays a key role in strengthening our healthcare services.

As part of KPJ's long-term growth and sustainability strategy, significant efforts are being made to upgrade and modernise our IT infrastructure. This includes initiatives to enhance network reliability, optimise cloud capabilities and boost cybersecurity defences to safeguard against emerging threats. These infrastructure enhancements are not only designed to improve operational efficiency but also ensure resilience against evolving cyber-attacks and other risks that may impact business continuity.

KPJ's commitment to innovation is further demonstrated by the implementation of several key projects within the IT and security domains, with the aim at improving network security and increasing the reliability of our connectivity across the organisation. In addition, our KPJ Cloud Modernisation Assessment evaluates the potential of cloud technologies to enhance scalability, operational flexibility and data security across our healthcare facilities.

KPJ also continuously reviews the cyber security capabilities as well as our security framework to minimise the risk of data breaches in safeguarding the confidentiality of patient information, while continuously strengthening the resilience against potential cyber threats.

The ongoing development and enhancement of policies and guidelines further support the strategic objectives of KPJ, ensuring that we are continuously adapting to the changing healthcare landscape. This includes updating cybersecurity guidelines and data management practices to meet evolving industry standards.

Communication and Information Sharing

In 2024, KPJ Group reaffirmed its commitment to fostering a culture of effective communication and transparency across its hospitals and subsidiaries. Through carefully curated platforms and initiatives, the organisation ensured the seamless dissemination of information, engagement with employees and alignment with its strategic priorities.

The year began with the KPJ Future Forward series held between 24 January and 7 February 2024, featuring direct engagement sessions with the PMD and the Chief Strategy Officer ("CSO"). These sessions centred on KPJ's Strategic Plan, providing a platform for transparent dialogue and insights into the organisation's future forward goals.

A New Year Group Town Hall followed on 22 February 2024, where the management outlined key achievements, shared updates on organisational goals and addressed employees' queries.

"The Care with Leaders" initiative introduced small-group engagements with KPJ Senior Leaders, fostering meaningful connections and open conversations across the organisation. On 24 July 2024, the Mid-Year Group Town Hall witnessed the unveiling of KPJ's new Shared Values C.A.R.E (Committed, Accountable, Respectful & Excellent), reinforcing the organisation's purpose to Care for Life.

A significant milestone was the transition to Workday, the new HR system launched on 3 September 2024. This system aims to enhance HR information accessibility and streamline communication among KPJ employees. To support this transition, the Group implemented the HR4U outreach initiative, ensuring all employees were well-informed about policies, updates and the rebranding exercise.

Through these initiatives, KPJ Group demonstrated its steadfast commitment to enhancing connectivity, fostering transparency and empowering its workforce to achieve shared goals.

Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)

CONTINUOUS MONITORING AND ASSURANCE

Ongoing Monitoring

Consequent to the risk assessment process, all risks identified are registered and monitored. Registered risks are reviewed by their respective risk owners with quarterly reporting to GRCI. Risk updates are consolidated and analysed for monitoring and reporting to the RSGC on a quarterly basis.

The effectiveness of the ERM Framework in relation to clinical domains is provided primarily by Clinical Services through onsite reviews. In the 2024 Annual Clinical Survey, a total of 29 hospitals were surveyed in 19 service areas by the clinical team assisted by nurses, pharmacists, dieticians, physiotherapists and HIMS staff throughout August and September. The two new areas surveyed were Special Care Nursery and Oncology.

Throughout the year, Clinical Services conducted focused sessions on incident reporting and sentinel events with nursing leaders, Group Quality Managers, KPJ Damansara Specialist 2 and Group CEOs and General Managers. In September, GRCI organised a two-day workshop on incident reporting and CURA system (Enterprise Risk and Compliance), in which Clinical Services provided training on the clinical aspects of incident reporting and sentinel event awareness.

Clinical Services mooted the Committed to Care: Towards Zero Harm, which is a campaign toward zero sentinel events that is planned to be launched in early February 2025. This campaign began with a pre-survey which was conducted at the end of November and throughout December 2024 with five KPJ hospitals randomly selected for the pre-survey, focusing on compliance within the Operation Theatre complex. The compliance survey will continue into 2025 to all of our hospitals, bolstered with road shows by region to enhance awareness of the KPJ governing policies, good clinical and medication practices. The aims are to improve patient outcomes, prevent adverse and sentinel events and minimise legislative risks across KPJ's network of facilities. The Save Surgery Save Lives ("SSSL") programme is one of the key components of this campaign.

The assurance activities of the Group are primarily undertaken by the Level 3 line of defence function. The effectiveness of internal control systems implemented throughout the Group is assessed primarily by Internal Audit Services through the conduct of regular audits on KPJ's hospitals and key subsidiaries. Reports generated by Level 2 and Level 3 lines of defence are presented to the CSRMC, RSGC and AC respectively for deliberation.

The Group's risk management framework and internal control systems do not apply to the associate companies where we do not exercise management control over their operations. The Group's interests are served through representation on the Board of Directors of these associate companies as well as through regular review of management accounts that they provide to the Group. The Board is satisfied with the information provided to assess the associates' performance for informed and timely decision-making on the Group's investments in these associates.

Independent Evaluation

Currently, nineteen (19) hospitals in the Group have received their accreditation certifications from the Malaysian Society for Quality in Health ("MSQH"). Four (4) hospitals, namely KPJ Johor Specialist, KPJ Seremban Specialist, KPJ Ampang Puteri Specialist and KPJ Penang Specialist, have also been certified by the Joint Commission International ("JCI") with the internationally recognised "JCI Accreditation".

All hospitals certified with MSQH and JCI accreditations have to undergo stringent surveillance surveys by the respective surveyors to ensure compliance with accreditation standards and requirements before accreditation certification can be renewed. This is usually done every three (3) years for JCI accreditation and every four (4) years for MSQH accreditation. The accreditation programme plays a vital role in supporting KPJ by ensuring our ongoing adherence to healthcare regulations and staying abreast of industry standards.

Review of this Statement by the External Auditors

This Statement on Risk Management and Internal Control has been reviewed by the External Auditors as required by Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the inclusion in the Annual Report for the year ended 31st December 2024. The limited assurance review was

performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 (Revised November 2022), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of risk management and internal controls systems of the Group.

ASSURANCE

The Board has received assurance from the President & Managing Director and Chief Financial Officer, that the Group's risk management framework and internal control system are operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report, based on the risk management and internal control system adopted by the Group.

The Board is of the view that the system of internal controls instituted throughout the Group is sound and effective and provides a level of confidence on which the Board relies for assurance. In the year under review and up to the date of this report, there was no significant control failure or weakness that would result in any material separate disclosure in the Annual Report. The Board ensures that the internal control system and the risk management practices of the Group are reviewed regularly to meet the changing and challenging operating environment.

The Board is therefore pleased to disclose that the system of internal control and risk management of the Group is sufficient, appropriate, effective and in line with the Malaysian Code of Corporate Governance and the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer.

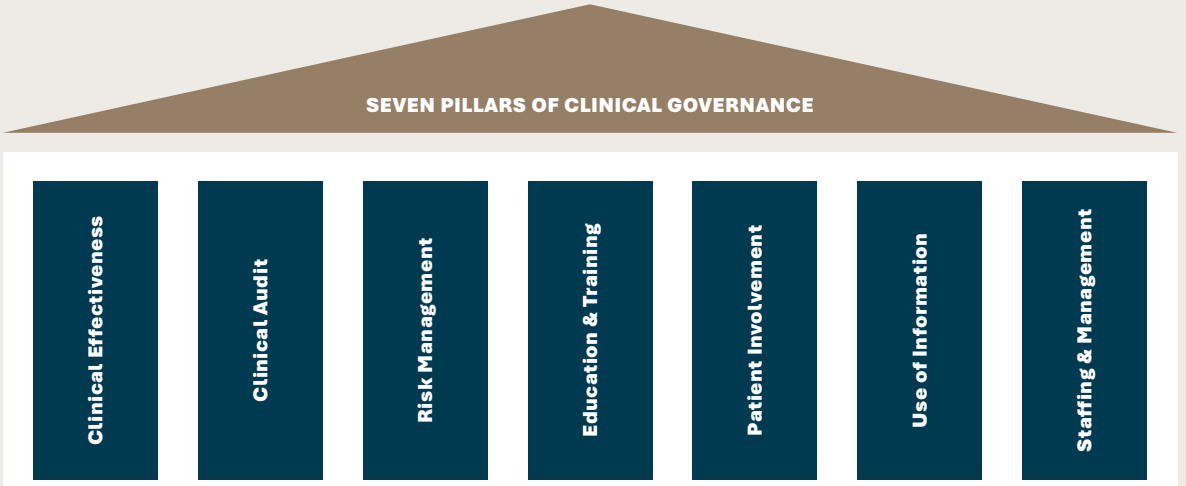
Group Medical Advisory & Clinical Governance Committee Report

Clinical governance is an integral component of corporate governance within a health service organisation. It ensures that all those responsible – from frontline clinicians to managers and members of governing bodies, such as boards – are accountable to patients and the community for the delivery of health services that are safe, effective, integrated, of a high quality and are continuously being improved upon.

In short, it is about **the right person** (be it an appropriately trained and resourced individual or team), **doing the right thing, at the right time** via the application of the best evidence to a patient's problem, in the way the patient wishes. The individual or team must also work within an organisation that is accountable for the actions of its staff, values its staff (appraises and develops them), minimises risks and learns from good practice as well as any mistakes made.

Here at KPJ, we bring our clinical governance framework, namely our **Seven Pillars of Clinical Governance** (Figure 1) into play to ensure our hospitals are accountable for continually improving the quality of their services and according to patients' high standards of care by creating an environment in which excellence in clinical care will flourish. KPJ's framework embodies three key attributes: recognisable high standards of care, responsibility and accountability for those standards in a transparent manner and constant, dynamic improvement.

Figure 1: The Seven Pillars of Clinical Governance



While KPJ's Board of Directors has overall oversight for Clinical Governance, at the Group level this is the responsibility of the Group Medical Advisory and Clinical Governance Committee ("GMACGC"). The GMACGC was formerly known as the Group Medical Advisory Committee. The GMACGC together with the central Clinical Governance Committees are responsible for developing the policies and guidelines to improve safety, outcomes and the monitoring of clinical governance activities at our hospitals (Figure 2).

In the first quarter of 2023, there was a revamp of the central clinical governance committees, which resulted in the establishment of five new committees, with its corresponding framework and terms of reference, new chairpersons and members. These following four out of six central Clinical Committees were dissolved:

1. **Clinical Governance Policy Committee ("CGPC")**
2. **Clinical Governance Action Committee ("CGAC")**
3. **Clinical Risk Management Committee ("CRMC")**
4. **Research and Quality Innovation Committee ("RQIC")**

The three clinical committees that were unchanged were rebranded i.e. the Clinical and Research Ethics Review Committee ("CRERC") was renamed as the Clinical and Research Ethics Committee ("CREC"), the Central Credentialing and Privileging Committee was renamed as the Central Credentialing Committee ("CCC") and the Medical Directors' committee was renamed as the Medical Directors' Council. On 24 April 2024 the Medical Directors' Council convened as the Persons-in-Charge ("PIC") Council, to reflect compliance to the Private Healthcare Facilities and Services Act 1998 definition of PIC. Furthering from this, the Medical Directors are now referred to as Persons-in-Charge.

The five new Clinical Committees with effect from January 2023, are as follows:

1. **Clinical Safety and Risk Management Committee ("CSRMC")**
2. **Transformation and Quality Innovation Committee ("TQIC")**
3. **Professional Development Committee ("PDC")**
4. **Education and Research Committee ("ERC")**
5. **Central Credentialing Committee ("CCC")**

Thus, a total of seven subcommittees are under the purview of the current GMACGC.

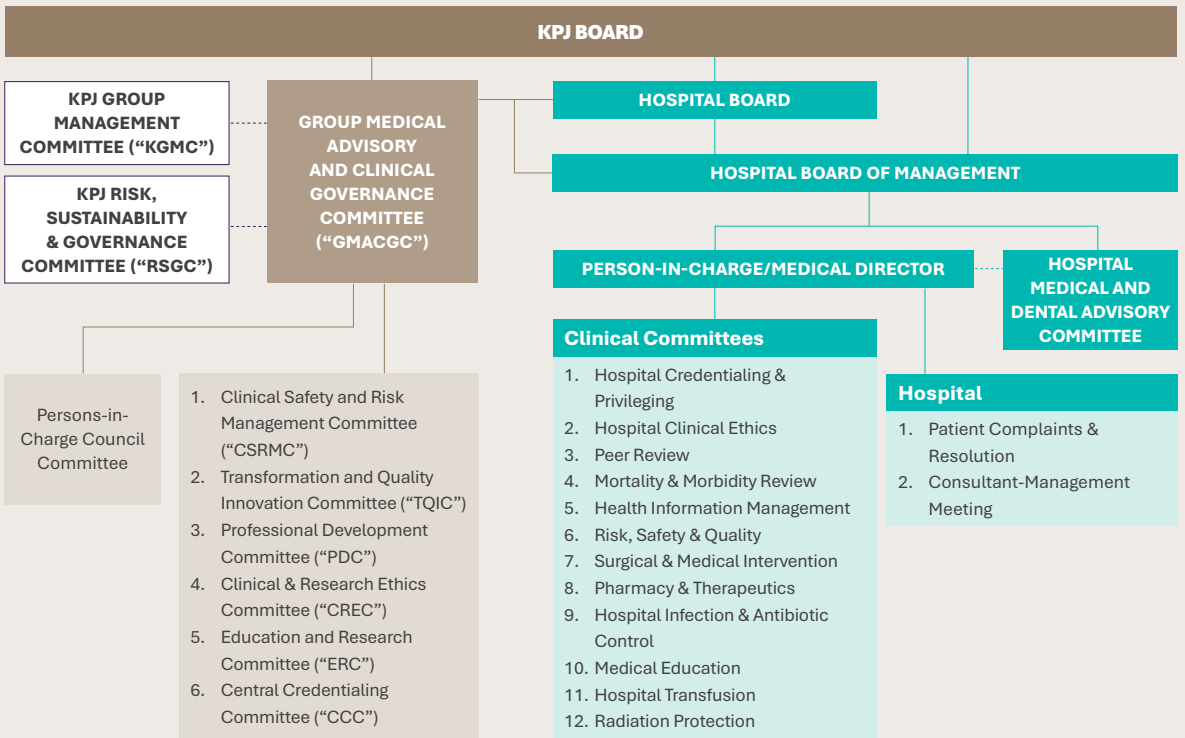
All our hospitals conduct Hospital Clinical Committee meetings as stipulated in the KPJ Medical Professional By-laws. The reports from the Hospital Clinical Committee meetings are compiled and discussed during various hospital meetings and presented to the Hospital Board of Management.

In 2023, the Terms of References for the Hospitals' Clinical Committees were drawn up. In addition to that, the Credentialing & Privileging, Education and Audit Committee was dissolved; two other committees underwent a name change i.e. Risk, Quality & Safety Committee was renamed Risk, Safety & Quality Committee, while the Ad-hoc Peer Review Committee was renamed the Peer Review Committee and the Hospital Clinical Ethics committee was retained.

Three new Hospital Clinical Committees were introduced, as follows:

2. **Hospital Credentialing and Privileging**
2. **Hospital Transfusion**
2. **Medical Audit and Medical Education**

Figure 2: Management of Clinical Governance - Clinical Governance Committees



Group Medical Advisory & Clinical Governance Committee Report

ACTIVITIES OF THE GROUP MEDICAL ADVISORY AND CLINICAL GOVERNANCE COMMITTEE AND ITS CENTRAL GOVERNANCE COMMITTEES IN 2024

Development and Review of Policies and Guidelines

The clinical governance committees are tasked with developing new policies and guidelines as well as reviewing and updating all existing policies/guidelines to ensure evidence-based processes are in place.

Strengthening Clinical Governance

Meetings with doctors encourage them to be more involved in clinical governance activities and motivate them to expand their reporting on clinical outcomes. During these meetings, suggestions for new products or services as well as the difficulty in executing certain policies or guidelines are also discussed.

- **Persons-in-Charge Council Committee Meetings**
  There were four (4) meetings were held in 2024. The meetings were held on 18 February 2024, 24 April 2024, 18 July 2024 and 27 October 2024.
- **Specialty Meetings**
  There were no specialty meetings in 2024.

Ensuring Clinical Compliance

In this day and age, many people are concerned about whether their healthcare needs are being met by hospitals in the best manner possible. Accreditation is the process by which our compliance to legislation and regulatory requirements, service delivery and quality assurance are assessed against recognised reference standards.

Here at KPJ, the Malaysian Society for Quality in Health ("MSQH") and Joint Commission International ("JCI") standards are used to benchmark our services, thereby reassuring our patients of the outstanding care provided by our doctors, nurses and clinical support teams.

- **Accreditation by the Malaysian Society for Quality in Health ("MSQH")**
  One KPJ hospital underwent MSQH recertification in the year 2024 ("KPJ Bandar Maharani Specialist Hospital").
- **Accreditation by the Joint Commission International ("JCI")**
  There was no JCI recertification exercise in the year 2024.
- **Annual Clinical Survey 2024**
  This survey evaluates the Group's compliance with standards/guidelines from the Ministry of Health, MSQH and JCI, Malaysian Medical Council ("MMC") and KPJ Governing Policies. This is a cross-hospital internal survey conducted by KPJ Clinical Services as well as hospital nursing, pharmacy, allied health and HIMS managers.

In 2024, a total of 29 KPJ hospitals went for the clinical survey and there were a total of 19 service standards surveyed, compared with 17 service standards the previous year. The two new areas surveyed were Special Care Nursery and Oncology.

Table 1: Clinical Survey 2024 - Service Areas Surveyed

	SERVICE AREAS SURVEYED
1	Prevention and Control of Infection ("PCI")
2	Haemodialysis Services ("HD")
3	Central Sterilising Supply Services ("CSSS")
4	Accident and Emergency Services ("A&E")
5	Endoscopy Services
6	Intensive Care / Neonatal / Cardiac Intensive Care Services ("ICU/NICU/CICU")
7	Labour Room / Maternity Services
8	Hospital Wide
9	General Ward Services
10	Operation Theatre Services ("OT")
11	Pharmacy Services
12	Food and Dietetics Services
13	Physiotherapy Services
14	Medical Records (Case Notes)
15	Paediatric Services
16	A medication survey in the ward is done by the pharmacy
17	Diagnostic Imaging Services
18	Special Care Nursery
19	Oncology

Overall Average Percentage

92.8%

Performance and Patient Outcomes

The measurement of the outcomes of disease course and progression, the quality of clinical care being provided, the success of the procedure/interventions carried out and the actual benefit perceived by patients can be used to strongly showcase patients' progress and the success of treatments. The continuous monitoring of outcomes also provides an opportunity to both assess and improve the quality of patients' health and care.

Performance Outcomes

The following performance indicators were monitored in the year 2024:

1. Rate of white appendix
2. Mortality rate for a Glasgow Coma Scale of more than nine (GCS >9) coming in with a head injury
3. Rate of lower segment caesarean section ("LSCS")
4. Percentage of complications related to LSCS; bladder injury
5. Percentage of complications related to LSCS; ureteric Injury
6. Percentage of complications related to LSCS; uterine atony with hysterectomy
7. Percentage of complications related to LSCS; uterine atony without hysterectomy
8. Percentage of complications related to LSCS; severe haemorrhage
9. Percentage of complications related to LSCS; foetal injury
10. Percentage of complications related to LSCS; bowel injury
11. Rate of maternal mortality
12. Rate of vaginal tear (grade 3 and 4) for normal (including instrumental delivery) deliveries
13. Percentage of death for cases related to catheterisation laboratory ("Cath Lab") procedure
14. Percentage of myocardial infarction for cases related to Cath Lab procedure
15. Percentage of stroke for cases related to Cath Lab procedure
16. Percentage of vascular complications related to Cath Lab procedure
17. Percentage of myocardial infarction patients receiving thrombolytic therapy within 30 minutes of their presentation at A&E
18. Percentage of myocardial infarction patients receiving primary percutaneous coronary intervention ("PCI") treatment within 90 minutes of presentation at A&E
19. The occurrence of adverse events during the recovery period from the operation theatre
20. Unplanned admission to the ICU from the OT
21. Number of returns to ICU within 24 hours of ICU discharge
22. Post-operative cataract surgery cases with a best corrected visual acuity ("BCVA") of 6/12 or better three months after surgery (OR at the last visit if less than three months post-op)
23. Percentage of ischaemic stroke patients receiving thrombolytic treatment within 4.5 hours of symptoms upon arrival at A&E
24. Dengue fever fatality rate
25. Rate of laparoscopic cholecystectomy discharged more than 48 hours
26. Rate of laparoscopic cholecystectomy deaths

Clinical Indicators

In 2024, the clinical indicators monitored were similar as above.

Group Medical Advisory & Clinical Governance Committee Report

ADDITIONAL DETAILS ON KPJ'S GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE ("GMACGC")

The Group Medical Advisory Committee ("MAC") was formed in 2002 to initiate as well as to oversee clinical governance activities undertaken by the Group. To meet the new demand for service excellence in healthcare and to turn KPJ into a high reliability, resilient and learning organisation and to be a driver of improvement initiatives and transformation, the committee was renamed as the Group Medical Advisory and Clinical Governance Committee ("GMACGC") in 2023.

The GMACGC met four (4) times in 2024.

No.	Group Medical Advisory and Clinical Governance Committee	Position in Committee	Attendance for the Year 2024			
			28 Feb 2024	30 Apr 2024	31 Jul 2024	29 Oct 2024
1	Prof. Emeritus Dato' Dr. Azizi Haji Omar	Chairman	√	√	√	√
2	Assoc. Prof. Dr. Ab Razak Samsudin	Member	√	√	√	√
3	Prof. Emeritus Dato' Dr. Lokman Saim	Member	X	X	√	√
4	Dato' Dr. Fadzli Cheah Abdullah	Member	√	√	√	√
5	Dato' Dr. Sivamohan Namasivayam	Member	√	√	√	√
6	Dr. Mohd Hafetz Ahmad	Member	√	√	√	√
7	Dr. Noor Hisham Mansor	Member	√	√	√	√
8	Dr. Rusli Arshad	Member	√	√	√	√
9	Dr. David Ling Sheng Tee	Member	√	√	√	√

The GMACGC encompasses various sub-committees that carry out a variety of roles. The details of these sub-committees are as follows:

1) CLINICAL SAFETY & RISK MANAGEMENT COMMITTEE ("CSRMC")

The Clinical Safety and Risk Management Committee at the Group level was formed to discuss various clinical issues and to initiate clinical governance activities recommended by the Group Medical Advisory and Clinical Governance Committee ("GMACGC"):

i. To identify the problems that are hindering implementation of the agreed policies/programmes;
ii. Training and development of clinical staff to support the clinical governance activities;
iii. Overseeing the implementation of the Clinical Audit, Mortality review, Clinical performance Indicators and others;
iv. To analyse, evaluate and monitor activities, policies and procedures that need to be carried out with regards to ensuring quality in clinical care;
v. Improve the quality of care received by the patients;
vi. Ensure the maintenance of a safer environment for patients, employees and visitors;
vii. Reduce losses to a minimum; and
viii. Enable achievement of clinical operational and strategic objectives.

The CSRMC met four (4) times in 2024.

No.	Clinical Safety and Risk Management Committee	Position in Committee	Attendance for the Year 2024			
			31 Jan 2024	18 Apr 2024	17 Jul 2024	17 Oct 2024
1	Assoc. Prof. Dr. Ab Razak Samsudin	Chairman	√	√	√	√
2	Prof. Dato' Dr. Zulkifli Ismail	Member	X	√	√	√
3	Dr. Onn Akbar Ali	Member	√	√	X	X
4	Dr. Mahadhir Alhady Sulaiman	Member	√	√	√	√
5	Dr. Hari Ram Ramayya	Member	X	√	X	√
6	Dr. Hue Teck Lee	Member	√	X	√	√
7	Dr. Mohd Ali Salleh	Member	√	X	√	√
8	Dr. Muhammad Nazri Aziz	Member	√	√	X	√
9	Dr. Abraham Mathew George	Member	X	√	√	√
10	Dr. Nur Abd Karim	Member	√	√	√	√
11	Dr. Jamal Azmi Mohamad	Member	√	√	√	√

2) TRANSFORMATION AND QUALITY INNOVATION COMMITTEE ("TQIC")

The Transformation and Quality Innovation Committee was formed to discuss more on care transformation providing innovations in the delivery of the triple aim encompassing the cost-effective evidence-based care, excellent patient experience and improved health of the community. Transformation is an active process that requires drive, guidance and support from the Group Medical Advisory and Clinical Governance Committee.

The TQIC met four (4) times in 2024.

No.	Clinical Safety and Risk Management Committee	Position in Committee	Attendance for the Year 2024			
			30 Jan 2024	17 Apr 2024	16 Jul 2024	16 Oct 2024
1	Dr. Noor Hisham Mansor	Chairman	√	√	√	√
2	Dato' Dr. Kamaruzaman Ali	Member	√	√	√	X
3	Assoc. Prof. Dr. Mohamad Ismail Ali	Member	√	X	√	√
4	Dr. Luis Chen Shian Liang	Member	X	X	X	X
5	Dr. Norazlina Bachik Ng	Member	√	X	X	√
6	Dr. Cheong Chee Yen	Member	√	√	√	√
7	Dr. Saharudin Abdul Jalal Ajma'in	Member	√	√	√	√
8	Dr. Zarin Ikmal Zan Mohd Zain	Member	X	√	X	√

Group Medical Advisory & Clinical Governance Committee Report

3) PROFESSIONAL DEVELOPMENT COMMITTEE ("PDC")

The Professional Development Committee ("PDC") was formed to assist the Group Medical Advisory and Clinical Governance Committee ("GMACGC") to establish policies and guidelines related to good clinical practice to maintain and strengthen the framework/structure of clinical governance for the KPJ Group of Hospitals.

The PDC met once in 2024.

No.	Professional Development Committee	Position in Committee	Attendance for the Year 2024			
			Q1	Q2	22 Jul 2024	Q4
1	Dato' Dr. Sivamohan Namasivayam	Chairman	no meeting	no meeting	√	no meeting
2	Datuk Dr. Mohammad Iqbal Mohammad Sarwar	Member			X	
3	Brig. Gen. Dato' Dr. Suhaimi Che Mat	Member			√	
4	Dr. Rozman Md Idrus	Member			X	
5	Dr. Yap Yoke Yeow	Member			√	
6	Dr. Mohd Namazie Ibrahim	Member			√	
7	Dr. Siow Lee Roy	Member			√	
8	Dr. Naveen Rajadurai	Member			√	
9	Dr. Usha Devi A/P Arunasalam	Member			√	

4) CLINICAL AND RESEARCH ETHICS COMMITTEE ("CREC")

The concept of medical ethics has been present since the beginning of the practice of medicine. The principles of beneficence, non-maleficence, justice and autonomy have been ingrained in every practitioner. Clinical Ethics is a development from the traditional medical ethics. They refer in general to the activity or the discipline of identifying, analysing and resolving ethical issues arising from the patient care. Whereas Research Ethics review oversees the researcher to ensure adherence to ethical principles and protects the dignity rights and welfare of research participants.

The CREC met once in 2024.

No.	Clinical and Research Ethics Committee	Position in Committee	Attendance for the Year 2024			
			13 Feb 2024	Q2	Q3	Q4
1	Dato' Dr. Fadzli Cheah Abdullah	Chairman	√	no meeting	no meeting	no meeting
2	Dato' Dr Khaled Mat Hassan	Member	√			
3	Assoc. Prof. (C) Dr. Tengku Saifudin Tengku Ismail	Member	√			
4	Dr. Gunasegaran P. T. Rajan	Member	√			
5	Dr. Mohd Nikman Ahmad	Member	√			
6	Dr. Hishamudin Masdar	Member	X			
7	Dr. Shamsuddin Abd Aziz	Member	√			
8	Dr. Zarin Ikmal Zan Mohd Zain	Member	X			

5) EDUCATION AND RESEARCH COMMITTEE ("ERC")

The ER Committee's responsibility is to facilitate scientific research and quality improvement innovations undertaken by all levels of healthcare professionals and staff that may positively impact patient care, safety and quality, service delivery, customer experience, the work environment, professionalism and culture.

The ERC did not meet in 2024.

No.	Education and Research Committee	Position in Committee	Attendance for the Year 2024			
			Q1	Q2	Q3	Q4
1	Prof. Emeritus Dato' Dr. Lokman Saim	Chairman	no meeting	no meeting	no meeting	no meeting
2	Prof. Dr. Wan Hazmy Che Hon	Member				
3	Dr. Aminuddin Saim	Member				
4	Assoc. Prof. Dr. Syah Irwan Shamsul Bahari	Member				
5	Prof. Dr. Primuharsa Putra Sabir Husin Athar	Member				
6	Dr. Mohd Shazli Draman @ Yusof	Member				

6) CENTRAL CREDENTIALING COMMITTEE

The Central Credentialing Committee ("CCC") was formed to oversee the credentialing of new consultants who wish to join the KPJ Group of Hospitals. The credentialing process ensures that the clinicians meet the minimum credentialing requirements prior to being appointed in the hospital. The proceedings of the CCC meeting may be done via circulation of papers (by email or otherwise) or convening a meeting whichever is convenient; to review the Curriculum Vitae of the Consultants that was received.

Group Medical Advisory & Clinical Governance Committee Report

CLINICAL GOVERNANCE ACTIVITIES IN 2024

The following is a summary of the clinical governance activities for 2024:

Activities in 2024

- Publishing the KPJ Medical ByLaw and the KPJ Rules and Regulation.
- Enhancing collaboration between KPJ and Mayo Clinic with two of KPJ hospitals; KPJ Damansara Specialist Hospital and KPJ Damansara Specialist Hospital 2.
- Revisiting the Resident Consultant Agreement ("RCA")
- Introducing the medical benefit for Resident Consultant who converted into Sessional/Visiting Rights.
- Developing the Centre of Excellence; Oncology Centre, Stroke Centre, Orthopedic Centre, Robotic Centre, Heart and Lung Centre.
- Recruiting of top-tier consultants to ensures delivery of high-quality patient care, promotes innovation and maintains a competitive edge in the dynamic healthcare industry;
- Partnering with Human Resources to enhance KPJ nurses' recruitment and retention efforts;
- Collaborating with the Ministry of Health to organise inaugural Malaysia International Healthcare ("MIH") Megatrends 2024;
- Standardising the Processes and Practices in Pharmacy and Allied Health Services;
- Focusing on Lean Management and Total Patient Experience projects involving selected key service areas (Nursing, Pharmacy, Allied Health, Clinical indicators);
- Enhancing the expansion of services; Rehabilitation Services, Audiology Services and Dietetic Services;
- Introducing Medication Safety and Root Cause Analysis ("RCA") workshop;
- Introducing external certification for Aseptic Technique for Pharmacy Services;
- Aligning silo practices to Cluster practices.
- Diabetic Management Cluster (2024):
  The management of Diabetic patients to be holistic in nature with support from multidisciplinary Consultants and services.
- Aligning career pathways for nursing and allied health services
- Standardisation of Nursing and Allied Health Uniform Groupwide
- Uncovered Long-Term Medication ("LTM") by the Third-Party Administrator ("TPAs")
- Finalising the Digital Signature Tender aiming to improve documentation efficiency and reduce reliance on manual processes in clinical operations
- Organising Cytotoxic Drug Reconstitution ("CDR") Workshop to create awareness among hospital staff on proper management and disposal of chemotherapy drugs.
- Cardiac Rehabilitation Specialisation Training
- Standardisation of charge code for food services to minimise leakage and ensure accurate billing and inventory control.
- Digital Halal Certification Trial Project to automate and streamline workflow for halal certification processes in food services.
- PDPA and Medico-Legal Workshops focusing on the Personal Data Protection Act ("PDPA") and medico-legal compliance to ensure the security and confidentiality of patient information.
- Visiting EP pathway
- KPJ x Mayo Clinic Grand Ward Rounds in Neurology with Dr James Bower
- KPJ x Mayo Clinic Grand Ward Rounds in Cardiology with Dr Kwan Lee
- Implementation of Oncology Nurse Navigator at DSH
- KPJ Emergency Medicine Workshops
- Bedside Handover and Huddle project

Proposed activities 2025

- Promoting "Toward Zero Sentinel Event" Campaign throughout the Group
  - **Safe Surgery Saves Lives ("SSSL"), Step Up to Reduce Falls, Medication without Harm and Prevention and Control of Infections.**
    The goal of the campaign is to reduce the number of preventable surgical injuries, death or complication.
  - **Step up to reduce falls: sustainable campaign**
    This campaign builds on successful outcomes in reducing fall rates in KPJ Hospitals and aims to ensure sustainability of our existing projects.
  - **Medication without harm**
    Under the 'Medication without Harm 'campaign, nursing services will focus on creating awareness and developing strategies to reduce administration errors.
  - **Clean hands and environment, save lives**
    This campaign focused on preventing hospital acquired infection and creating a better patient experience.
- Revisit Locum Consultant Agreement
- Enhancing the role and responsibilities of the Medical Officer in Charge and Medical Officers

- Integrating Academic Health System including Establishment of Centre of Excellence, Advanced Care Centres to drive cluster services and multidisciplinary coordination, Value Based Care, Precision Medicine, Patient Centered Care and Digital Health and Telemedicine with the hospital Day to Day Operation
- Enhancing the Development of Centres of Excellence
- Redesigning a better model for home nursing to ensure efficacy and marketable in current healthcare scenario
- Annual Clinical survey, validation survey, focus survey and gap analysis
- Nursing recruitment with GHRM
- Salary benchmarking and revision exercise for the entire nursing workforce with GHRM
- Revisiting the Privileges for the entire nursing services
- Developing Central Privileging Process for Pharmacy and Allied Health for standardisation
- Preparation and submission of a proposal to replace the current incident reporting system to a new incident reporting system to improve the tracking and management of clinical and non-clinical incidents across KPJ hospitals.
- Redirecting Etiqa Uncovered LTM to Hospitals subject to approval following the pilot at KPJ Tawakkal. Efforts will be made to redirect Etiqa uncovered Long-Term Medications ("LTM") back to KPJ hospitals, increasing in-house pharmacy utilisation.
- Medication Price Transparency supporting the implementation of medication price transparency in line with Ministry of Health directives
- Selection of staff for advanced cardiac rehabilitation training (Latihan Lanjutan Rehabilitasi Kardiak) in collaboration with UKM HCTM to upskill physiotherapists in specialised cardiac care.
- Strengthening the process for nutrition screening of new admissions, ensuring early identification of patients at nutritional risk and implementing appropriate interventions.
- Introducing a standalone weight loss package aimed at patients seeking professional dietetic guidance, helping to improve health outcomes and service offerings.
- Collaboration with Westin Hotel (Marriott) to enhance inpatient food services, focusing on improving food quality, presentation and patient satisfaction.
- KPJ Emergency Medicine Workshops

NURSING ACTIVITIES 2024

Nursing services in Group Clinical Services play a vital role in ensuring safe and evidence-based practice across our 29 KPJ Hospitals. Within the complex and dynamic healthcare industry, strategic planning was well planned and implemented in stages throughout the 12 months of 2024.

i. Aligning Nursing Services

Aligning nursing services with KPJ goals and direction by ensuring safe and appropriate care is given to our patients and their families and resources are utilised effectively, is essential. With a clear strategy, nursing leaders from all 29 hospitals can anticipate challenges, allocate resources wisely and make informed decisions that support immediate and future needs. Meetings with nursing leaders are conducted as follows:

CNO/DCNO Meetings: Conducted quarterly to discuss strategic planning, issues in nursing services and collaboration plans to overcome clinical issues in clinical settings.

Operation Theatre Unit Managers Meetings: Conducted biannually to discuss matters regarding operation theatre utilisation, post-basic training, MOH guidelines, policy and procedure updates and other emerging issues pertaining to the operation theatre.

Critical Care Meetings: Inclusive of intensive care unit, coronary care unit and neonatal intensive care unit, conducted biannually to discuss matters regarding the level of care in critical areas, best clinical practices, manpower and training issues and other issues pertaining to critical care, including new guidelines and revised policies and procedures.

Accident & Emergency Meetings: Conducted biannually to discuss matters regarding best clinical practices, triaging, assessment, manpower and training issues and other issues pertaining to emergency care, including new guidelines and revised policies and procedures.

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Infection Control Meetings: Conducted biannually to discuss matters regarding infection control practices, surveillance, incidents, best clinical practices and emerging diseases, including new guidelines and revised policies and procedures.

Maternity and Labour Ward Meetings: Conducted biannually to discuss matters regarding obstetric emergencies, assessment, best clinical practices, manpower, incidents and training issues and other issues pertaining to maternal and child care, including new guidelines and revised policies and procedures.

ii. Quality Assessment

Annual Clinical Service Survey: Conducted to ensure clinical and non-clinical processes are implemented and maintained based on regulatory and accreditation standard requirements. The survey tool was adopted from MSQH audit tools. The clinical survey comprises a multi-disciplinary team and selected leaders from the hospitals. The report of the survey will be shared with the hospital management team for continuous improvement.

Validation Survey: Conducted this year for 5 hospitals for nursing services. The introduction of validation surveys in nursing services has provided a new avenue to upgrade KPJ clinical survey processes. A validation survey ensures the accuracy of the variables, methods and materials used in the survey process. It can also assess the compliance and performance of validation and verification activities.

Focus Survey: Introduced this year to examine compliance in clinical settings if there were any occurrences of incidents and sentinel events. The objectives of this focus survey are to zoom into the actual issues and develop strategic plans to avoid such incidents in clinical settings in the future.

Gap Analysis for MSQH, JCI and BFHI Accreditations: Conducted for KPJ Maharani, KPJ BDO, KPJ Ampang Puteri, KPJ Kluang and KPJ Kuching.

iii. Clarity in Direction

Role clarity is not only desirable in terms of customer satisfaction, but is also linked to job satisfaction, organisational commitment and performance.

Job Description: A standardised job description for various categories (80 categories) under nursing services was developed and endorsed. It is awaiting dissemination to all KPJ Hospitals to provide clear direction on the tasks expected within each job scope.

Career Pathing for Nursing Services: Clear career pathing for nursing services, including management and education, was developed in collaboration with GHRM and announced by PMD during Nurses' Day 2024.

Privileging for Nurses: Privileging for various categories of nurses was developed and validation process in progress.

iv. Knowledge and Skill Enhancement Programme

Various categories of nurses can enhance their knowledge and skills through continuing education programs, which can include courses, workshops and conferences conducted physically, virtually or in a hybrid format according to the needs planned during strategic planning. These programs cover a variety of topics with specific objectives to meet at the end of the training:

Support Programme to Advance and Reinforce Knowledge and Skill ("SPARK"): OT SPARK Training programs were conducted three times this year at various regions. The objective of this programme is to prepare the junior nurses to fit in early in their role as registered nurse in operation theater.

The Intensive Course in Obstetric Emergencies ("ICOE"): A simulation and skills-based course designed specifically for KPJ obstetric nurses with the assistance of the Obstetrics and Gynaecology Society of Malaysia ("OGSM") and in collaboration with KPJ Healthcare University. Conducted three times this year at various regions. This course to create awareness among midwives on the potential obstetric emergencies and prepare them to effectively manage the emergencies.

Intravascular Ultrasound ("IVUS") Program: Developed together with cardiologists from KPJ Hospitals to enhance the knowledge and skills of Cardiovascular Technicians ("CVT") and cardiac nurses in IVUS.

ASEAN Vascular Access Management Leadership Summit: Conducted at KPJ Ampang Puteri on 4th July 2024 in collaboration with the Infuse Nurse Society Malaysia ("INSM"). ASEAN country nursing leaders were present during the summit. The best clinical practices discussed during the summit were shared with Infection Control Officers from various hospitals during their meeting.

Breastfeeding Webinars: Conducted during Breastfeeding Week, the first week of August, to create awareness of breastmilk and promote the KPJ maternal package. The webinars were conducted by unit managers from various KPJ Hospitals and facilitated by Group Clinical Services.

Mpox Webinar: Coordinated by Group Clinical Services to provide guidelines for nurses to detect and handle Mpox cases.

KPJ Angioclub: Initiated to share experiences and challenges faced by cardiologists, Cardiovascular technologists ("CVTs") and cardiac nurses. The program is divided into two phases: the first phase is a sharing session by CVTs and nurses and the second phase is a sharing session by cardiologists. It is conducted in hybrid mode. The first session for this year was conducted at KPJ Selangor and the second session was conducted at KPJ Kajang.

Preceptorship Program: Redesigned to ensure that senior nurses are aware of their supervisory role in clinical settings. This program was conducted in collaboration with KPJ Healthcare University and was held four times at various regions.

v. Collaborated Events with Stakeholders

National Midwifery Conference: KPJ collaborated with the Malaysian Midwifery Association ("MMA") to successfully hold the National Midwifery Conference on 5 May 2024. The joint venture between KPJ nurses and MOH nurses benefited both parties in upholding the standard of midwifery in our nation. Group Chief Nursing Officer was invited as speaker and eighty midwives from KPJ Hospitals attended the conference.

6th National Lactation Conference: Collaborated with the National Lactation Center ("NLC"). The event opened an avenue for KPJ to collaborate with NLC and seek assistance from NLC for BFHI accreditation for some KPJ Hospitals, namely KPJ Kuching, KPJ Sabah, KPJ BDO, KPJ Seri Manjung, KPJ Taiping, KPJ Kluang and KPJ Perlis. Group Chief Nursing Officer was invited as speaker and KPJ Penang open a booth during the conference to show our commitment toward breastfeeding, align with Ministry of Health goal.

vi. Other Projects

Safety Huddle Among Nurses: Introduced and a series of training sessions were conducted to cultivate a safety culture among nurses, identify risks early and rectify issues systematically. The Annual Clinical Survey 2024 revealed that all KPJ Hospital nursing services implement nursing huddles at the beginning of each shift.

Nurses' Leaders' Outbound Program: Developed to provide a structured orientation program for new nursing leaders, giving clear direction for their roles.

Nurses Day Seminar and Celebration: An annual event to appreciate nurses for their contributions. This year, the event was successfully conducted at Impiana Hotel and the career pathing was launched by PMD on 12 May 2024.

Standardisation of New Uniform and Scrub Suits: For various categories of nurses across all KPJ Hospitals. Implementation will be staggered by the end of 2025.

vii. Recruitment Drive

Strategic plan to ensure sufficient nursing manpower had been drawn carefully. Mass recruitment was planned before students sit for the nursing board examination and conditional offer letters were given to students to secure employment in KPJ Hospitals. The recruitment drive was conducted together with GHRM, exploring other IPTA and IPTS apart from KPJU and KPJIC.

Group Medical Advisory & Clinical Governance Committee Report

PERFORMANCE INDICATORS FOR SURGERIES

Background

The project is structured into three phases: 1) Identifying and validating performance indicators, 2) Systematically collecting data and 3) Developing a centralised dashboard for tracking and benchmarking performance. This phased approach ensures a thorough and methodical process, allowing us to establish reliable performance metrics, gather accurate data and create a robust tool for continuous improvement. Two pilot projects involving the cardiothoracic and orthopaedic teams were initiated to test and refine these processes, ensuring their effectiveness before broader implementation.

Objective

To identify and validate performance indicators, systematically collect data and develop a centralised dashboard for tracking and benchmarking performance across our hospitals. The goal is to build a dashboard that provides a comprehensive overview of PIs for Total Knee Replacement ("TKR") and Coronary Artery Bypass Grafting ("CABG").

PHASE ONE: IDENTIFYING AND VALIDATING PERFORMANCE INDICATORS

The method for identifying and validating performance indicators involved conducting two workshops with selected panelists. These workshops facilitated effective discussions and collaborative efforts among consultants, nurses and other healthcare professionals to establish key performance indicators.

1 Orthopaedic Surgery Workshop

Developing a Framework for Identifying and Validating Performance Indicators in Orthopaedic Surgery

- **Date:** 14 – 15 December 2024
- **Participants:** Consultants, nurses, physiotherapists from 10 KPJ Hospitals
- **Attendance:**
  Day 1 (Physical): 25 Clinical Staff (5 Orthopaedic Surgeons, 9 Nurses, 9 Physiotherapists), 2 KPJHQ Staff

  Day 2 (Online): 155 registered participants from all KPJ hospitals

Outcomes:
Identified key performance indicators for "Preoperative Care" using a standardised patient-reported outcome measures ("PROMs") related to knee health, along with patients' medical history, medications and comorbidities.

2 **Cardiothoracic Surgery Workshop**

Identifying, Validating and Mastering Performance Indicators in Cardiothoracic Surgery

- **Date:** 21-22 December 2024
- **Participants:** Consultants, perfusionists, nurses from 6 KPJ Hospitals and KPJ Healthcare University
- **Attendance:**
  Day 1 (Hybrid): 23 Clinical Staff (4 Cardiothoracic Surgeons, 15 Nurses, 4 Perfusionists), 1 KPJU Staff (Physical); 4 Cardiothoracic Surgeons (Online)

  Day 2 (Hybrid): 23 Clinical Staff

Outcomes:
- Commitment to collect data across preoperative, intraoperative and postoperative phases.
- Focus on postoperative data for dashboard development, using a standardised patient-reported outcome measures ("PROMs") to measure patient Quality of Life.

PHASE TWO: SYSTEMATICALLY COLLECTING DATA

Background: Following the workshops, we compiled key performance indicators for CABG. The Performance Measurement Unit created an online data collection form focusing on the patient perspective. Our goal is to collect data from 2022-2024 to build a comprehensive dashboard by April 2025.

Types of Data:

1 **Data Derived from KCIS:**
Extracted for 2022-2024, providing a system-generated view of performance indicators.

2 **Manual Data:**
Necessary for aspects not captured in KCIS, especially patient perspectives. This data complements KCIS data, ensuring a holistic view of performance.

Training: Dynamic Data Collection Training for Tracking Performance Indicators

- **Schedule:** 12 February 2025 to 10 March 2025
- **Participants:** Orthopaedic & Cardiothoracic panelists from KPJ Hospitals
- **Objectives:**
  - Train participants on using the online data collection form
  - Ensure accurate data entry
  - Complete the data collection process for the specified performance indicators
  - Method: On-site visits to each KPJ Hospital

PHASE THREE: DEVELOPING A CENTRALISED DASHBOARD

The final phase involves developing a centralised dashboard to track and benchmark performance across our hospital network. This phase includes data cleaning, integration and analysis to ensure the accuracy and reliability of the dashboard. The dashboard will provide comprehensive insights, enabling data-driven decisions, improving patient outcomes and showcasing our performance for marketing purposes.

Conclusion

The workshops successfully identified and validated key performance indicators for TKR and CABG. The data collected will be used to develop a comprehensive dashboard by April 2025, tracking three years of performance data. This integrated approach ensures a holistic view of performance, ultimately aiming to improve patient outcomes and care quality across our hospital network.

Compliance Information

In conformance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the following information is provided:

1. UTILISATION OF SUKUK PROGRAMME

KPJ Healthcare Berhad and its subsidiaries ("the Group") via Point Zone (M) Sdn Bhd ("PZSB") had in 2015 established a 10 year Islamic Medium Term Note programme with a size of RM1.5 billion based on the Shariah Principle of Murabahah (via Tawarruq Arrangement) (referred to as the "Sukuk Murabahah") for the purpose of refinancing the previous Islamic Commercial Papers/an Islamic Medium-Term Notes Programme of up to RM500.0 million and finance the expansion and working capital requirements of the Group's healthcare-related businesses.

As of 1 January 2024, the Group had RM200.0 million of Sukuk Murabahah outstanding. This amount was fully paid during 2024. The balance of the Sukuk Murabahah as at 31 December 2024 is as follows:

Sukuk Murabahah	Amount up to (RM Million)
As at 1 January 2024	200.0
Payment made during the financial year	(200.0)
As at 31 December 2024	-

On 12 January 2022, PZSB established an Islamic Medium-Term Notes Programme amounting to RM3.0 billion in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar that also provides flexibility for the Group to issue Sustainability Sukuk ("Sukuk Wakalah"). The Sukuk Wakalah Programme has been assigned a final rating of AAIS(CG) (stable) by MARC Ratings Berhad ("MARC"). On 17 October 2022, MARC assigned a "Gold" Impact Assessment to PZSB's Sustainability Sukuk Framework.

The proceeds from Sukuk Wakalah Programme shall be utilised by the Group for, amongst others, Shariah-compliant financing purposes, comprising expansion, working capital requirement and general corporate purposes of the Group's healthcare and healthcare-related businesses and in accordance with the criteria set out in the Sustainability Sukuk Framework.

The balance of the Sukuk Wakalah as at 31 December 2024 is as follows:

Sukuk Wakalah	Amount up to (RM Million)
As at 1 January 2024	1,205.0
Issuance/ (Payment) made during the financial year	-
As at 31 December 2024	1,205.0

2. TREASURY SHARES

On 26 June 2024, at the Annual General Meeting, KPJ Healthcare Berhad ("the Company") obtained its shareholders' approval for a share buy-back authority for the Company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company. The Company did not purchase any ordinary shares from the open market on Bursa Malaysia during the financial year.

As at 31 December 2024, the Company held a total of 162,306,700 of its 4,526,608,066 issued ordinary share as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,000 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

3. AUDIT AND NON-AUDIT FEES

During the financial year, audit fees and non-audit fees paid for services rendered to the Group amounted to RM2.9 million and RM7.3 million, respectively. For the Company, audit fees and non-audit fees amounted to RM0.4 million and RM4.8 million, respectively.

4. MATERIAL CONTRACTS

There was no material contract by the Company and its subsidiaries, involving Directors and major shareholders' substitute interests at the end of the financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS STATEMENT

At KPJ's AGM held on 26 June 2024, the Company obtained a mandate from shareholders to allow the Group to enter into recurrent related party transactions of a revenue or trading nature with the following parties:

Party Transacted With	Nature of Transactions	Actual aggregate value from 1 January 2024 to 31 December 2024 RM'000	Frequency of Transactions
Johor Corporation ("JCorp") and its subsidiaries and associated companies (except for Al-'Aqar Healthcare REIT and Al-Salam REIT)	Registrar fees	231	Monthly
	Building management service fees payable for Menara KPJ in Kuala Lumpur	10,197	Monthly
	Insurance coverage payable	194	Contract basis
	Rental income for renting of land for car parks	3,382	Monthly
	Housekeeping contract fees payable	26,954	Monthly
	Software as services	11,943	Semi-annually
Al-'Aqar Healthcare REIT / Al-'Aqar Australia	Rental payable for renting of retirement village building and aged care facility in Australia and lease of hospital together with the land	5,152	Monthly
Al-Salam Real Estate Investment Trust ("Al-Salam REIT")	Rental payable for renting of premises for the operations of KPJ Healthcare University and Malaysian College of Hospitality and Management	2,332	Monthly
		60,384	

Care For Life Stories

Elon Iziah Kye PJ Hildy

Born in December 2024 at KPJ Sabah, baby Elon Iziah Kye PJ Hildy holds a special connection to the hospital. His parents chose the middle name “Kye PJ” to reflect their appreciation for the care received and the experience they had throughout their maternity journey.

Since then, the family has seen how the hospital continues to grow and adapt to meet evolving healthcare needs. They credit this to improvements in infrastructure, adoption of new technologies and the professionalism of the care team.

What remains most meaningful to them is the warmth and attentiveness shown by the nurses, doctors and support staff. These qualities have been a consistent presence throughout the important milestones in their lives. Their decision to name their child after the hospital reflects a lasting bond shaped by positive experiences and affirms the trust that many families place in KPJ’s care.

Section 7

FINANCIAL STATEMENTS

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Directors' Responsibility Statement

For the Audited Financial Statements

The Directors are required by the Companies Act 2016 (CA) to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs) and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

Directors' Report

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are mainly the operation of specialist hospitals.

Details of the principal activities of the subsidiaries are set out in Note 22 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

ULTIMATE HOLDING CORPORATION

The Directors regard Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995), as the ultimate holding corporation.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before tax	530,955	211,735
Tax	(166,190)	(6,758)
Profit for the financial year from continuing operations	364,765	204,977
Profit for the financial year from discontinued operations	42,478	-
Net profit for the financial year	407,243	204,977
Profit for the financial year attributable to:		
Owners of the Company		
- continuing operations	331,079	204,977
- discontinued operations	22,738	-
Non-controlling interests		
- continuing operations	33,686	-
- discontinued operations	19,740	-
Net profit for the financial year	407,243	204,977

Directors' Report (Continued)

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the statements.

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2023 were as follows:

	RM'000
In respect of the financial year ended 31 December 2024:	
First interim single tier dividend of 1.00 sen per share on 4,364,301,366 ordinary shares, declared on 16 February 2024 and paid on 29 March 2024.	43,643
Second interim single tier dividend of 1.00 sen per share on 4,364,301,366 ordinary shares, declared on 27 May 2024 and paid on 5 July 2024.	43,643
Third interim single tier dividend of 1.00 sen per share on 4,364,301,366 ordinary shares, declared on 28 August 2024 and paid on 4 October 2024.	43,643
Fourth interim single tier dividend of 1.15 sen per share on 4,364,301,366 ordinary shares, declared on 25 November 2024 and paid on 27 December 2024.	50,190
	181,119

The Directors did not recommend the payment of a final dividend in respect of the financial year ended 31 December 2024.

TREASURY SHARES

On 26 June 2024, at the Annual General Meeting, the Company obtained its shareholders' approval for a share buy-back authority for the Company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company.

The Company did not purchase any ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") during the financial year.

As at 31 December 2024, the Company held a total of 162,306,700 of its 4,526,608,066 issued ordinary share as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,000 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

Directors' Report (Continued)

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year and until the date of this report are:

Tan Sri Dato' Sri Dr. Ismail Bin Hj Bakar	(Chairman, appointed on 2 April 2024)
Datuk Md Arif Bin Mahmood	(Chairman, resigned on 1 April 2024)
Chin Keat Chyuan#	
Dato' Mohd Redza Shah Bin Abdul Wahid#	
Prof Emeritus Dato' Dr. Azizi Bin Haji Omar#	
Khairuddin Bin Jaflus#	
Rozaini Bin Mohd Sani	
Shamsul Anuar Bin Abdul Majid	
Annie Binti Rosle	
Hisham Bin Zainal Mokhtar	
Lee Lai Fan	
Mohamed Ridza Bin Mohamed Abdulla	(Resigned on 18 February 2025)

Directors who are also Directors of the subsidiaries

LIST OF DIRECTORS OF SUBSIDIARIES

The list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to date of this report is as follows:

Prof Datuk Dr Zulkifli Bin Ismail
Assoc Prof (C) Dato' Dr. Azlin Bin Azizan
Assoc Prof (C) Dr. Mohd Daud Bin Sulaiman
Prof Dr. Fauziah Binti Sh Ahmad
Datuk Hasmi Bin Hasnan
Datuk Syed Mohamed Bin Syed Ibrahim
Dato' Sri Muhamad Khanafi Bin Husin
Dato' Dr. Abd Wahab Bin Abd Ghani *
Dato' Dr. Khaled Bin Mat Hassan
Dato' Sr. Zamri Bin Ismail *
Dato' Mohamad Farid Bin Salim
Dato' Md Aini Bin Taib
Dato' Ngeng Eng Cheng
Dato' Shamshudin Bin Nor
Dato' Zabir Bin Bajuri
Dr. David Sylvester Ling Sheng Tee.
Dr. Hari Ram a/l Ramayya
Dr. Hue Teck Lee@Khoo Kah Lee *
Dr. Jamal Azmi Bin Mohamad
Dr. Luis Chen Shian Liang *
Dr. Mahadhir Alhady Bin Sulaiman
Dr. Mawaddah Binti Ghazali *
Dr. Mohamad Bin Hamzah
Dr. Mohamed Ahsan Bin Mohamed Ismail
Dr. Mohd Nikman Bin Ahmad
Dr. Munirah Binti Khudri
Dr. Nik Fawaz Bin Nik Abdul Aziz
Dr. Norazlina Binti Bachik
Dr. Ong Tze Zen *
Dr. Pui Wei Chieng

Directors' Report (Continued)

LIST OF DIRECTORS OF SUBSIDIARIES (CONTINUED)

Dr. Rafiza Binti Mohamed Nazir
Dr. Tan Lean Seng *
Dr. Thein Soo Sun *
Dr. Toh Siu Gap
Dr. Wan Najmi Bin Wan Daud *
Dr. Wong Chya Wei
Ahmad Adli Bin Kamaruzaman
Ahmad Firdaus Bin Mohd Nor
Asmadi Bin Mohd Bakri
Azan Mukminah Binti Saffin
Badrul Hisham Bin Abdullah
Basar Bin Juraimi
Christopher Ting Yew Ping
Emily Hii San
Faizuddin Bin Yusof *
Fauziah Begum Binti Najibullah Khan
Haliza Binti Khalid
Haliza Binti Segar*
(Alternate Director to Datuk Hasmi Bin Hasnan)
Hazarul Azly Bin Hamzah
Hoo Ling Lee *
Johari Shukri Bin Jamil *
Kamal Azmi Bin Zainuddin
Khairul Hasanain Bin Abdul Hamid
Liew Chai Sen
Lim Su Ying
Lim Tsuey Tyng *
Mahazan Bin Kamis @ Maharan
Maisarah Binti Omar
Md Zin Bin Md Yasin
Michael James Leddin *
Mohamad Faizal Bin Mohamed
Mohamad Sofian Bin Ismail
Mohd Azhar Bin Abdullah
Mohd Helmi Bin Daud
Mohd Khairul Izzad Bin Mohammed Shamsudin *
Mohd Nabil Fawzi Bin Ab Rani
Mohd Nuri Bin Abd Aziz
Mohd Taufik Bin Ismail
Muhamad Amin Bin Othman
Muhammad Iqbal Bin Ibrahim
Muhammad Samson Mikail Bin Abdullah
Nazmul Hassan Papon MP
Nik Farzimar Binti Nik Omar*
Noor Haslina Binti Harun
Nor Aidil Ikram Bin Muhamad
Nor Arfah Binti Arshad
Nor Azlina Binti Jemain @ Jemangin *
Peter John Hourigan *
Raja Syahiran Bin Raja Ahmad Supian
Rajkumar S/O Rengaraju
(Alternate Director to Christopher Ting Yew Ping)
Renuga A/P Muniandy
Thomas Ho Yee Jong
Wan Nur Amira Binti Wan Ariffin
Woo Yann Fong
Yusmah Binti Salleh
Zabidi Bin Abdul Razak
Zalina Binti Osman
Zamri Bin Yusof
Zarihasyum Binti Wan Zein @ Md Zain
Zulkifli Bin Abdullah
Assoc Prof Dr. Thajunnisa Binti Hassan Mohd ^
Dr. Ahmad Shukri Bin Jamaluddin ^
Dr. Aliza Binti Jamaluddin ^
Dr. Mahayidin Bin Muhamad ^
Ab Aziz Bin Yunus ^
Abdul Halim Bin Mahalil ^
Ahmad Irwan Bin Baharuddin ^
Ahmad Rafiquddin Bin Mohd Amran ^
Asmadi Bin Che Mat @ Abd Rahman ^
Badrul Hisyam Bin Ibrahim ^
Emerizal Ahmed Jaafar ^
Erniza Binti Md Badursah ^
Farahiyah Binti Badri ^
Gunavathy A/P K Kalee ^
Hafiz Bin Mohamed ^
Izzhar Putra Bin Amirudin ^
Norhaizam Binti Mohammad ^
Nor Azuwan Bin Saleh ^
Nurol Wahida Binti Othman ^
Roslan Bin Ahmad ^
Ros Maliya Binti Mamat ^
Shaharum Bin Ramli^
(Alternate Director to Datuk Hasmi Bin Hasnan)
Sharian Binti Hussain ^
Zaiton Binti Sulaiman ^
Zawari Bin Abdullah ^
Mohammad Hafidz Bin Dato' Shamshudin
(Demised on 2 June 2024)
(Alternate Director to Dato' Shamshudin Bin Nor)
Pui Swee Khoon (Demised on 18 June 2024)

* Appointed during the financial year and up to date of this report
^ Resigned during the financial year and up to date of this report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares, debentures, warrants or options over ordinary shares in the Company or its subsidiaries or its holding corporation or subsidiaries of the holding corporation during the financial year except as follows:

	Number of ordinary shares			
	At 1.1.2024	Acquired	Disposed	At 31.12.2024
KPJ Healthcare Berhad				
Prof Emeritus Dato' Dr. Azizi Bin Haji Omar	330,000	-	-	330,000
Chin Keat Chyuan	100,000	600,000	-	700,000
Johor Plantations Group Berhad (Subsidiary of Johor Corporation)				
Tan Sri Dato' Sri Dr. Ismail Bin Hj Bakar	-	416,000	-	416,000
Chin Keat Chyuan	-	300,000	-	300,000
Dato' Mohd Redza Shah Bin Abdul Wahid	-	8,000	(1,000)	7,000
Rozaini Bin Mohd Sani	-	300,000	-	300,000
Shamsul Anuar Bin Abdul Majid	-	1,282,300	-	1,282,300

Directors' Report (Continued)

DIRECTORS' REMUNERATION

Directors' remuneration for current year are as follow:

	Group RM'000	Company RM'000
Fees	2,226	2,086
Salaries, allowances and bonuses	4,272	4,223
Contributions to defined contribution plan	391	391
Benefits-in-kind	93	93
	6,982	6,793

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

The total amount of insurance costs effected for Directors and Officers of the Group during the financial year is RM291,375.

There was no indemnity given to or insurance effected for the auditors of the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

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

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of buisness including the values of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the end of this report:

(i) there are no charges on the assets of the Group or of the Company which have arisen since the end of the financial year which secures the liability of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

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

(f) In the opinion of the Directors:

(i) the results of the operation of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

OTHER STATUTORY INFORMATION (CONTINUED)

(f) In the opinion of the Directors:

(ii) no item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements, has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 22 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration for the year are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- Statutory audits		
- EY Malaysia	2,156	353
- Non-EY	768	-
- Other services		
- EY Malaysia	2,778	1,141
- PwC	3,770	3,288
- Non-EY/PwC	711	328
	10,183	5,110

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2024.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2025.

TAN SRI DATO' SRI DR. ISMAIL BIN HJ BAKAR
DIRECTOR

CHIN KEAT CHYUAN
DIRECTOR

Kuala Lumpur, Malaysia

Statement By Directors

Pursuant To Section 251(2) of The Companies Act 2016

We, Tan Sri Dato' Sri Dr. Ismail Bin Hj Bakar and Chin Keat Chyuan, being two of the directors of KPJ Healthcare Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 197 to 307 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2025.

TAN SRI DATO' SRI DR. ISMAIL BIN HJ BAKAR
DIRECTOR

CHIN KEAT CHYUAN
DIRECTOR

Kuala Lumpur, Malaysia

Statutory Declaration

Pursuant To Section 251(1)(B) of The Companies Act 2016

I, Mohd Khairul Izzad B Mohammed Shamsudin, being the officer primarily responsible for the financial management of KPJ Healthcare Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 197 to 307 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Mohd Khairul Izzad
B Mohammed Shamsudin at Kuala Lumpur
in the Federal Territory on 28 February 2025

MOHD KHAIRUL IZZAD B MOHAMMED SHAMSUDIN
MIA Membership No. 36429

Before me,

COMMISSIONER FOR OATH

Independent Auditors' Report

To The Members of KPJ Healthcare Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KPJ Healthcare Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 197 to 307.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition from healthcare services

Refer to notes 2.30 and 7 to the financial statements.

Revenue recognised in respect of hospital operations and sales of pharmaceutical products ("healthcare services") for the financial year ended 31 December 2024 which amounted to approximately RM3,705 million, represented about 94% of total revenue of the Group.

The Group relies heavily on information technology systems in accounting for its revenue from healthcare services. Such information systems process large volumes of data with combinations of different products and services, which consist of individually low value transactions.

The above factors gave rise to higher risk of material misstatement in the timing and amount of revenue recognised. Accordingly, we identified revenue recognition to be an area of focus.

Independent Auditors' Report

To The Members of KPJ Healthcare Berhad
(Incorporated in Malaysia) (Continued)

Key audit matters (cont'd.)

Revenue recognition from healthcare services (cont'd.)

How our audit addressed this matter

In addressing this area of focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the management's internal controls over the timing and amount of revenue recognised;
- We tested the relevant internal controls in place to address completeness and accuracy of revenue recognised including timely updating of approved billing rate changes in the system. We also involved our information technology specialist to test the operating effectiveness of automated controls over the billing system;
- We tested the data interface between the billing system and the general ledger;
- We inspected samples of documents which evidenced the rendering of services to customers;
- We tested samples of documents to establish whether transactions were recorded in the correct accounting period; and
- Using data analytics, we performed correlation analysis between revenue, trade receivables and cash and bank balances.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To The Members of KPJ Healthcare Berhad
(Incorporated in Malaysia) (Continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To The Members of KPJ Healthcare Berhad
(Incorporated in Malaysia) (Continued)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 22 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ismed Darwis Bin Bahatiar
No. 02921/04/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 February 2025

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Continuing operations					
Revenue	7	**3,922,244**	3,418,701	**390,114**	288,324
Cost of sales		**(2,166,884)**	(1,986,783)	**-**	-
Gross profit		**1,755,360**	1,431,918	**390,114**	288,324
Administrative expenses		**(1,120,743)**	(980,264)	**(155,041)**	(122,047)
Other income		**27,480**	67,336	**3,664**	5,103
Zakat	8	**(5,589)**	(3,063)	**(300)**	(300)
Operating profit		**656,508**	515,927	**238,437**	171,080
Finance income	9	**22,106**	20,149	**-**	-
Finance costs	9				
- Borrowings		**(87,915)**	(97,190)	**(26,702)**	(24,672)
- Lease liabilities		**(109,106)**	(107,701)	**-**	-
Finance costs - net		**(174,915)**	(184,742)	**(26,702)**	(24,672)
Share of results of associates, net of tax		**49,362**	46,757	**-**	-
Profit before tax	10	**530,955**	377,942	**211,735**	146,408
Tax	13	**(166,190)**	(75,345)	**(6,758)**	-
Profit for the financial year from continuing operations		**364,765**	302,597	**204,977**	146,408
Discontinued operations					
Profit/(Loss) for the financial year from discontinued operations	14	**42,478**	(32,191)	**-**	-
Net profit for the financial year		**407,243**	270,406	**204,977**	146,408

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2024 (Continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other comprehensive income:					
Continuing operations					
Item that may be subsequently reclassified to profit or loss					
- Currency translation differences		**(7,805)**	5,425	**-**	-
Items that will not be reclassified to profit or loss:					
- Gains on revaluation of land and building		**22**	28,029	**-**	
- Deferred tax on revaluation surplus		**-**	(6,372)	**-**	-
- Fair value gain on equity instruments classified as fair value through other comprehensive income		**765**	266	**3,335**	582
Other comprehensive (loss)/income for the financial year, net of tax from continuing operations		**(7,018)**	27,348	**3,335**	582
Discontinued operations					
Other comprehensive income from discontinued operations		**-**	4,215	**-**	-
Total comprehensive income for the financial year		**400,225**	301,969	**208,312**	146,990

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2024 (Continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the financial year attributable to:					
Owners of the Company					
- continuing operations		**331,079**	281,292	**204,977**	146,408
- discontinued operations	14	**22,738**	(17,884)	**-**	-
Non-controlling interests					
- continuing operations		**33,686**	21,305	**-**	-
- discontinued operations	14	**19,740**	(14,307)	**-**	-
		407,243	270,406	**204,977**	146,408
Total comprehensive income for the financial year attributable to:					
Owners of the Company					
- continuing operations		**324,603**	308,640	**208,312**	146,990
- discontinued operations	14	**22,738**	(13,669)	**-**	-
Non-controlling interests					
- continuing operations		**33,144**	21,305	**-**	-
- discontinued operations	14	**19,740**	(14,307)	**-**	-
		400,225	301,969	**208,312**	146,990
Earnings per share attributable to Owners of the Company:					
Basic (sen)	16				
- continuing operations		**7.59**	6.45		
- discontinued operations		**0.52**	(0.41)		

Statements of Financial Position

As At 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	17	**2,949,155**	2,774,474	**4,855**	4,663
Right-of-use assets	18	**1,640,014**	1,585,857	**-**	-
Investment properties	19	**357,453**	358,166	**-**	-
Intangible assets	20	**195,428**	198,470	**3,126**	3,010
Investments in subsidiaries	22	**-**	-	**974,458**	970,724
Investments in associates	23	**530,062**	513,857	**-**	-
Equity Instruments classified as FVOCI	24	**1,450**	1,507	**39,882**	36,547
Deferred tax assets	25	**105,938**	125,653	**-**	236
Trade and other receivables	26	**19,463**	19,262	**-**	-
		5,798,963	5,577,246	**1,022,321**	1,015,180
Current assets					
Inventories	27	**80,001**	73,008	**-**	-
Trade and other receivables	26	**781,514**	673,649	**5,903**	5,368
Amounts due from subsidiaries	26	**-**	-	**646,507**	611,028
Tax recoverable		**121,756**	98,008	**1,614**	1,370
Deposits, bank and cash balances	28	**613,976**	785,227	**2,274**	3,901
Dividend receivable		**7,031**	3,873	**88,860**	86,307
		1,604,278	1,633,765	**745,158**	707,974
Assets held for sale	29	**-**	35,151	**-**	-
		1,604,278	1,668,916	**745,158**	707,974
Total assets		**7,403,241**	7,246,162	**1,767,479**	1,723,154
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	30	**828,026**	658,292	**59,906**	24,835
Amounts due to subsidiaries	30	**-**	-	**108,493**	102,729
Contract liabilities	31	**83,196**	87,779	**-**	-
Current tax liabilities		**6,993**	11,060	**-**	-
Borrowings	32	**328,992**	546,955	**222,133**	172,084
Lease liabilities	33	**46,412**	39,920	**-**	-

Statements of Financial Position

As At 31 December 2024 (Continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
EQUITY AND LIABILITIES (continued)					
Current liabilities (continued)					
Dividend payable		**3,200**	3,200	**-**	-
		1,296,819	1,347,206	**390,532**	299,648
Liabilities associated with assets held for sale	29	**-**	54,349	**-**	-
		1,296,819	1,401,555	**390,532**	299,648
Net current assets		**307,459**	267,361	**354,626**	408,326
Non-current liabilities					
Amounts due to subsidiaries	30	**-**	-	**251,494**	325,722
Borrowings	32	**1,347,266**	1,364,964	**328**	42
Lease liabilities	33	**1,949,135**	1,870,338	**-**	-
Deferred tax liabilities	25	**58,906**	67,038	**190**	-
Provision for retirement benefits	34	**2,179**	2,069	**-**	-
Deposits	35	**11,338**	12,046	**-**	-
		3,368,824	3,316,455	**252,012**	325,764
Total liabilities		**4,665,643**	4,718,010	**642,544**	625,412
Net assets		**2,737,598**	2,528,152	**1,124,935**	1,097,742
Equity attributable to Owners of the Company					
Share capital	36	**999,190**	999,190	**999,190**	999,190
Less: Treasury shares		**(155,310)**	(155,310)	**(155,310)**	(155,310)
Reserves		**1,692,781**	1,539,284	**281,055**	253,862
		2,536,661	2,383,164	**1,124,935**	1,097,742
Non-controlling interests		**200,937**	144,988	**-**	-
Total equity		**2,737,598**	2,528,152	**1,124,935**	1,097,742
Total equity and liabilities		**7,403,241**	7,246,162	**1,767,479**	1,723,154

Consolidated Statement of Changes In Equity

For The Financial Year Ended 31 December 2024

			Non-Distributable	Distributable			
	Ordinary share capital (Note 36) RM'000	Treasury shares RM'000	Other reserves (Note 38) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
At 1 January 2024	999,190	(155,310)	236,353	1,302,931	2,383,164	144,988	2,528,152
Comprehensive income:							
Profit for the financial year	-	-	-	353,817	353,817	53,426	407,243
Other comprehensive income ("OCI"):							
Group OCI							
- Currency translation differences of foreign subsidiaries	-	-	(905)	-	(905)	(542)	(1,447)
- Fair value loss on equity instrument classified as FVOCI	-	-	(57)	-	(57)	-	(57)
Total Group's OCI	-	-	(962)	-	(962)	(542)	(1,504)
Share of OCI from associates:							
- Currency translation differences	-	-	(6,358)	-	(6,358)	-	(6,358)
- Revaluation surplus	-	-	22	-	22	-	22
- Fair value gain on equity instrument classified as FVOCI	-	-	822	-	822	-	822
Total share of associates' OCI	-	-	(5,514)	-	(5,514)	-	(5,514)
Total OCI	-	-	(6,476)	-	(6,476)	(542)	(7,018)
Total comprehensive income	-	-	(6,476)	353,817	347,341	52,884	400,225
Transactions with Owners:							
Acquisition of non-controlling interests	-	-	-	(16,095)	(16,095)	7,155	(8,940)
Disposal of interest in a subsidiary	-	-	(423)	3,793	3,370	70	3,440
Dividends on ordinary shares (Note 15)	-	-	-	(181,119)	(181,119)	-	(181,119)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(4,160)	(4,160)
Total transactions with Owners	-	-	(423)	(193,421)	(193,844)	3,065	(190,779)
At 31 December 2024	999,190	(155,310)	229,454	1,463,327	2,536,661	200,937	2,737,598

Consolidated Statement of Changes In Equity

For The Financial Year Ended 31 December 2024 (Continued)

			Non-Distributable	Distributable			
	Ordinary share capital (Note 36) RM'000	Treasury shares RM'000	Other reserves (Note 38) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group (continued)							
At 1 January 2023	976,329	(155,310)	276,189	1,130,052	2,227,260	126,958	2,354,218
Comprehensive income:							
Profit for the financial year	-	-	-	263,408	263,408	6,998	270,406
Other comprehensive income:							
Currency translation differences of foreign subsidiaries	-	-	5,425	-	5,425	-	5,425
Revaluation surplus	-	-	21,657	-	21,657	-	21,657
Fair value gain on equity instrument classified as FVOCI	-	-	266	-	266	-	266
Total other comprehensive income	-	-	27,348	-	27,348	-	27,348
Transactions with Owners:							
Issue of share capital:							
- ESOS	22,861	-	(3,678)	-	19,183	-	19,183
Acquisition of non-controlling interests	-	-		(73)	(73)	73	-
Disposal of interest in subsidiaries	-	-	(26,908)	19,150	(7,758)	16,439	8,681
Lapses ESOS	-	-	(36,598)	36,598	-	-	-
Dividends on ordinary shares (Note 15)	-	-	-	(146,204)	(146,204)	-	(146,204)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(5,480)	(5,480)
Total transactions with Owners	22,861	-	(67,184)	(90,529)	(134,852)	11,032	(123,820)
At 31 December 2023	999,190	(155,310)	236,353	1,302,931	2,383,164	144,988	2,528,152

Company Statement of Changes In Equity

For The Financial Year Ended 31 December 2024

			Non-Distributable	Distributable	
	Ordinary share capital (Note 36) RM'000	Treasury shares RM'000	FVOCI reserves RM'000	Retained earnings RM'000	Total RM'000
Company					
At 1 January 2024	**999,190**	**(155,310)**	**365**	**253,497**	**1,097,742**
Total comprehensive income:					
Profit for the financial year	**-**	**-**	**-**	**204,977**	**204,977**
Other comprehensive income:					
Gain on fair value of equity instrument classified as FVOCI	**-**	**-**	**3,335**	**-**	**3,335**
Transactions with Owners:					
Dividends on ordinary shares (Note 15)	**-**	**-**	**-**	**(181,119)**	**(181,119)**
At 31 December 2024	**999,190**	**(155,310)**	**3,700**	**277,355**	**1,124,935**

Company Statement of Changes In Equity

For The Financial Year Ended 31 December 2024 (Continued)

				Non-Distributable	Distributable	
	Ordinary share capital (Note 36) RM'000	Treasury shares RM'000	Share option reserves RM'000	FVOCI reserves RM'000	Retained earnings RM'000	Total RM'000
Company (continued)						
At 1 January 2023	976,329	(155,310)	40,276	(217)	280,233	1,141,311
Total comprehensive income:						
Profit for the financial year	-	-	-	-	146,408	146,408
Other comprehensive income:						
Gain on fair value of equity instrument classified as FVOCI	-	-	-	582	-	582
Transactions with Owners:						
Issue of share capital:						
- ESOS	22,861	-	(3,678)	-	-	19,183
Dividends on ordinary shares (Note 15)	-	-	-	-	(146,204)	(146,204)
Lapsed ESOS	-	-	(36,598)	-	(26,940)	(63,538)
Total transactions with Owners	22,861	-	(40,276)	-	(173,144)	(190,559)
At 31 December 2023	999,190	(155,310)	-	365	253,497	1,097,742

Statements of Cash Flows

For The Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities					
Profit/(Loss) before tax					
- Continuing operations		**530,955**	377,942	**211,735**	146,408
- Discontinued operations		**42,478**	(31,752)	**-**	-
		573,433	346,190	**211,735**	146,408
Adjustments for:					
Share of results of associates		**(49,362)**	(46,757)	**-**	-
Finance income		**(23,102)**	(20,410)	**-**	-
Finance costs:					
- Borrowings		**88,286**	97,377	**26,702**	24,672
- Lease liabilities		**110,051**	108,501	**-**	-
Dividend income from subsidiaries	7	**-**	-	**(257,878)**	(195,373)
Dividend income from equity instrument classified as FVOCI	7	**(6)**	(6)	**(2,182)**	(1,801)
Interest income	7	**-**	-	**(31,781)**	(22,602)
Allowance for ECL:					
- Trade receivables	26	**8,648**	7,271	**-**	-
- Amount due from subsidiaries	10	**-**	-	**-**	1,386
Gain on disposal of shares in subsidiaries	10	**(242)**	(44,781)	**-**	-
Property, plant and equipment:					
- Depreciation		**208,375**	198,057	**1,120**	636
- Written-off	10	**6,284**	588	**-**	-
- Loss/(Gain) on disposal	10	**463**	865	**-**	(62)
- Net impairment		**8,091**	20,804	**-**	-
Right-of-use assets:					
- Depreciation		**70,603**	72,970	**-**	-
Investment properties:					
- Net (gain)/loss on fair value	19	**(2,190)**	2,733	**-**	-
Intangible assets:					
- Amortisation of software development expenditure	20	**3,181**	10,583	**-**	-
Inventories written-off	10	**484**	394	**-**	-
Provision for retirement benefits	34	**180**	180	**-**	-
Assets held for sale:					
- Gain on disposal	10	**-**	(1,288)	**-**	-
- Net gain on extinguishment of net liabilities from disposal of aged care business	14	**(43,472)**	-	**-**	-

Statements of Cash Flows

For The Financial Year Ended 31 December 2024 (Continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities (continued)					
Operating cash flows before working capital changes		**959,705**	753,271	**(52,284)**	(46,736)
Changes in working capital:					
Inventories		**(7,572)**	(7,530)	**-**	-
Receivables		**(89,696)**	(33,177)	**(535)**	(2,374)
Payables		**164,273**	(17,366)	**35,071**	5,113
Contract liabilities		**204**	39,071	**-**	-
Related companies:					
- Amount due from subsidiaries		**-**	-	**(32,095)**	63,860
- Amount due to subsidiaries		**-**	-	**(68,051)**	39,421
Cash flows generated from operations		**1,026,914**	734,269	**(117,894)**	59,284
Income tax refund		**105**	19,634	**-**	-
Income tax paid		**(182,527)**	(96,051)	**(6,576)**	(522)
Retirement benefits paid	34	**(70)**	(323)	**-**	-
Net cash generated from/(used in) operating activities		**844,422**	657,529	**(124,470)**	58,762
Investing activities					
Additions to property, plant and equipment*		**(376,908)**	(237,492)	**(1,312)**	(3,810)
Addition of right-of-use assets		**(4,891)**	-	**-**	-
Additions to intangible assets	20	**(139)**	(3,010)	**(116)**	(3,010)
Additions to equity instruments classified as FVOCI		**-**	-	**-**	(9,714)
Proceeds from disposal of property, plant and equipment		**1,828**	2,242	**-**	201
Disposals of interest in subsidiaries:	22				
- Proceeds, net of cash and cash equivalents disposed		**3,676**	19,807	**-**	-
- Settlement of shareholders' Loan		**-**	156,277	**-**	-
(Settlement on)/Proceeds from disposal of assets held for sale		**(2,184)**	20,082	**-**	-
Interest received		**22,106**	20,236	**31,781**	22,602
Decrease/(Increase) in deposits with licensed banks with maturity of more than 3 months	28	**99,960**	(99,989)	**-**	-
Dividends received from associates/ subsidiaries		**24,484**	27,242	**254,123**	131,671
Net cash (used in)/generated from investing activities		**(232,068)**	(94,605)	**284,476**	137,940

Statements of Cash Flows

For The Financial Year Ended 31 December 2024 (Continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financing activites					
Acquisition of non-controlling interests	22	**(8,940)**	-	**-**	-
Additional investment in a subsidiary		**-**	-	**(3,734)**	-
Dividends paid to non-controlling interests		**(960)**	(5,260)	**-**	-
Issue of shares:					
- ESOS		**-**	19,183	**-**	19,183
Borrowings:					
- Drawdown		**108,370**	707,641	**100,000**	80,000
- Repayments		**(364,684)**	(691,410)	**(49,665)**	(123,044)
- Repayments to subsidiaries		**-**	-	**(413)**	(1,379)
Payment of lease liabilities		**(143,381)**	(141,749)	**-**	-
Interest paid		**(87,915)**	(97,190)	**(26,702)**	(24,672)
Dividends paid to shareholders		**(181,119)**	(146,204)	**(181,119)**	(146,204)
Designated account	28	**108,895**	(79,744)	**-**	-
Net cash used in financing activities		**(569,734)**	(434,733)	**(161,633)**	(196,116)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**42,620**	128,191	**(1,627)**	586
CURRENCY TRANSLATION DIFFERENCES		**(819)**	7,446	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**552,503**	416,866	**3,901**	3,315
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28	**594,304**	552,503	**2,274**	3,901

* During the financial year, the Group acquired assets under hire purchase amounting to RM28,906,000 (2023: RM6,572,000) resulting to addition to property, plant and equipment totalling RM405,814,000 (2023: RM244,064,000)

Statements of Cash Flows

For The Financial Year Ended 31 December 2024 (Continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Cashflows				Non-cash movement			
	At 1 Jan RM'000	Drawdown RM'000	Repayments RM'000	Finance costs paid RM'000	Finance costs RM'000	Contra RM'000	Foreign exchange movement RM'000	Hire purchase/ leases RM'000	At 31 Dec RM'000
2024									
Group									
Borrowings (exclude overdraft)	**1,893,513**	**108,370**	**(364,684)**	**(87,915)**	**87,915**	**-**	**-**	**24,850**	**1,662,049**
Lease liabilities	**1,910,258**	**-**	**(143,381)**	**-**	**109,106**	**-**	**(1,743)**	**121,307**	**1,995,547**
Company									
Borrowings	**172,126**	**100,000**	**(49,665)**	**(8,665)**	**8,665**	**-**	**-**	**-**	**222,461**
Amount due to subsidiaries	**428,451**	**-**	**(413)**	**(18,037)**	**18,037**	**(68,051)**	**-**	**-**	**359,987**
2023									
Group									
Borrowings (exclude overdraft)	1,870,710	707,641	(691,410)	(97,190)	97,190	-	-	6,572	1,893,513
Lease liabilities	1,862,845	-	(141,749)	-	107,701	-	3,460	78,001	1,910,258
Company									
Borrowings	215,170	80,000	(123,044)	(8,213)	8,213	-	-	-	172,126
Amount due to subsidiairies	390,406	-	(1,379)	(16,459)	16,459	39,424	-	-	428,451

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of registered office of the Company is Level 13, Menara KPJ, 238 Jalan Tun Razak, 50400 Kuala Lumpur.

The address of principal place of business of the Company is Level 12, Menara KPJ, 238 Jalan Tun Razak, 50400 Kuala Lumpur.

The Directors regard Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995), as the ultimate holding corporation.

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are mainly the operation of specialist hospitals. The details of the principal activities of the subsidiaries are disclosed in Note 22 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution on 28 February 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of material accounting policies below.

The preparation of the financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates and judgment are based on management's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6. The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Amendments to standards that are effective and applicable to the Group and Company beginning on 1 January 2024

The amendments to standards that are effective and applicable to the Group and the Company are as follows:

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above amendments to standards did not give rise to significant effect on the financial performance or position of the Group and of the Company.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Amendments to standards that have been issued but not yet effective and have not been adopted early by the Group and the Company

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to MFRSs - Volume 11:	1 January 2026
MFRS 1: Hedge accounting by a first-time adopter	
MFRS 7: Gain or loss on derecognition	
MFRS 9: Derecognition of lease liabilities and transaction price	
MFRS 10: Determination of a 'de facto agent'	
MFRS 107: Cost method	
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group intends to adopt these standards when they become effective. The Directors of the Company do not anticipate that the application of these standards will have a significant impact on the Group's financial statements, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

Changes in the Group's ownership interests in subsidiaries, without a loss of control, are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other component of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method except for Johor Specialist Hospital Sdn. Bhd. and Ipoh Specialist Hospital Sdn. Bhd. which were consolidated using the merger method of accounting as disclosed below. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Business combinations (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in the profit or loss.

Business combinations involving entities under common control are accounted for by applying the merger method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the 'acquired' entity is reflected within equity as merger reserve/deficit. The profit or loss reflects the results of the combining entities for the full financial year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date of the entities had come under common control.

The accounting policy for goodwill is disclosed in Note 2.10.

Gains or losses on disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

2.6 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

2.7 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the income statement outside operating profit and represents the profit or loss after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss within 'Share of profit of an associate' in the income statement.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at fair value less subsequent depreciation and impairment losses. Valuations are performed in every five years by external valuers to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

When revalued assets are sold, the revaluation surplus included in equity is transferred directly to retained earnings when the asset is retired or disposed of.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Buildings	2%
Renovation	8% - 20%
Medical and other equipment	7.5% - 33.33%
Furniture and fittings	10% - 20%
Vehicles	10% - 20%
Computers	10% - 20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit or loss.

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

The CGU to which goodwill has been allocated is tested for impairment annually according to the basis set out in Note 2.11 and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.31.

(b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on the straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

<u>Software development expenditure</u>

Software development is stated at cost less accumulated amortisation and impairment losses. The expenditure represents development work carried out in developing specialised software packages for use in the Group's business, which includes cost to purchase the software and direct cost such as salaries and hardware usage costs specifically attributable to each project.

Software development expenditure is capitalised when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and use or sell the asset;
- the ability to use or sell the intangible asset generated;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (continued)

(b) Other intangible assets (continued)

Software development expenditure (continued)

When development is complete and the asset is available for use, it is amortised over the straight-line basis over a period of 5 to 10 years. During the period of development, the asset is tested for impairment annually. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11. Cost incurred in software development which have ceased to be technically viable, are written off.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, "CGU").

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2.12 Financial assets

(a) Classificaiton

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured subsequently at amortised cost.

(b) Recognition and derecognition

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

(c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(c) Measurement (continued)

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

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

(ii) Fair value through other comprehensive income ("FVOCI")

Debt instruments at fair value through other comprehensive income includes investments in quoted government and corporate bonds. The Group does not have any debt instruments at fair value through other comprehensive income.

(iii) Fair value through profit or loss ("FVTPL")

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

Equity Instruments

The Group has elected to subsequently measures all equity investments at fair value through OCI. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial assets, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

(d) Subsequent measurement - Impairment

Impairment for debt instruments and financial guarantee contracts

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(d) Subsequent measurement - Impairment (continued)

Impairment for debt instruments and financial guarantee contracts (continued)

The Group and the Company have the followings financial instruments that are subject to the ECL model:

- Trade receivables and other receivables and intercompany receivables
- Financial guarantee contracts

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

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

The measurement of ECL reflects:

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

The ECL approach can be classified into the categories below:

(i) General 3-stage approach for other receivables, intercompany receivables (non-trade) and financial guarantee contracts issued

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 3(a)(ii) sets out the measurement details of ECL.

(ii) Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 3(a)(i) sets out the measurement details of ECL.

Significant increase in credit risk

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

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(d) Subsequent measurement - Impairment

Significant increase in credit risk (continued)

- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

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

Definition of default and credit-impaired financial assets

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

Quantitative criteria:
The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

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

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

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

Groupings of instruments for ECL measured on collective basis

(i) Collective assessment

To measure ECL, trade receivables arising from hospital operations have been grouped based on shared credit risk characteristics such as type of receivables and the days past due.

(ii) Individual assessment

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

Write-off

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period after schedule payment was made.

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

(ii) Other receivables

The Group's and the Company's assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.14 Financial guarantee contracts

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

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

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

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

2.15 Leases

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

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

i) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (iv) below).

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (continued)

(a) Accounting by lessee (continued)

ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs, if any.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on the straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

While the Group revalues land and building (presented as part of property, plant and equipment) that it owns, it has chosen not to revalue the ROU building held by the Group.

iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of comprehensive income.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (continued)

(a) Accounting by lessee (continued)

iv) Reassessment of lease liabilities

The carrying amount of lease liabilities is remeasured and adjusted against the ROU assets if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

v) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on the straight-line basis as an expense in profit or loss.

(b Accounting by lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included as revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised in the period in which they are earned.

2.16 Trade and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy Note 2.12 on impairment of financial assets.

2.17 Non-current assets (or disposal groups) classified as assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Non-current assets (or disposal groups) classified as assets held for sale and discontinued operations (continued)

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented as a single amount in the statement of comprehensive income.

Additional disclosures are provided in Note 14. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

2.18 Inventories

Inventories are stated at the lower of cost (determined on the weighted average basis and includes expenditure incurred in bringing the inventories to its present location and condition) and net realisable value.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

2.19 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

2.20 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Borrowings and borrowing costs

(a) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Current and deferred income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income taxes (continued)

(a) Current income tax (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

The Group has applied a temporary mandatory relief from deferred tax accounting related to Pillar Two income taxes.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The Group's accounting policy in respect of reinvestment allowance/ investment tax allowance tax credit is to recognise the tax credit when it is utilised as a reduction of current income tax liability and no deferred tax asset is recognised when the tax credit arises.

2.23 Employee benefits

(a) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as accruals in the statement of financial position.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Defined benefit plans

One of the subsidiary in the Group operates an unfunded lump-sum defined benefit plan for its eligible employees. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in profit or loss in employee benefit expense.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Share-based payments - employee options

The Group operated an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted in exchange for the services of the employees were recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed was determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions were included in assumptions about the number of options that were expected to vest.

The total expense was recognised over the vesting period, which was the period over which all of the specified vesting conditions were satisfied. At the end of the reporting period, the Group revised its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognised the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value was estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group was treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary were recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

When the options were exercised, the Company issued new shares. The proceeds received net of any directly attributable transaction costs were credited to share capital when the options were exercised together with the share option reserve.

The Company recharged the subsidiaries the difference between the market price at the date of exercise and the exercise price. When the Company recharged its subsidiaries, it was treated as a return of the capital contribution by the subsidiaries, with a corresponding credit to profit or loss.

When options were not exercised and lapse, the share option reserve was transferred to retained earnings and/ or derecognised from investment in subsidiary.

2.25 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Provisions (continued)

Onerous contracts

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

The present value of future payments for surplus leased properties under non-cancellable operating leases, net of estimated sub-leasing revenue, is recognised as a liability (or, if lower, the costs of exiting from the contract) for the leased property that is no longer part of a cash-generating unit.

2.26 Contingent liabilities

The Group does not recognise contingent liabilities but discloses their existence in the notes to the financial statements. A contingent liability is a possible obligation that arises from past events whose crystallisation will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.27 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within twelve months after the reporting period; or
(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

2.28 Share capital and share issuance expenses

(a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual arrangement of the particular instrument. See accounting policy Note 2.21(a) on borrowings.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.28 Share capital and share issuance expenses (continued)

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

(c) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(d) Purchase of own shares

Where the Company purchases its equity instruments as a result of a share buy-back, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

2.29 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.30 Revenue recognition

Revenue from contracts with customers

(a) Revenue from hospital and healthcare charges

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

i. Revenue from inpatient and outpatient hospital charges

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

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

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

ii. Wellness packages / Aged care revenue

Revenue from wellness packages/aged care are recognised as and when the performance obligations are satisfied. Each service offered has been identified as a separate performance obligation.

Advance payment received are recognised as contract liabilities/ deposit received.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.30 Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Tuition fees

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

(c) Management fees

Management fees are recognised in the accounting period in which the services are rendered to the subsidiaries and the Group has a present right to payment for the services.

Revenue from other sources

(a) Dividend income

Dividend income is recognised when the Group's right to receive payment is established. Dividends that clearly represent a recovery of part of the cost of an investment is recognised in OCI if it relates to an investment in equity instruments measured at FVOCI.

(b) Interest income

Interest income is recognised on the accrual basis using the effective interest method.

(c) Rental income

Rental income receivable under operating lease is recognised on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Contingent rentals are recognised as income in the reporting period in which they are earned.

2.31 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are recognised in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance income or expenses. All other foreign exchange gains and losses are presented in profit or loss on a net basis within finance income or expenses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.31 Foreign currencies (continued)

(b) Transactions and balances (continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at fair value through other comprehensive income, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

2.32 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.32 Fair value measurement (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participant act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(ii) Level 2 – Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable
(iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purposes of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

2.33 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. parties are also considered related if they are subject to common control or common significant influence. related parties may be individuals including close members of the individuals, or corporate entities.

2.34 Zakat

This represents business zakat. The Group and Company recognise its obligation towards the payment of zakat on business income in the statement of comprehensive income. Zakat expense is derived from the net adjusted amount of zakat assets and liabilities used for or derived from business activities.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises mainly from trade and other receivables, cash and cash equivalents and deposits with financial institutions. Risk arising from these are minimised through effective monitoring of receivable accounts that exceeded the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses. The Group has no significant concentration of credit risk with any single customer.

The Group seeks to invest cash assets safely and profitability and buys insurance to protect itself against insurable risk in this regard, counterparties are assessed for credit limits that are set to minimise any potential losses. The Group's cash and cash equivalents and short-term deposits are placed with creditworthy financial institutions and the risks arising there from are minimised in view of the financial strength of these financial institutions.

The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and the repayment made by the subsidiary. As at the reporting date, there is no indication that the subsidiary would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition is not material.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. In addition, the Company is exposed to credit risk arising from the financial guarantee contracts as disclosed in Note 3(a)(iii).

Group impairment policy

(i) Trade receivables using simplified approach

The historical loss rates are calculated based on the percentage of revenue that will turn into bad debts at the end of the period. The expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product ("GDP") and credit rating of each category of customers to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii) Other receivables using general 3-stage approach

The Group and the Company use three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Group impairment policy (continued)

(ii) Other receivables using general 3-stage approach (continued)

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/ or principal repayments are 30 days past due (see Note 2.12(d) above)	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit- impaired (see Note 2.12(d) above)	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount (see Note 2.12(d) above)	12 month ECL

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

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

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

Maximum exposure to credit risk

(i) Trade receivables using simplified approach

The Group recognises the ECL allowance using provision rates that are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The loss allowance recognised as at 31 December 2024 is RM6,959,000 (2023: RM5,736,000).

The remaining amount not provided are deemed recoverable, with low probability of default. This is supported after considering the historical data by each debtor category and the possibility of no credit loss may occur.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Maximum exposure to credit risk (continued)

(ii) Other receivables using general 3-stage approach

The maximum exposure to credit risk for other receivable balances is represented by the carrying amount recognised in the statement of financial position due to the balances are considered to be performing, have low risk of default and strong capacity to meet contractual cash flow.

(iii) Financial guarantee contracts using general 3-stage approach

The following table contains an analysis of the credit risk exposure of financial guarantee contracts for which an ECL allowance is recognised. The total amount guaranteed below also represents the maximum amount that the Company has to pay if the guarantee is called on:

	Stage 1 12 month ECL RM'000	Stage 2 Lifetime ECL RM'000	Stage 3 Lifetime ECL RM'000	Total RM'000
2024				
Company's internal credit rating				
Performing	**1,301,201**	**-**	**-**	**1,301,201**
Underperforming	**-**	**-**	**-**	**-**
Non-performing	**-**	**-**	**-**	**-**
Total amount guaranteed	**1,301,201**	**-**	**-**	**1,301,201**
Loss allowance	**-**	**-**	**-**	**-**
2023				
Company's internal credit rating				
Performing	1,510,109	-	-	1,510,109
Underperforming	-	-	-	-
Non-performing	-	-	-	-
Total amount guaranteed	1,510,109	-	-	1,510,109
Loss allowance	-	-	-	-

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Cash flow forecasting is performed by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statements of financial position ratio targets.

Surplus cash held by the subsidiaries over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in financial instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2024				
Group				
Trade and other payables	828,026	-	-	828,026
Borrowings	343,064	749,857	659,485	1,752,406
Lease liabilities	147,446	726,183	2,919,212	3,792,841
Deposits	-	-	11,338	11,338
Total undiscounted financial liabilities	1,318,536	1,476,040	3,590,035	6,384,611

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	On demand or within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2024 (continued)				
Company				
Trade and other payables	**59,906**	**-**	**-**	**59,906**
Amounts due to subsidiaries	**108,493**	**280,000**	**-**	**388,493**
Borrowings	**231,285**	**335**	**-**	**231,620**
Financial guarantee contracts*	**-**	**303,668**	**997,533**	**1,301,201**
Total undiscounted financial liabilities	**399,684**	**584,003**	**997,533**	**1,981,220**
2023				
Group				
Trade and other payables	658,292	-	-	658,292
Borrowings	572,419	427,933	1,043,299	2,043,651
Lease liabilities	148,295	587,652	3,004,763	3,740,710
Deposits	-	-	12,046	12,046
Total undiscounted financial liabilities	1,379,006	1,015,585	4,060,108	6,454,699
Company				
Trade and other payables	24,835	-	-	24,835
Amounts due to subsidiaries	102,729	362,641	-	465,370
Borrowings	172,084	42	-	172,126
Financial guarantee contracts*	208,908	303,668	997,533	1,510,109
Total undiscounted financial liabilities	508,556	666,351	997,533	2,172,440

* Related to Islamic Medium Term Notes (Note 32)

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points (2023: 25 basis points) lower/higher, with all other variables held constant, the Group's profit before tax for the financial year would have been RM1,033,257 (2023: RM1,149,097) higher/lower, arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. The assumed movement in interest rate for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group does not face significant exposure from foreign currency exchange risk.

(e) Offsetting financial assets and financial liabilities

There is no offsetting of financial assets and financial liabilities during the year for the Group and Company.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

4. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and health capital ratios in order to support its business, maximise shareholder value and comply with its financial covenants.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gross gearing ratio, which is total borrowings less hire purchase divided by total equity.

The Group's gross gearing ratios as at 31 December 2024 and 2023 were as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Current borrowings	**328,992**	546,955
Non-current borrowings	**1,347,266**	1,364,964
Total borrowings (Note 32) - [A]	**1,676,258**	1,911,919
Current hire purchase	**19,379**	18,454
Non-current hire purchase	**38,575**	28,826
Total hire purchase (Note 32) - [B]	**57,954**	47,280
Total equity - [C]	**2,737,598**	2,528,152
Gross gearing ratio (%) - [A - B] / [C]	**0.59**	0.74

Borrowings represent short-term borrowings and term loans from licensed banks, hire purchase creditors, Islamic Medium Term Notes and excludes lease liabilities.

The Group has complied with all material external financial covenants during the financial year as disclosed in Note 32.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

5. FAIR VALUE DISCLOSURE

(a) Determination of fair value of financial instruments

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

Current asset/liability	Note
Trade and other receivables and amounts due from subsidiaries	26
Deposits, bank and cash balances	28
Trade and other payables and amounts due to subsidiaries	30
Borrowings	32
Deposits	35

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

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

The fair values of non-current financial liabilities, which primarily comprise advances to or from subsidiaries, borrowings and deposits, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date. The fair value of these financial liabilities are disclosed in their respective notes.

Financial instruments that are carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair values of the Group's non-current fixed-rate borrowings are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair values of these instruments are disclosed in Note 32.

5. FAIR VALUE DISCLOSURE (CONTINUED)

(b) Fair value measurement

Qualitative disclosures fair value measurement hierarchy for assets and liabilities are as follows:

	Level 1		Level 3	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group				
Equity instruments classified as FVOCI (Note 24)	**1,450**	1,507	**-**	-
Property, plant and equipment (Note 17):				
- Freehold land	**-**	-	**246,661**	247,534
- Buildings	**-**	-	**1,495,904**	1,511,527
Investment properties (Note 19)	**-**	-	**357,453**	358,166
	1,450	1,507	**2,100,018**	2,117,227
Company				
Equity instruments classified as FVOCI (Note 24)	**39,882**	36,547	**-**	-

The Group and the Company do not have any financial liabilities carried at fair value nor any assets or liabilities classified as Level 2 as at 31 December 2024 and 31 December 2023.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty or judgements made in applying accounting policies

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

(a) Impairment of property, plant and equipment and right-of-use assets

The Group assesses, at each reporting date, whether there is an indication that the property, plant and equipment and right-of-use assets may be impaired. Where an indication of impairment exists, recoverable value is assessed based on an estimate of the value in use of the cash-generating unit. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable values have been assessed for the Group's property, plant and equipment and right-of-use assets with carrying amounts totaling RM1,122,000,000 as at 31 December 2024.

The carrying values of these property, plant and equipment and right-of-use assets have been tested for impairment by discounting the total estimated future cash flows of the cash generating units using discount rates ranging from 10.0% to 11.5% and average growth rates during the gestation period ranging from 19% to 23%.

Sensitivity analysis on average growth rate used

Of the RM1,122,000,000 Group's property, plant and equipment and right-of-use assets assessed above, a decrease of 1% in the average growth rate during the gestation period for the Group's property, plant and equipment and right-of-use assets with carrying amount of RM85,365,000 would result in potential impairment loss amounting to approximately RM19,000,000, on the basis that all other assumptions in the value in use calculation remain constant.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

7. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers				
Revenue from hospital and healthcare charges:				
Recognised at a point in time:				
- Revenue from inpatient and outpatient hospital charges:				
- Revenue from hospitals	**3,704,914**	3,205,741	**-**	-
- Management fees from consultants	**115,080**	113,828	**-**	-
- Wellness packages	**3,660**	4,683	**-**	-
- Vaccine administration services	**-**	15	**-**	-
	3,823,654	3,324,267	**-**	-
Recognised over time:				
- Retirement village	**2,543**	5,261	**-**	-
	3,826,197	3,329,528	**-**	-
Revenue from other sources				
Recognised at a point in time:				
- Dividend income	**6**	6	**260,060**	197,174
- Interest income	**-**	-	**31,781**	22,602
- Other revenue	**108**	168	**-**	-
	114	174	**291,841**	219,776
Recognised over time:				
- Tuition fees	**45,278**	40,722	**-**	-
- Rental income	**43,801**	41,470	**-**	-
- Management fees	**6,854**	6,807	**98,273**	68,548
	95,933	88,999	**98,273**	68,548
	96,047	89,173	**390,114**	288,324
	3,922,244	3,418,701	**390,114**	288,324

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

7. REVENUE (CONTINUED)

Hospital and healthcare charges generally relates to contracts with patients in which performance obligations are to provide healthcare services. The performance obligations for inpatient services are generally satisfied over a short period and revenue from inpatients is recorded when the healthcare services is performed. The performance obligations for outpatient and daycare services are generally satisfied over a period of less than one day and revenue is also recorded when the healthcare services is performed. Revenue from sales of pharmaceutical products are recognised upon delivery to customers.

There are no unsatisfied performance obligations at the end of the financial year.

Revenue from tuition fees, management fees and retirement village are recognised over time.

Disaggregation of revenue from contracts with customers

The following tables show the Group's revenue disaggregated by the Group's major services and provide reconciliations of the disaggregated revenue with the major market segments.

	Hospital and healthcare charges		Others		Total
Segment*	**Malaysia RM'000**	**Others RM'000**	**Malaysia RM'000**	**Others RM'000**	**RM'000**
2024					
Segment revenue	**4,513,758**	**25,571**	**652,871**	**45,844**	**5,238,044**
Intersegment revenue	**(713,132)**	**-**	**(602,102)**	**(566)**	**(1,315,800)**
Revenue from external customers	**3,800,626**	**25,571**	**50,769**	**45,278**	**3,922,244**
2023					
Segment revenue	3,941,782	29,141	482,510	41,318	4,494,751
Intersegment revenue	(641,395)	-	(434,089)	(566)	(1,076,050)
Revenue from external customers	3,300,387	29,141	48,421	40,752	3,418,701

* The classification of the segments refers to Note 42.

8. ZAKAT

Zakat expense is zakat provided and paid during the financial year.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

9. FINANCE INCOME AND COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance costs				
Borrowings				
Profit distribution from Islamic financing:				
- Islamic Medium Term Notes	**64,205**	68,352	**-**	-
- Term Financing-i	**10,881**	17,141	**-**	-
- Revolving credit-i	**9,501**	8,838	**8,653**	8,202
- Hire purchase-i	**1,819**	2,140	**12**	11
- Cash line-i	**1,504**	1,299	**-**	-
Interest expense on conventional borrowing:				
- Term loans	**-**	157	**-**	-
- Hire purchase creditors	**5**	6	**-**	-
- Advances from subsidiaries	**-**	-	**18,037**	16,459
	87,915	97,933	**26,702**	24,672
Less: Interest expense capitalised in:				
- Property, plant and equiptment (Note 17)	**-**	(743)	**-**	-
	87,915	97,190	**26,702**	24,672
Lease liabilities	**109,106**	107,701	**-**	-
	197,021	204,891	**26,702**	24,672
Finance income				
Profit sharing from deposits with licensed banks	**(22,106)**	(20,149)	**-**	-
Net finance costs	**174,915**	184,742	**26,702**	24,672

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was nil (2023: 5%).

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

10. PROFIT BEFORE TAX

Profit before tax is arrived after charging/(crediting):

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Auditors' remuneration					
- Statutory audits					
- EY Malaysia		**2,156**	2,071	**353**	369
- Non-EY		**768**	632	**-**	-
- Other services					
- EY Malaysia		**2,778**	3,721	**1,141**	2,758
- PwC		**3,770**	1,020	**3,288**	478
- Non-EY/PwC		**711**	1,170	**328**	950
Allowance for ECL:					
- Trade receivables	26	**8,648**	7,271	**-**	-
- Amount due from subsidiaries	26	**-**	-	**-**	1,386
Contribution to Klinik Waqaf An-Nur	39	**3,120**	3,855	**19**	1,025
Directors' remuneration	12	**6,889**	3,728	**6,700**	3,601
Cost of medical supplies		**1,063,672**	958,248	**-**	-
Inventories written-off		**484**	394	**-**	-
Professional fees		**17,164**	20,995	**14,529**	6,225
Repair and maintenance		**170,249**	115,208	**4,664**	2,592
Gain on disposal of shares in subsidiaries		**(242)**	(44,781)	**-**	-
Investment properties:					
- Rental income		**(15,824)**	(15,764)	**-**	-
- Direct operating expenses		**14,924**	11,773	**-**	-
- Net (Gain)/Loss on fair value	19	**(2,190)**	2,733	**-**	-
Property, plant and equipment:					
- Depreciation	17	**208,375**	195,556	**1,120**	636
- Written-off		**6,284**	588	**-**	-
- Loss/(Gain) on disposal		**463**	865	**-**	(62)
- Loss on impairment		**8,091**	4,033	**-**	-
Gain on disposal of assets held for sale		**-**	(1,288)	**-**	-
Right-of-use assets:					
- Depreciation	18	**70,374**	69,183	**-**	-
Rental expense of land and buildings	18	**9,129**	8,977	**4,181**	4,220

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

10. PROFIT BEFORE TAX (CONTINUED)

Profit before tax is arrived after charging/(crediting): (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Rental of equipment and vehicles	18	**15,255**	10,000	**122**	-
Employee benefits costs	11	**1,174,270**	1,059,193	**86,613**	61,355
Intangible assets:					
- Amortisation of software expenditure	20	**3,181**	10,583	**-**	-

11. EMPLOYEE BENEFITS COST

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Staff costs (excluding Directors' remuneration):				
- Salaries, allowances and bonuses	**1,060,359**	951,730	**74,135**	51,928
- Contributions to defined contribution plan	**113,731**	107,283	**12,478**	9,427
- Provision for retirement benefits (Note 34)	**180**	180	**-**	-
	1,174,270	1,059,193	**86,613**	61,355

12. DIRECTORS REMUNERATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Managing and Executive Director				
- Salaries, allowances and bonuses	**2,610**	561	**2,610**	561
- Contributions to defined contribution plan	**391**	84	**391**	84
- Benefits-in-kind	**56**	8	**56**	8
	3,057	653	**3,057**	653

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

12. DIRECTORS REMUNERATION (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Independent and Non-Executive Directors				
- Fees	**1,085**	901	**1,045**	865
- Allowances	**866**	650	**853**	645
- Benefits-in-kind	**37**	31	**37**	31
	1,988	1,582	**1,935**	1,541
Independent and Non-Executive Directors				
- Fees	**1,141**	956	**1,041**	885
- Allowances	**796**	576	**760**	561
- Benefits-in-kind	**-**	2	**-**	2
	1,937	1,534	**1,801**	1,448
	6,982	3,769	**6,793**	3,642

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2024	2023
Managing and Executive Director:		
RM1 - RM900,000	**-**	1
RM3,000,001 - RM3,500,000	**1**	-
Non-Independent Non-Executive Directors:		
RM100,001 - RM200,000	**1**	1
RM200,001- RM300,000	**1**	3
RM300,001- RM400,000	**3**	-
RM400,001- RM500,000	**-**	1
RM600,001 - RM700,000	**1**	-
Independent Non-Executive Directors		
RM200,001 - RM300,000	**-**	2
RM300,001 - RM400,000	**3**	3
RM400,001 - RM500,000	**2**	-
	12*	11

* Including a Director who resigned during the financial year 2024.

13. TAX

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations				
Malaysian income tax:				
- In respect of current financial year	**145,583**	113,590	**-**	-
- Under/(Over) provision of prior years income tax	**8,765**	(639)	**6,332**	-
Foreign income tax:				
- In respect of current financial year	**259**	1,157	**-**	-
- Over provision of prior years income tax	**-**	(3,527)	**-**	-
	154,607	110,581	**-**	6,332
Deferred tax (Note 25)	**11,583**	(35,236)	**426**	-
Income tax expense recognised in the profit or loss	**166,190**	75,345	**6,758**	-
Discontinued operations				
Foreign income tax:				
- In respect of current financial year	**-**	(796)	**-**	-
- Under provision of prior yearsincome tax	**-**	439	**-**	-
	-	(357)	**-**	-
Deferred tax (Note 25)	**-**	796	**-**	-
Income tax expense attributable to a discontinued operation (Note 14)	**-**	439	**-**	-
Total income tax expense recognised in the profit or loss	**166,190**	75,784	**6,758**	-
Deferred tax related to other comprehensive income (Note 25)	**-**	6,372	**-**	-

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

13. TAX (CONTINUED)

A reconciliation of tax applicable to profit before tax at the Malaysian statutory income tax rate to tax at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax				
- continuing operations	**530,955**	377,942	**211,735**	146,408
- discontinued operations (Note 14)	**42,478**	(31,752)	**-**	-
	573,433	346,190	**211,735**	146,408
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	**137,624**	83,086	**50,816**	35,138
Tax effects of:				
- Different tax rates	**1,328**	(2,765)	**-**	-
- Income not subject to tax	**(21,595)**	(12,349)	**(62,227)**	(47,340)
- Expenses non-deductible for tax purposes	**37,280**	45,631	**5,210**	10,976
- Share of results of associates	**(11,847)**	(11,222)	**-**	-
- Under/(Over) provision of prior years income tax	**8,765**	(3,727)	**6,332**	-
- Under/(Over) provision of prior years deferred tax	**8,171**	(3,214)	**(254)**	-
- Deductible temporary differences not recognised	**22,717**	25,297	**6,881**	1,226
- Utilisation/Recognition of deductible temporary differences previously not recognised	**(16,253)**	(44,953)	**-**	-
Income tax expense	**166,190**	75,784	**6,758**	-

14. DISCONTINUED OPERATIONS

"Jeta Gardens (Qld) Pty Ltd and its wholly-owned subsidiary, Jeta Gardens Aged Care (Qld) Pty Ltd (collectively, "Jeta Gardens") had entered into a conditional business sale and purchase agreement with DPG Services Pty Ltd to dispose its Aged Care Business (including its selected existing assets and liabilities) (collectively referred as "Aged Care's Operation") on 12 December 2023.

Jeta Gardens completed the disposal of Aged Care's Operation on 31 January 2024, following the fulfilment of conditions precedent and the obligations on completion."

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

	Group	
	2024 RM'000	**2023 RM'000**
Revenue	**6,108**	85,750
Cost of sales	**(5,164)**	(84,165)
Gross profit	**944**	1,585
Administrative expenses	**(2,526)**	(37,538)
Other income	**44,380**	4,927
Operating profit/(loss)	**42,798**	(31,026)
Finance income	**996**	261
Finance costs	**(1,316)**	(987)
Finance costs - net	**(320)**	(726)
Profit/(Loss) before tax (Note 13)	**42,478**	(31,752)
Tax (Note 13)	**-**	(439)
Net profit/(loss) for the financial year from discontinued operations	**42,478**	(32,191)
Other comprehensive income	**-**	4,215
Total comprehensive income/(loss) from discontinued operations	**42,478**	(27,976)
Profit/(Loss) for the financial year attributable to:		
Owners of the company	**22,738**	(17,884)
Non-controlling interests	**19,740**	(14,307)
	42,478	(32,191)

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

14. DISCONTINUED OPERATIONS (CONTINUED)

a. Statement of comprehensive income of the discontinued operation is as follows (continued):

	Group	
	2024 RM'000	2023 RM'000
Total comprehensive profit/(loss) for the financial year attributable to:		
Owners of the company	**22,738**	(13,669)
Non-controlling interests	**19,740**	(14,307)

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

	Group	
	2024 RM'000	2023 RM'000
Net cash used in operating activities	**(762)**	(8,024)
Net cash (used in)/generated from investing activities	**(2,184)**	18,396
Net cash used in financing activities	**-**	(5,363)
Net changes in cash and cash equivalents	**(2,946)**	5,009

14. DISCONTINUED OPERATIONS (CONTINUED)

c. Included in the profit or loss are the following items:

	Group	
	2024 RM'000	**2023 RM'000**
Auditors' remuneration:		
- Statutory audits	**-**	192
Cost of medical supplies	**-**	16,275
Directors' remuneration	**-**	74
Professional fees	**87**	701
Repair and maintenance	**1,322**	2,175
Depreciation:		
- Property, plant and equipment	**-**	2,501
- Right-of-use	**229**	3,787
Impairment loss on property, plant and equipment	**-**	16,771
Employee benefits costs	**5,143**	62,607
Gain on disposal of assets held for sale	**(43,472)**	-

15. DIVIDENDS

	Group/ Company RM'000
Declared in 2024 in respect of:	
Financial year ended 31 December 2024	
First interim single tier dividend of 1.00 sen per ordinary share paid on 29 March 2024	**43,643**
Second interim single tier dividend of 1.00 sen per ordinary shares paid on 5 July 2024	**43,643**
Third interim single tier dividend of 1.00 sen per ordinary shares paid on 4 October 2024	**43,643**
Fourth interim single tier dividend of 1.15 sen per ordinary shares paid on 27 December 2024	**50,190**
	181,119

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

15. DIVIDENDS (CONTINUED)

	Group/ Company RM'000
Declared in 2023 in respect of:	
Financial year ended 31 December 2023	
First interim single tier dividend of 0.60 sen per ordinary share paid on 14 April 2023	26,186
Second interim single tier dividend of 0.65 sen per ordinary shares paid on 4 July 2023	28,368
Third interim single tier dividend of 0.80 sen per ordinary shares paid on 3 October 2023	34,914
Fourth interim single tier dividend of 1.05 sen per ordinary shares paid on 28 December 2023	45,825
Special interim single tier dividend of 0.25 sen per ordinary shares paid on 28 December 2023	10,911
	146,204

The Directors are of the opinion that the Company is able to pay its debts, identified as at the date of the statements of financial position, as being the debts as they fall due and that the Company will remain solvent for the period of twelve months after the date of declaration.

The Directors did not recommend the payment of a final dividend in respect of the financial year ended 31 December 2024."

16. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit/loss attributable to ordinary equity holders of the Company for the financial year by the average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Continuing operations		
Profit attributable to Owners of the Company (RM'000)	**331,079**	281,292
Weighted average number of ordinary shares in issue ('000)	**4,364,301**	4,361,014
Basic earnings per share (sen)	**7.59**	6.45

16. EARNINGS PER SHARE (CONTINUED)

	Group	
	2024	2023
Discontinued operations		
Profit/(Loss) attributable to Owners of the Company (RM'000)	**22,738**	(17,884)
Weighted average number of ordinary shares in issue ('000)	**4,364,301**	4,361,014
Basic earnings per share (sen)	**0.52**	(0.41)

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Medical and other equipment RM'000	Furniture, fittings, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
2024							
At 1 January							
- Cost	-	-	526,048	1,267,332	603,905	137,604	2,534,889
- Valuation	247,534	1,574,961	-	-	-	-	1,822,495
	247,534	1,574,961	526,048	1,267,332	603,905	137,604	4,357,384
Exchange differences	-	(31)	(91)	(367)	(559)	-	(1,048)
Additions	1,857	3,225	47,609	200,372	72,800	79,951	405,814
Disposals	-	(251)	(1,746)	(29,016)	(7,437)	-	(38,450)
Disposals of subsidiary	(3,130)	(2,940)	(2,915)	-	(5,755)	-	(14,740)
Written-off	-	(228)	(396)	(15,050)	(8,577)	(4,738)	(28,989)
Reclassifications	-	12,679	37,615	-	3,507	(53,801)	-
Transfer from investment properties (Note 19)	-	1,870	-	-	-	-	1,870
Transfer from intangible assets (Note 20)	-	-	-	-	193	-	193
Reversal/(Impairment) loss (Note 10)	400	(10)	(809)	(775)	(740)	(6,157)	(8,091)
	(873)	14,314	79,267	155,164	53,432	15,255	316,559

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Medical and other equipment RM'000	Furniture, fittings, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)							
2024							
At 31 December							
- Cost	-	-	605,315	1,422,496	657,337	152,859	2,838,007
- Valuation	246,661	1,589,275	-	-	-	-	1,835,936
	246,661	1,589,275	605,315	1,422,496	657,337	152,859	4,673,943
Accumulated depreciation							
At 1 January	-	(63,434)	(307,354)	(753,041)	(459,081)	-	(1,582,910)
Exchange differences	-	4	67	195	302	-	568
Charge for the financial year (Note 10)	-	(30,391)	(48,136)	(90,820)	(39,028)	-	(208,375)
Disposals	-	89	1,587	28,297	6,186	-	36,159
Disposals of subsidiary	-	254	1,529	-	5,475	-	7,258
Written-off	-	-	357	14,960	7,388	-	22,705
Transfer from intangible assets (Note 20)	-	-	-	-	(193)	-	(193)
Reclassifications	-	107	(107)	-	-	-	-
At 31 December	-	(93,371)	(352,057)	(800,409)	(478,951)	-	(1,724,788)
Net carrying amounts							
- Cost	-	-	253,258	622,087	178,386	152,859	1,206,590
- Valuation	246,661	1,495,904	-	-	-	-	1,742,565
At 31 December	246,661	1,495,904	253,258	622,087	178,386	152,859	2,949,155

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Medical and other equipment RM'000	Furniture, fittings, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)							
2023							
At 1 January							
- Cost	-	-	489,643	1,146,957	576,804	224,780	2,438,184
- Valuation	247,534	1,504,908	-	-	-	-	1,752,442
	247,534	1,504,908	489,643	1,146,957	576,804	224,780	4,190,626
Exchange differences	-	1,261	(1)	275	218	45	1,798
Additions	-	6,689	32,367	132,737	44,700	27,571	244,064
Disposals	-	-	(26)	(8,329)	(8,624)	-	(16,979)
Written-off	-	-	(27)	(6,177)	(2,436)	(208)	(8,848)
Reclassifications	-	107,623	4,092	6,603	(4,783)	(113,535)	-
Transfer to assets held for sale (Note 29)	-	(44,812)	-	(4,734)	(1,974)	(1,049)	(52,569)
Revaluation surplus	-	26,550	-	-	-	-	26,550
Impairment loss	-	(23,078)	-	-	-	-	(23,078)
Elimination of accumulated depreciation on revaluation	-	(4,180)	-	-	-	-	(4,180)
	-	70,053	36,405	120,375	27,101	(87,176)	166,758
At 31 December							
- Cost	-	-	526,048	1,267,332	603,905	137,604	2,534,889
- Valuation	247,534	1,574,961	-	-	-	-	1,822,495
	247,534	1,574,961	526,048	1,267,332	603,905	137,604	4,357,384

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Medical and other equipment RM'000	Furniture, fittings, motor vehicles and computers RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)							
2023							
Accumulated depreciation							
At 1 January	-	(50,118)	(267,747)	(682,840)	(429,699)	-	(1,430,404)
Exchange differences	-	(90)	-	(498)	(106)	-	(694)
Charge for the financial year (Note 10)	-	(30,490)	(39,772)	(84,359)	(40,935)	-	(195,556)
Disposals	-	-	1	5,641	8,230	-	13,872
Written-off	-	-	164	5,997	2,099	-	8,260
Elimination of accumulated depreciation on revaluation	-	4,180	-	-	-	-	4,180
Transfer to assets held for sale (Note 29)	-	13,084	-	3,018	1,330	-	17,432
At 31 December	-	(63,434)	(307,354)	(753,041)	(459,081)	-	(1,582,910)
Net carrying amounts							
- Cost	-	-	218,694	514,291	144,824	137,604	1,015,413
- Valuation	247,534	1,511,527	-	-	-	-	1,759,061
At 31 December	247,534	1,511,527	218,694	514,291	144,824	137,604	2,774,474

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicle RM'000	Furniture, fittings and computers RM'000	Renovation RM'000	Total RM'000
Company				
2024				
Cost				
At 1 January	750	2,807	2,435	5,992
Additions	496	574	242	1,312
At 31 December	1,246	3,381	2,677	7,304
Accumulated depreciation				
At 1 January	(333)	(975)	(21)	(1,329)
Charge for the financial year (Note 10)	(200)	(544)	(376)	(1,120)
At 31 December	(533)	(1,519)	(397)	(2,449)
Net carrying amounts				
At 31 December	713	1,862	2,280	4,855

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicle RM'000	Furniture, fittings and computers RM'000	Renovation RM'000	Total RM'000
Company (continued)				
2023				
Cost				
At 1 January	787	1,742	-	2,529
Additions	310	1,065	2,435	3,810
Disposals	(347)	-	-	(347)
At 31 December	750	2,807	2,435	5,992
Accumulated depreciation				
At 1 January	(387)	(514)	-	(901)
Charge for the financial year (Note 10)	(154)	(461)	(21)	(636)
Disposal	208	-	-	208
At 31 December	(333)	(975)	(21)	(1,329)
Net carrying amounts				
At 31 December	417	1,832	2,414	4,663

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluation of land and buildings

All the Group's land and buildings were revalued as at 31 December 2020. As at year end, the Group assess whether there is an indication that the carrying values of these assets have differ materially from its fair value. Where an indication exists, revaluations were carried out and the carrying value of these assets were updated to reflect its fair value based on independent valuation. Certain land and buildings that were completed and commenced operations during the year were also revalued as at year end.

Land and buildings comprise mainly those that are used by the Group as purpose-built private specialist hospitals. The lands were valued by reference to transactions of similar land in the surrounding with adjustments made for difference in accessibility, terrain, size and shape of the land, tenure, title restrictions if any and other relevant characteristics. The buildings were valued by reference to their depreciated replacement costs, i.e. the replacement cost now less appropriate adjustments for depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation. The book values of the land and buildings were adjusted to reflect the revaluation and the resultant surpluses were credited to revaluation reserve. These were all Level 3 in the fair value hierarchy.

In current financial year, certain assets mainly from capital work in progress (2023: certain freehold land and building) were written down to their recoverable amounts. The write-down was recognised in the statement of comprehensive income of the Group as administrative expenses amounted RM8,091,000 (2023: administrative expenses and as revaluation deficit, amounted to RM20,804,000 and RM2,274,000 respectively).

The revaluations were made with reference to valuations carried out by independent firm of professional valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd. (2023: Messrs Raine & Horne International Zaki + Partners Sdn. Bhd., Messrs Appraisal (Malaysia) Sdn. Bhd. and Messrs CBRE Valuations Pty Limited) ("the Valuers").

If the total amounts of the land and buildings had been determined in accordance with the historical cost convention, they would have been included at:

	Group	
	2024 RM'000	**2023 RM'000**
Cost		
Freehold land	**66,425**	67,698
Buildings	**840,605**	826,257
	907,030	893,955
Accumulated depreciation		
Buildings	**(105,770)**	(88,958)
Net carrying amounts	**801,260**	804,997

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The net book value of assets under hire purchase creditors as at 31 December 2024 is RM80,416,000 (2023: RM79,857,000). During the financial year, the Group acquired assets under hire purchase amounting to RM28,906,000 (2023: RM6,572,000).

The net book value of property, plant and equipment pledged for borrowing facilities as at 31 December 2024 is RM158,649,000 (2023: RM298,334,000) as disclosed in Note 32.

The capital work-in-progress includes borrowing costs arising from general and specific borrowings from licensed banks and related companies within KPJ Group. During the financial year, borrowing costs capitalised as part of capital work-in-progress amounted to RM Nil (2023: RM743,000) as disclosed in Note 9.

18. RIGHT-OF-USE ASSETS

The majority of the Group's leasing activities are lease of hospital buildings and land with Al-`Aqar Healthcare REIT. The rental contracts are typically made for a period of 15 years with an option to extend for another 15 years. The lease terms are negotiated with the lessor, such that similar terms are set for properties with similar characteristics. These terms are used to maximise operational efficiencies in terms of managing contracts. There are no covenants attached to these leases and the properties may not be used as security for borrowing purposes.

	Group		
	Leasehold lands RM'000	Land and buildings RM'000	Total RM'000
2024			
At 1 January 2024	**97,628**	**1,488,229**	**1,585,857**
Additions	**4,891**	**121,307**	**126,198**
Depreciation (Note 10)	**(1,287)**	**(69,087)**	**(70,374)**
Exchange difference	**-**	**(1,667)**	**(1,667)**
At 31 December 2024	**101,232**	**1,538,782**	**1,640,014**
2023			
At 1 January 2023	99,455	1,477,584	1,577,039
Addition	-	78,001	78,001
Depreciation (Note 10)	(1,827)	(67,356)	(69,183)
At 31 December 2023	97,628	1,488,229	1,585,857

18. RIGHT-OF-USE ASSETS (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Expenses related to short-term leases (included in cost of sales and administrative expenses) (Note 10)	**(9,129)**	(8,977)	**(4,181)**	(4,220)
Expenses relating to lease of low-value assets (included in cost of sales and administrative expenses) (Note 10)	**(15,255)**	(10,000)	**(122)**	-

19. INVESTMENT PROPERTIES

	Group	
	2024 RM'000	2023 RM'000
At fair value:		
At 1 January	**358,166**	360,420
Exchange differences	**(1,033)**	479
Net gain/(loss) on fair value recognised during the year (Note 10)	**2,190**	(2,733)
Transfer to property, plant and equipment (Note 17)	**(1,870)**	-
At 31 December	**357,453**	358,166

The valuations were carried out by third party valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd. and Messrs Knight Frank Valuation & Advisory Queensland. In prior year, the valuations were carried out by third party valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd. and Messrs CBRE Valuations Pty Limited.

The fair value of investment property pledged for borrowing facilities as at 31 December 2024 is RM255,000,000 (2023: RM255,000,000).

The fair value of the properties was estimated at RM357,453,000 (2023: RM358,166,000) based on valuations performed by independent professionally qualified valuers, using the comparison and investment method as described below.

Fair value hierarchy disclosures for investment properties are in Note 5.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

19. INVESTMENT PROPERTIES (CONTINUED)

Description of valuation techniques used and key inputs to valuation on investment properties.

	Valuation technique	Significant unobservable inputs	Range 2024	Range 2023
Land and buildings	Comparison method	Location, visibility, size and tenure Estimated value per sq ft	**RM30 - RM609**	RM30 - RM609
(Carrying value as at 31 December 2024 of RM102,453,000 (2023: RM103,166,000)).				
Office properties	Investment method	Location, visibility, size and tenure Estimated rental value per sq ft per month	**RM3.00 - RM7.50**	RM3.00 - RM7.50
		Outgoings per sq ft per month	**RM1.80**	RM1.80
		Void rate	**8%**	8%
		Term yield rate	**6%**	6%
		Reversion yield rate	**6.25%**	6.25%
(Carrying value as at 31 December 2024 of RM255,000,000 (2023: RM255,000,000)).				

Inter-relationship between significant unobservable inputs and fair value measurement

(a) Comparison method

Generally a location and visibility that is relatively more prominent will result in a higher fair value. A longer tenure will have the same effect.

A sensitivity analysis has been performed on the value per sq ft which was determined based on proprietary databases of prices of transactions for properties of similar nature, with adjustment made to the location, visibility and tenure, that impact the fair value of the land and buildings. Arising thereof, the impact of a 10% increase/decrease in the value per sq ft will result in a higher/lower fair value change by RM9.4 million (2023: RM9.4 million).

(b) Investment method

Increases/decreases in estimated rental value per sq ft in isolation would result in a higher/lower fair value of the properties. Increases/decreases in the long-term vacancy rate (void rate) and discount rate (term yield and reversion yield) in isolation would result in a lower/higher fair value.

A sensitivity analysis had been performed on the significant assumptions that impact the fair value of the office properties. Arising thereof, the impact of a 25 basis points increase/decrease in the term and reversion yield would result in a lower/higher fair value change by RM9.9 million/RM10.7 million (2023: RM10.0 million/RM10.4 million), while an increase in void rate to 10% (2023: 10%) would result in a lower fair value change by RM4.6 million (2023: RM4.9 million).

20. INTANGIBLE ASSETS

	Goodwill RM'000	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
Group				
2024				
Cost				
At 1 January 2024	211,455	70,252	3,010	284,717
Additions	-	23	116	139
Transfer to property, plant and equipment (Note 17)	-	(193)	-	(193)
At 31 December 2024	211,455	70,082	3,126	284,663
Accumulated amortisation				
At 1 January 2024	-	(64,253)	-	(64,253)
Amortisation charge for the year (Note 10)	-	(3,181)	-	(3,181)
Transfer to property, plant and equipment (Note 17)	-	193	-	193
At 31 December 2024	-	(67,241)	-	(67,241)
Accumulated impairment				
At 1 January 2024 / At 31 December 2024	(21,994)	-	-	(21,994)
Net carrying amount				
At 31 December 2024	189,461	2,841	3,126	195,428

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

20. INTANGIBLE ASSETS (CONTINUED)

	Goodwill RM'000	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
Group (continued)				
2023				
Cost				
At 1 January 2023	211,455	70,252	-	281,707
Additions	-	-	3,010	3,010
At 31 December 2023	211,455	70,252	3,010	284,717
Accumulated amortisation				
At 1 January 2023	-	(53,670)	-	(53,670)
Amortisation charge for the year (Note 10)	-	(10,583)	-	(10,583)
At 31 December 2023	-	(64,253)	-	(64,253)
Accumulated impairment				
At 1 January 2023 / At 31 December 2023	(21,994)	-	-	(21,994)
Net carrying amount				
At 31 December 2023	189,461	5,999	3,010	198,470

20. INTANGIBLE ASSETS (CONTINUED)

	Company	
	2024 RM'000	**2023 RM'000**
Software expenditure under development		
Cost		
At 1 January	**3,010**	-
Additions	**116**	3,010
At 31 December	**3,126**	3,010
Net carrying amount		
At 31 December	**3,126**	3,010

21. IMPAIRMENT OF INTANGIBLE ASSETS

Impairment tests for goodwill

	Group	
	2024 RM'000	**2023 RM'000**
Malaysia		
- Goodwill	**189,461**	189,461

Recoverable amount based on value-in-use

Malaysia

The recoverable amount of the cash-generating unit ("CGU") is determined based on fair value less cost to sell calculation (level 3 fair value hierarchy). These calculations use cash flow projections based on financial budgets approved by the Directors covering a five-year period.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

21. IMPAIRMENT OF INTANGIBLE ASSETS (CONTINUED)

Recoverable amount based on value-in-use (continued)

Malaysia (continued)

The key assumptions used are as follows:

	2024 %	2023 %
Revenue growth rate[(a)]	**8 - 24**	11 - 17
EBITDA margin[(b)]	**24.5 - 26.0**	25.4 - 28.1
Discount rate[(c)]	**12**	13
Terminal growth rate[(d)]	**2**	3

Assumptions:

a. Revenue growth rate over the projection period
b. EBITDA margin over the projection period
c. Pre-tax discount rate applied to the cash flow projections
d. Terminal growth rate used to extrapolate cash flows beyond the projection period

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

Management believes that any reasonable change to the above key assumptions would not cause the carrying value of the CGU to materially exceed its reasonable amount.

22. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are made up as follows:

	Company	
	2024 RM'000	2023 RM'000
Cost	**970,424**	970,424
Preference shares	**300**	300
Capital contribution reserve relating to grant	**3,734**	-
	974,458	970,724

The following are subsidiaries of the Company:

Name of company	Country of Incorporation/ Place of Business	Group's effective interest 2024 %	Group's effective interest 2023 %	Principal activities
Kumpulan Perubatan (Johor) Sdn. Bhd.	Malaysia	**100**	100	Managing and investment holding company for medical sector
Point Zone (M) Sdn. Bhd.	Malaysia	**100**	100	Providing treasury management services to the companies within the group
Tawakal Holdings Sdn. Bhd. *	Malaysia	**100**	100	Investment holding company
Johor Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Pusat Pakar Tawakal Sdn. Bhd. +	Malaysia	**100**	100	Operating as a specialist hospital
Ipoh Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Puteri Specialist Hospital (Johor) Sdn. Bhd. #	Malaysia	**100**	100	Previously operating as a specialist hospital
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd.				
Ampang Puteri Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Kajang Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Maharani Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Pasir Gudang Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Penang Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Pusat Pakar Kluang Utama Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Rawang Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company (continued):

Name of company	Country of Incorporation/ Place of Business	Group's effective interest 2024 %	Group's effective interest 2023 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
Sentosa Medical Centre Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Sibu Medical Centre Corporation Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
SMC Healthcare Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Perlis Specialist Hospital Sdn. Bhd.	Malaysia	**100**	80	Operating as a specialist hospital
Kuching Specialist Hospital Sdn. Bhd.	Malaysia	**93**	93	Operating as a specialist hospital
Miri Specialist Hospital Sdn. Bhd. *	Malaysia	**84**	84	Operating as a specialist hospital
Pahang Specialist Hospital Sdn. Bhd.	Malaysia	**70**	70	Operating as a specialist hospital
Perdana Specialist Hospital Sdn. Bhd.	Malaysia	**61**	61	Operating as a specialist hospital
Selangor Specialist Hospital Sdn. Bhd. *	Malaysia	**60**	60	Operating as a specialist hospital
Advanced Health Care Solutions Sdn. Bhd	Malaysia	**100**	100	Providing healthcare information system services
BDC Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a building management company
Crossborder Aim (M) Sdn. Bhd. *	Malaysia	**100**	100	Investment holding company
Crossborder Hall (M) Sdn. Bhd. *	Malaysia	**100**	100	Investment holding company
Healthcare IT Solutions Sdn. Bhd.	Malaysia	**100**	100	Providing healthcare information technology services
Kota Kinabalu Wellness Sdn. Bhd.	Malaysia	**100**	100	Operating as an assisted living care, after birth care and rehabilitation centre
KPJ Ambulatory Care Centre Sdn. Bhd. *	Malaysia	**100**	100	Management and operation of ambulatory care centre
KPJ Dhaka (Pte) Ltd *	Bangladesh	**100**	100	Providing management services to a specialist hospital
KPJ Eyecare Specialist Sdn. Bhd. *	Malaysia	**100**	100	Providing medical and consultancy services in eye care
KPJ Healthcare University Sdn. Bhd.	Malaysia	**100**	100	Operating as a private university college of nursing and allied health
KPJ HealthShoppe Sdn. Bhd. *	Malaysia	**100**	100	Operating as retail, wholesale, online pharmacy and e-commerce store

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company (continued):

Name of company	Country of Incorporation/ Place of Business	Group's effective interest 2024 %	Group's effective interest 2023 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
KPJ MedikTV Sdn. Bhd. *	Malaysia	**100**	100	Operated as medical service provider
Kuantan Wellness Center Sdn. Bhd.	Malaysia	**100**	100	Operating as a dialysis and aged-care centre
Massive Hybrid Sdn. Bhd. *	Malaysia	**100**	100	Intended to provide specialist medical services
PharmaCARESdn. Bhd. *	Malaysia	**100**	100	Providing human resource, training services and rental of human resource information system
Pharmaserv Alliances Sdn. Bhd.	Malaysia	**100**	100	Marketing and distributing medical and pharmaceutical products
Sibu Geriatric Health & Nursing Centre Sdn. Bhd.	Malaysia	**100**	100	Operating and managing an aged care and nursing centre
Sterile Services Sdn. Bhd. *	Malaysia	**100**	100	Providing sterile services
Total Meal Solution Sdn. Bhd. *	Malaysia	**100**	100	Providing central kitchen services
UTM KPJ Specialist Hospital Sdn. Bhd. *	Malaysia	**100**	100	Intended to provide specialist medical services
DTI Resources Sdn. Bhd.	Malaysia	**94**	94	Providing information technology related services and rental of software
Jeta Gardens (Qld) Pty Ltd *	Australia	**57**	57	Providing retirement village and aged care facilities
Lablink (M) Sdn. Bhd.	Malaysia	**51**	51	Providing pathology and laboratory services
Healthcare Technical Services Sdn. Bhd. *	Malaysia	**51**	51	Providing management and engineering maintenance services for specialist hospital
Fabricare Laundry Sdn. Bhd. *	Malaysia	**-**	98	Providing laundry services
Bandar Baru Klang Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Previously operating as a specialist hospital
Bayan Baru Specialist Hospital Sdn. Bhd. *	Malaysia	**100**	100	Intended to provide specialist medical services
Damansara Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Previously operating as a specialist hospital
Energy Excellent Sdn. Bhd. *	Malaysia	**100**	100	Previously provision of specialist medical services
KPJ Education Services Sdn. Bhd. *	Malaysia	**100**	100	Previously operating as a private college

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company (continued):

Name of company	Country of Incorporation/ Place of Business	Group's effective interest 2024 %	Group's effective interest 2023 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
Pharmacare Surgical Technologies (M) Sdn. Bhd. *	Malaysia	**100**	100	Manufactured medical equipment
Pride Outlet Sdn. Bhd. *	Malaysia	**100**	100	Previously providing maintenance services for medical equipment
Seremban Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Previously operating as a specialist hospital
Skop Yakin (M) Sdn. Bhd. *	Malaysia	**100**	100	Previously marketing and distributing general merchandise
Taiping Medical Centre Sdn. Bhd.	Malaysia	**100**	100	Previously operating as a specialist hospital
Freewell Sdn. Bhd. *	Malaysia	**80**	80	Previously provision of other human health services
Subsidiaries of Johor Specialist Hospital Sdn. Bhd.				
Bandar Dato Onn Specialist Hospital Sdn. Bhd.	Malaysia	**100**	100	Operating as a specialist hospital
Kluang Specialist Hospital Sdn. Bhd. *	Malaysia	**100**	100	Operating as a building management company
Subsidiary of Ipoh Specialist Hospital Sdn. Bhd.				
Sri Manjung Specialist Centre Sdn. Bhd. *	Malaysia	**100**	100	Operating as a specialist hospital
Subsidiary of Selangor Specialist Hospital Sdn. Bhd.				
Pusrawi SMC Sdn. Bhd. *	Malaysia	**52**	52	Operating as a polyclinic
Subsidiary of SMC Healthcare Sdn. Bhd.				
Amity Development Sdn. Bhd.	Malaysia	**100**	100	Operating as a property holding company

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company (continued):

Name of company	Country of Incorporation/ Place of Business	Group's effective interest 2024 %	Group's effective interest 2023 %	Principal activities
Subsidiary of Pharmaserv Alliances Sdn. Bhd.				
Malaysian Institute of Healthcare Management Sdn. Bhd.*	Malaysia	**75**	75	Previously operating as a private college
Subsidiary of KPJ Healthcare University Sdn. Bhd.				
KPJ Education (M) Sdn. Bhd.	Malaysia	**100**	100	Operating as a college and training centre
Subsidiaries of Jeta Gardens (Qld) Pty Ltd				
Jeta Gardens Aged Care (Qld) Pty Ltd *	Australia	**100**	100	Operating and managing an aged care facility and retirement village
Jeta Gardens Management (Qld) Pty Ltd *	Australia	**100**	100	Providing management to an aged care facility and retirement village

Direct equity holding by the Company is 84% (2023: 84%)
+ Direct equity holding by the Company is 68% (2023: 68%)
* Audited by firms other than EY PLT, Malaysia

Acquisition of additional interest in subsidiaries in 2024:

(i) On 21 August 2024, Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB") acquired additional 6,500,000 new shares in Perlis Specialist Hospitals Sdn. Bhd. ("PSHSB"), representing 20% equity interest in PSHSB, for a total consideration of RM8.9 million. With this acquisition, the Group now holds 100% shareholding of PSHSB.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Disposal of interest in subsidiaries in 2024:

(i) On 11 December 2024, KPJSB completed the disposals of its entire 98% equity interest in Fabricare Laundry Sdn. Bhd. ("FLSB") for cash consideration totalling RM3.7 million.

	RM'000
Sales proceeds	**3,682**
Less: Carrying amount of equity interest disposed	**(3,440)**
Gain on disposals	**242**
Purchase consideration settled in cash	**3,682**
Less: Cash and cash disposed	**(6)**
Cash inflow of the Group on disposal	**3,676**

Acquisition of additional interest in subsidiaries in 2023:

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

Disposal of interest in subsidiaries in 2023:

(i) On 5 April 2023, Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB"), through its wholly-owned subsidiaries, Crossborder Aim (M) Sdn. Bhd. ("CASB") and Crossborder Hall (M) Sdn. Bhd. ("CHSB"), completed the disposals of its entire 100% equity interest in PT Al-Aqar Permata Hijau and its 80% interest in PT Khidmat Perawatan Jasa Medika ("PH Group") for cash consideration totalling RM22.4 million and settlement of Shareholder's Loan amounting RM18.8 million.

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Disposal of interest in subsidiaries in 2023: (continued)

	PH Group RM'000
Sales proceeds	41,223
Less: Settlement of shareholders' loan	(18,811)
Proceeds, net of cash and cash equivalents	22,412
Less: Carrying amount of equity interest disposed	(18,371)
Gain on disposals	4,041
Purchase consideration settled in cash	22,412
Less: Cash and cash disposed	(12,733)
Cash inflow of the Group on disposal	9,679

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

	BSD Group RM'000
Sales proceeds	151,154
Less: Settlement of shareholders' loan	(137,466)
Proceeds, net of cash and cash equivalents	13,688
Less: Carrying amount of equity interest disposed	27,052
Gain on disposals	40,740
Purchase consideration settled in cash	13,688
Less: Cash and cash disposed	(2,611)
Cash inflow of the Group on disposal	11,077

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information of Perdana Specialist Hospital Sdn. Bhd., Selangor Specialist Hospital Sdn. Bhd., Lablink (M) Sdn. Bhd. and Jeta Gardens (Qld) Pty Ltd which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests in respect of other subsidiaries are not material to the Group.

(i) Summarised statements of financial position

	Perdana Specialist Hospital Sdn. Bhd.		Selangor Specialist Hospital Sdn. Bhd.		Lablink (M) Sdn. Bhd.		Jeta Gardens (Qld) Pty Ltd		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-controlling interest percentage of ownership interest and voting interest	**39%**	39%	**40%**	40%	**49%**	49%	**43%**	43%		
Non-current assets	**137,075**	127,405	**215,199**	204,796	**23,599**	22,902	**10,270**	19,285	**386,143**	374,388
Current assets	**41,711**	30,509	**109,733**	85,100	**276,457**	233,569	**56,333**	61,797	**484,234**	410,975
Current liabilities	**(38,986)**	(27,953)	**(49,046)**	(44,380)	**(18,314)**	(15,510)	**(170,559)**	(215,522)	**(276,905)**	(303,365)
Non-current liabilities	**(67,777)**	(73,044)	**(84,810)**	(81,253)	**(193)**	(664)	**(1,902)**	(14,555)	**(154,682)**	(169,516)
Net assets/(liabilities)	**72,023**	56,917	**191,076**	164,263	**281,549**	240,297	**(105,858)**	(148,995)	**438,790**	312,482
Net equity attributable	**72,023**	56,917	**191,076**	164,263	**281,549**	240,297	**(105,858)**	(148,995)	**438,790**	312,482
Equity attributable to:										
Owners of the Company	**43,934**	34,719	**114,646**	98,558	**143,590**	122,551	**(60,339)**	(84,927)	**241,831**	170,901
Non-controlling interests	**28,089**	22,198	**76,430**	65,705	**137,959**	117,746	**(45,519)**	(64,068)	**196,959**	141,581

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(ii) Summarised statements of comprehensive income

	Perdana Specialist Hospital Sdn. Bhd.		Selangor Specialist Hospital Sdn. Bhd.		Lablink (M) Sdn. Bhd.		Jeta Gardens (Qld) Pty Ltd		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	**121,565**	97,724	**187,451**	165,909	**156,335**	144,735	**8,320**	62,133	**473,671**	470,501
Profit/(Loss) for the year	**13,691**	9,109	**33,012**	20,562	**41,252**	35,811	**22,594**	(45,193)	**110,549**	20,289
Profit/(Loss) attributable to:										
Owners of the Company	**8,352**	5,556	**19,807**	12,337	**21,039**	18,264	**12,879**	(25,760)	**62,077**	10,397
Non-controlling interests	**5,339**	3,553	**13,205**	8,225	**20,213**	17,547	**9,715**	(19,433)	**48,472**	9,892
Total net profit/(loss)	**13,691**	9,109	**33,012**	20,562	**41,252**	35,811	**22,594**	(45,193)	**110,549**	20,289
Total comprehensive income/(loss) attributable to:										
Owners of the Company	**9,215**	5,700	**22,327**	12,757	**21,039**	18,264	**24,589**	(30,560)	**77,170**	6,161
Non-controlling interests	**5,891**	3,645	**14,885**	8,505	**20,213**	17,547	**18,549**	(23,054)	**59,538**	6,643
Total comprehensive income/(loss)*	**15,106**	9,345	**37,212**	21,262	**41,252**	35,811	**43,138**	(53,614)	**136,708**	12,804
Dividends paid to Non-controlling interests	**-**	830	**4,160**	4,640	**-**	-	**-**	-	**4,160**	5,470

* Inclusive in here are AFS reserve from investment in Al Aqar (company level) and foreign exchange.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(iii) Summarised statements of cash flows

	Perdana Specialist Hospital Sdn. Bhd.		Selangor Specialist Hospital Sdn. Bhd.		Lablink (M) Sdn. Bhd.		Jeta Gardens (Qld) Pty Ltd		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net cash generated from/(used in) operating activities	**24,400**	3,948	**30,396**	46,784	**3,462**	51,111	**(14,173)**	(11,532)	**44,085**	90,311
Net cash (used in)/ generated from investing activities	**(16,480)**	(4,947)	**(31,100)**	(33,726)	**(3,285)**	(52,127)	**(6,780)**	19,268	**(57,645)**	(71,532)
Net cash (used in)/ generated from financing activities	**(8,136)**	137	**(532)**	(13,934)	**(130)**	(152)	**13,022**	(6,431)	**4,224**	(20,380)
Net changes in cash and cash equivalents	**(216)**	(862)	**(1,236)**	(876)	**47**	(1,168)	**(7,931)**	1,305	**(9,336)**	(1,601)
Cash and cash equivalents at the beginning of the year	**758**	1,620	**3,263**	4,139	**266**	1,434	**13,237**	11,396	**17,524**	18,589
Currency translation differences	**-**	-	**-**	-	**-**	-	**(997)**	536	**(997)**	536
Cash and cash equivalents at the end of the year	**542**	758	**2,027**	3,263	**313**	266	**4,309**	13,237	**7,191**	17,524

23. INVESTMENT IN ASSOCIATES

	Group	
	2024 RM'000	**2023 RM'000**
Quoted ordinary shares in Al-`Aqar, Healthcare REIT, at cost	**250,479**	250,479
Unquoted ordinary shares, at cost	**65,091**	65,091
Group's share of post-acquisition reserves	**214,492**	198,287
	530,062	513,857
Market value of quoted ordinary shares in Al-`Aqar, Healthcare REIT	**393,823**	359,074

The associates of the Group are as follows:

	Country of Incorporation / Place of Business	Group's effective interest		Principal activities
		RM'000 %	RM'000 %	
Associate of company				
Damansara REIT Managers Sdn. Bhd. #	Malaysia	-	-	Manager of Al-`Aqar Healthcare REIT
Al-`Aqar Healthcare REIT ^	Malaysia	34	34	Real estate investment trust
Associates of KPJSB				
Kedah Medical Centre Sdn. Bhd. *	Malaysia	46	46	Operating as a specialist hospital
Vejthani, Public Company Limited *	Thailand	23	23	Operating as an international specialist hospital

^ Listed on the Main Market of Bursa Malaysia Securities Berhad.

* Audited by a firm other than EY PLT, Malaysia.

\# Entity over which the Company exercises significant influence by virtue of its board representation in Damansara REIT Managers Sdn. Bhd., which controls Al-`Aqar Healthcare REIT.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

23. INVESTMENT IN ASSOCIATES (CONTINUED)

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

(i) Summarized statement of financial position

	Al-`Aqar Healthcare REIT	
	2024 RM'000	2023 RM'000
Non-current assets	**1,654,401**	1,646,643
Current assets	**181,536**	213,130
Total assets	**1,835,937**	1,859,773
Current liabilities	**115,618**	91,764
Non-current liabilities	**666,776**	695,778
Total liabilities	**782,394**	787,542
Net assets	**1,053,543**	1,072,231

(ii) Summarized statement of comprehensive income

Revenue	**117,720**	121,022
Profit before tax	**58,075**	55,432
Total comprehensive income for the financial year	**45,961**	61,305
Dividends received and receivables from associates	**22,297**	23,166

23. INVESTMENT IN ASSOCIATES (CONTINUED)

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

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

	Al-`Aqar Healthcare REIT	
	2024 RM'000	**2023 RM'000**
Net assets at 1 January	**1,072,231**	976,337
Addition	**-**	98,349
Profit for the financial year	**45,961**	61,305
Dividend paid during the year	**(64,649)**	(63,760)
Net assets at 31 December	**1,053,543**	1,072,231
Interest in associates	**34%**	34%
Carrying value of group's interest	**363,367**	369,812

(iv) Aggregate information of associates that are not individually material

	2024 RM'000	**2023 RM'000**
The Group's share of profit before tax	**36,086**	35,505
The Group's share of profit after tax	**28,428**	26,964
The Group's share of total comprehensive income	**26,339**	34,991

(v) Commitments and contingent liabilities

There are neither commitment nor contingent liabilities relating to the Group's interest in the associates.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

24. EQUITY INSTRUMENTS CLASSIFIED AS FVOCI

Equity investments at FVOCI comprise of the following individual investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Quoted shares:				
Al-Salam Real Estate Investment Trust	**750**	950	**750**	950
Al-'Aqar Healthcare REIT	**-**	-	**38,433**	35,040
Unquoted shares:				
PMB-An-Nur Waqf Income Fund	**700**	557	**699**	557
Intrapreneur Value Creation Sdn. Bhd.	**-**	-	**-**	-
AHCS Advanced HealthCare Solutions AG	**-**	-	**-**	-
	1,450	1,507	**39,882**	36,547

The investment in Intrapreneur Value Creation Sdn. Bhd. (RM2,532,500) and AHCS Advanced HealthCare Solutions AG (RM282,299) was fully impaired in the year 2020.

The Group and the Company have irrevocably elected non-trading equity securities above at initial recognition to present its fair value changes in OCI. The Group and the Company consider this equity instruments classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purpose.

Refer to Note 5 for disclosure of fair value information on the quoted and unquoted shares.

25. DEFERRED TAX

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets	**105,938**	125,653	**-**	236
Deferred tax liabilities	**(58,906)**	(67,038)	**(190)**	-
At 31 December	**47,032**	58,615	**(190)**	236

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	**58,615**	30,547	**236**	236
(Charged)/credit to profit or loss (Note 13):				
- Property, plant and equipment	**(15,065)**	(13,765)	**(5)**	-
- Investment properties	**610**	(812)	**-**	-
- Trade and other receivables	**212**	(2,956)	**-**	-
- Unutilised tax losses	**1,314**	19,232	**-**	-
- Unabsorbed capital allowances	**182**	14,167	**-**	-
- Contract liabilities	**(1,263)**	4,841	**-**	-
- Leases	**2,126**	6,124	**-**	-
- Trade and other payables	**301**	7,609	**(421)**	-
	(11,583)	34,440	**(426)**	-
Charged to other comprehensive income (Note 13):				
- Deferred tax on revaluation surplus during the year	**-**	(6,372)	**-**	-
At 31 December	**47,032**	58,615	**(190)**	236

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

25. DEFERRED TAX (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
- Unutilised tax losses	**37,495**	36,181	**-**	-
- Unabsorbed capital allowances	**42,037**	41,855	**-**	-
- Contract liabilities	**8,127**	9,390	**-**	-
- Leases	**89,552**	87,426	**-**	-
- Trade and other receivables	**1,199**	987	**-**	-
- Trade and other payables	**31,416**	31,115	**-**	421
	209,826	206,954	**-**	421
Offsetting	**(103,888)**	(81,301)	**-**	(185)
Deferred tax assets (after offsetting)	**105,938**	125,653	**-**	236
Deferred tax liabilities (before offsetting):				
- Property, plant and equipment	**(147,871)**	(132,806)	**(190)**	(185)
- Investment properties	**(14,923)**	(15,533)	**-**	-
	(162,794)	(148,339)	**(190)**	(185)
Offsetting	**103,888**	81,301	**-**	185
Deferred tax liabilities (after offsetting)	**(58,906)**	(67,038)	**(190)**	-

25. DEFERRED TAX (CONTINUED)

The amount of unabsorbed capital allowances, unutilised tax losses and investment tax allowances ("ITA") for which no deferred tax asset are recognised on the statements of financial position are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	**33,954**	28,443	**3,759**	2,457
Unutilised tax losses:				
- expiring YA2028	**123,160**	123,571	**3,445**	3,445
- expiring YA2029	**14,496**	24,588	**-**	-
- expiring YA2030	**20,687**	28,890	**-**	-
- expiring YA2031	**22,559**	30,206	**4,915**	4,915
- expiring YA2032	**26,239**	52,589	**508**	508
- expiring YA2033	**60,767**	76,602	**10,229**	10,229
- expiring YA2034	**96,243**	-	**22,490**	-
Unutilised ITA	**177,740**	196,037	**-**	-
Other temporary differences	**39,973**	27,963	**14,275**	9,398

No deferred tax assets are recognised from the above due to uncertainties of their recoverability. The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

The Group was granted approval on ITA from Malaysian Investment Development Authority, which provides income tax exemption in the form of 100% on the qualifying capital expenditure incurred within a period of 5 years for new private healthcare facility projects, expansion, modernisation and refurbishment projects for existing facilities. ITA is recognised to the extent of reduction of current income tax liability and no deferred tax asset is recognised when the tax credit arises. The unabsorbed capital allowances and unutilised ITA do not expire under the current tax legislation.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current:				
Other receivables	**237**	271	**-**	-
Deposits	**19,226**	18,991	**-**	-
	19,463	19,262	**-**	-
Current:				
Trade receivables	**581,717**	535,982	**-**	-
Less: Allowance for ECL	**(6,959)**	(5,736)	**-**	-
Trade receivables (net)	**574,758**	530,246	**-**	-
Amount due from ultimate holding corporation	**1,088**	487	**356**	14
Amounts due from related companies	**5,819**	4,739	**1**	-
Amounts due from associates	**5,162**	2,433	**3,278**	2,844
Other receivables	**116,197**	64,517	**1,941**	1,945
Deposits	**45,885**	47,188	**213**	350
Prepayments	**32,605**	24,039	**114**	215
	781,514	673,649	**5,903**	5,368
Amounts due from subsidiaries	**-**	-	**651,082**	615,603
Less: Allowance for ECL	**-**	-	**(4,575)**	(4,575)
	-	-	**646,507**	611,028
Total	**800,977**	692,911	**652,410**	616,396

Credit terms of trade receivables range from 30 to 60 days (2023: 30 to 60 days).

Amounts due from ultimate holding corporation and related companies are non-trade, interest free and repayable on demand.

Amount due from subsidiaries are unsecured, bearing an average interest rate of 5.30% (2023: 5.85%) per annum and repayable on demand.

26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

The movement in allowance for ECL on trade receivables is as follows:

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**5,736**	15,306
Allowance for ECL for the year (Note 10)	**8,648**	7,271
Written-off	**(7,425)**	(16,841)
At 31 December	**6,959**	5,736

The other classes do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

	Total gross carrying amount at default RM'000	**Allowance for expected credit loss RM'000**	**Total RM'000**
2024			
1-30 days	**252,290**	**(154)**	**252,136**
31-60 days	**149,703**	**(242)**	**149,461**
61-90 days	**70,742**	**(436)**	**70,306**
91-120 days	**39,213**	**(217)**	**38,996**
121-150 days	**27,298**	**(809)**	**26,489**
151-180 days	**12,868**	**(650)**	**12,218**
181-365 days	**7,744**	**(390)**	**7,354**
>365 days	**21,859**	**(4,061)**	**17,798**
	581,717	**(6,959)**	**574,758**
2023			
1-30 days	241,777	(664)	241,113
31-60 days	160,419	(82)	160,337
61-90 days	55,322	(211)	55,111
91-120 days	25,030	(426)	24,604
121-150 days	11,117	(767)	10,350
151-180 days	8,268	(568)	7,700
181-365 days	10,228	(253)	9,975
>365 days	23,821	(2,765)	21,056
	535,982	(5,736)	530,246

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

The currency exposure profile of the receivables and deposits (excluding prepayments) are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	**739,227**	652,599	**652,296**	616,181
Bangladesh Taka	**28,513**	15,299	**-**	-
Australian Dollar	**632**	974	**-**	-
	768,372	668,872	**652,296**	616,181

27. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost:		
Pharmaceutical products	**47,995**	45,726
Medical supplies	**26,485**	22,596
Consumables and disposable items	**376**	391
Laboratory chemicals	**1,971**	1,922
Other supplies	**3,174**	2,373
	80,001	73,008

28. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits with licensed banks	**113,145**	248,412	**-**	-
Cash and bank balances	**500,831**	536,815	**2,274**	3,901
Total cash and bank balances	**613,976**	785,227	**2,274**	3,901
Less: Overdraft (Note 32)	**(14,209)**	(18,406)	**-**	-
Deposits with licensed banks with maturity of more than 3 months	**(2,910)**	(102,870)	**-**	-
Designated account (FSRA & DSRA)	**(2,553)**	(111,448)	**-**	-
Cash and cash equivalents	**594,304**	552,503	**2,274**	3,901

Included in the deposits with licensed banks of the Group is an amount of RM2,553,000 (2023: RM111,448,000) being minimum balance required in the Financial Service Reserve Account ("FSRA") for loans purposes (Note 32).

The weighted average interest rate of deposits with licensed banks of the Group during the financial year is 2.54% (2023: 2.07%) per annum. Bank balances are deposits held at call with banks and earn no interest.

Deposits of the Group and of the Company have maturity period that ranges from 1 to 731 days (2023: 1 to 730 days).

Deposits, cash and bank balances as at end of the reporting period are denominated in the following currencies:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	**607,773**	770,154	**2,274**	3,901
Bangladesh Taka	**1,894**	1,836	**-**	-
Australian Dollar	**4,309**	13,237	**-**	-
	613,976	785,227	**2,274**	3,901

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

29. ASSETS HELD FOR SALE

The assets held for sale and liabilities associated with assets held for sale are as follows:

		Group	
		2024 RM'000	2023 RM'000
Assets held for sale:			
Aged Care's Operation	a	-	35,151
		-	35,151
Liabilities associated with assets held for sale:			
Aged Care's Operation	a	-	(54,349)
		-	(19,198)
At 1 January		**35,151**	157,455
Aged Care's Operations		**1,662**	-
Transfer from property, plant and equipment (Note 17)		-	35,137
Others		-	14
Disposal of assets held for sale		**(36,750)**	(157,455)
Exchange differences		**(63)**	-
		-	35,151

(a) Jeta Gardens (Qld) Pty Ltd and its wholly-owned subsidiary, Jeta Gardens Aged Care (Qld) Pty Ltd (collectively, "Jeta Gardens") had entered into a conditional business sale and purchase agreement with DPG Services Pty Ltd to dispose its Aged Care Business (including its selected existing assets and liabilities) (collectively referred as "Aged Care's Operation") on 12 December 2023.

Jeta Gardens completed the disposal of Aged Care's Operation on 31 January 2024, following the fulfilment of conditions precedent and the obligations on completion.

29. ASSETS HELD FOR SALE (CONTINUED)

The assets and liabilities of Aged Care's Operations are as follows:

	Group
	2023 RM'000
Assets held for sale:	
- Property, plant and equipment (Note 17)	35,137
- Trade and other receivables	14
	35,151
Liabilities associated with assets held for sale:	
- Trade and other payables	(54,349)
	(54,349)

30. TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO SUBSIDIARIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current:				
Trade payables	**288,534**	207,724	**-**	-
Other payables	**174,135**	108,900	**24,124**	3,372
Accruals	**341,282**	320,895	**27,265**	18,751
Amount due to ultimate holding corporation	**8,833**	3,450	**8,467**	2,654
Amounts due to related companies	**10,720**	1,325	**50**	58
Amounts due to associates	**4,522**	15,998	**-**	-
	828,026	658,292	**59,906**	24,835
Amounts due to subsidiaries	**-**	-	**108,493**	102,729
Non-current:				
Amounts due to subsidiaries	**-**	-	**251,494**	325,722
Total	**828,026**	658,292	**419,893**	453,286

Included in amounts due to subsidiaries are advances from subsidiaries which are unsecured, bear an effective average interest rate of 3.12% (2023: 3.00%) per annum and are repayable on demand after 2025.

Amounts due to ultimate holding corporation, subsidiaries and other related companies are unsecured, interest free and repayable on demand.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

30. TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO SUBSIDIARIES (CONTINUED)

Credit terms of trade payables ranges from 30 to 60 days (2023: 30 to 60 days). Payables are denominated in the following currencies:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	**794,313**	615,809	**419,893**	453,286
Bangladesh Taka	**1,432**	2,850	**-**	-
Australian Dollar	**32,281**	39,633	**-**	-
	828,026	658,292	**419,893**	453,286

31. CONTRACT LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
At 1 January	**87,779**	48,708
Revenue recognised that was included in contract liability balance at the beginning of the year	**(59,938)**	(48,269)
Increases due to cash received, excluding amounts recognised as revenue during the year	**55,355**	87,340
At 31 December	**83,196**	87,779

Contract liabilities represent amounts of deposits received from patients, the wellness subscription fees and tuition fees at the inception of the contract which services have not been rendered and ingoing contributions from retirement village residents. Revenue is recognised as and when the performance obligations are satisfied.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

32. BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	**-**	200,000	**-**	-
- Term Financing-i (secured)	**34,904**	55,595	**-**	-
- Revolving credit-i (unsecured)	**260,500**	254,500	**222,000**	172,000
- Hire purchase-i (secured)	**19,338**	18,416	**133**	84
- Cash line-i (unsecured)	**14,209**	18,406	**-**	-
	328,951	546,917	**222,133**	172,084
Conventional financing				
- Hire purchase creditors (secured)	**41**	38	**-**	-
	41	38	**-**	-
	328,992	546,955	**222,133**	172,084
Non-current				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	**1,205,000**	1,205,000	**-**	-
- Term Financing-i (secured)	**103,691**	131,138	**-**	-
- Hire purchase-i (secured)	**38,557**	28,767	**328**	42
	1,347,248	1,364,905	**328**	42
Conventional financing				
- Hire purchase creditors (secured)	**18**	59	**-**	-
	18	59	**-**	-
	1,347,266	1,364,964	**328**	42
	1,676,258	1,911,919	**222,461**	172,126

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

32. BORROWINGS (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total Borrowings				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	**1,205,000**	1,405,000	**-**	-
- Term Financing-i (secured)	**138,595**	186,733	**-**	-
- Revolving credit-i (unsecured)	**260,500**	254,500	**222,000**	172,000
- Hire purchase-i (secured)	**57,895**	47,183	**461**	126
- Cash line-i (unsecured)	**14,209**	18,406	**-**	-
Conventional financing				
- Hire purchase creditors (secured)	**59**	97	**-**	-
	1,676,258	1,911,919	**222,461**	172,126
The maturity profile of borrowings is as follows:				
Less than 1 year	**328,992**	546,955	**222,133**	172,084
Between 1 and 5 years	**717,745**	366,512	**328**	42
More than 5 years	**629,521**	998,452	**-**	-
	1,347,266	1,364,964	**328**	42
	1,676,258	1,911,919	**222,461**	172,126
Hire purchase creditors				
Gross hire purchase creditors - minimumlease payments:				
- due not later than 1 year	**19,897**	18,934	**143**	87
- due later than 1 year and not later than 5 years	**39,604**	29,577	**363**	43
	59,501	48,511	**506**	130
Future finance charges	**(1,547)**	(1,231)	**(45)**	(4)
Present value of hire purchase creditors	**57,954**	47,280	**461**	126

32. BORROWINGS (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Hire purchase creditors (continued)				
The present value of hire purchase creditors is analysed as follows:				
Current				
Due not later than 1 year	**19,379**	18,454	**133**	84
Non-current				
Due later than 1 year and not later than 5 years	**38,575**	28,826	**328**	42
Present value of hire purchase creditors	**57,954**	47,280	**461**	126
The borrowings are denominated as follows:				
Ringgit Malaysia	**1,676,258**	1,911,919	**222,461**	172,126

	Finance Rate	Effective finance rate at reporting date (% p.a)	
		2024	2023
Term Financing-i	Floating	**6.04**	6.59
Hire purchase creditors	Fixed	**2.67**	2.60
Islamic Medium Term Notes	Fixed	**4.63**	4.54
Cash line-i	Floating	**5.79**	6.87
Revolving credit-i	Floating	**6.25**	5.06

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

32. BORROWINGS (CONTINUED)

Stated below are the fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group				
Term Financing-i	**103,691**	131,138	**95,078**	115,051
Hire purchase creditors	**38,575**	28,826	**37,269**	28,750
Islamic Medium Term Notes	**1,205,000**	1,205,000	**1,189,730**	1,125,744
	1,347,266	1,364,964	**1,322,077**	1,269,545
Company				
Hire purchase-i	**328**	42	**319**	41

The borrowings are secured by:

(a) The property, plant and equipment and investment property with carrying amount as at 31 December 2024 of RM413,649,000 (2023: RM553,334,000);
(b) Corporate Guarantee;
(c) letter of undertaking cum awareness;
(d) legal charge over the land and building;
(e) letter of negative pledge;
(f) assignment of all Rights & Benefits or its equivalent over the relevant Takaful cover;
(g) a charge on the specific Finance Service Reserve Account ("FSRA") & Finance Reserve Account ("FRA");
(h) specific debenture charge over assets;

In connection with certain borrowings, the Group and its subsidiaries have to comply with the following significant covenants:

At Group level:

(i) Gearing ratio to not exceed 1.50 times for Islamic Medium Term Notes;

At subsidiaries level:

(i) Gearing ratio to not exceed 3.50 times; and
(ii) Gearing ratio to not exceed 1.50 times.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

33. LEASE LIABILITIES

	Group	
	2024 RM'000	**2023 RM'000**
Amount due for settlement within 12 months	**46,412**	39,920
Amount due for settlement after 12 months	**1,949,135**	1,870,338
	1,995,547	1,910,258
Maturity analysis - lease payments		
Less than 1 year	**147,446**	148,295
Between 1 and 5 years	**726,183**	587,652
Later than 5 years and not later than 10 years	**751,195**	755,310
Later than 10 years and not later than 20 years	**1,381,582**	1,345,993
Later than 20 years and not later than 30 years	**786,435**	903,460
	3,645,395	3,592,415
	3,792,841	3,740,710

34. PROVISION FOR RETIREMENT BENEFITS

The Group operates an unfunded lump-sum benefit plan for eligible employees at a subsidiary.

The movements during the financial year in the amount recognised in the statement of financial position are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**2,069**	2,212
Charged to profit or loss (Note 11)	**180**	180
Retirement benefits paid	**(70)**	(323)
At 31 December	**2,179**	2,069
The amount recognised in profit or loss is as follows:		
Current service cost	**94**	96
Interest cost on benefit obligation	**86**	84
	180	180

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

34. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

The principal assumptions used in respect of the defined benefit plan of the Group are as follows:

	Group	
	2024 %	**2023 %**
Discount rate[1]	**4.4**	4.4
Expected rate of salary increase		
- Non-management staff[2]	**6.0**	6.0
- Management staff[2]	**6.0**	6.0
Turnover[3]	**Age related scale of 25% per annum prior age 25, gradually reducing to 0% per annum by age 50**	Age relatedscale of 25% per annum priorage 25, gradually reducing to 0% per annum by age 50

1 Discount rate is reflective of 10 - 15 year yield for AA (2023: AA) rated bond
2 Expected rate of salary increase is as per industry average
3 Turnover rate is relatively influenced by average employee age

The above assumptions were derived from the latest actuarial valuation report dated 31 December 2021. The valuation was carried out by third party actuaries, Nicholas Actuarial Solutions Sdn. Bhd.

Sensitivity analysis on present value of defined benefit obligation:

	Group	
	2024 RM'000	**2023 RM'000**
1 A 1% increase in salary increment rate		
a Increase on defined benefit obligation	**2,357**	2,305
b Increase in net defined liability	**202**	187
2 A 1% decrease in discount rate		
a Increase on defined benefit obligation	**2,295**	2,266
b Decrease in net defined liability	**141**	148

35. DEPOSITS

Deposits represent amounts received from consultants, which are repayable on death, retirement (at age 65) or disability of the consultants. Deposits are forfeited on termination of a consultant's practice either by the Group due to events of breach or on early termination by the consultant unless approval to refund is obtained from the Board of Directors.

36. SHARE CAPITAL

	Group/Company			
	2024 Unit'000	2024 RM'000	2023 Unit'000	2023 RM'000
Issued and fully paid ordinary shares:				
At 1 January	**4,526,608**	**999,190**	4,505,528	976,329
Issued during the financial year:				
- ESOS	**-**	**-**	21,080	22,861
At 31 December	**4,526,608**	**999,190**	4,526,608	999,190

Treasury shares

As at 31 December 2024, the Company held a total of 162,306,700 (2023: 162,306,700) of its 4,526,608,066 (2023: 4,526,608,066) issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,000 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

37. SHARE BASED PAYMENTS

An Employees' Share Option Scheme ("ESOS") was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Company. The ESOS was initially be in-force for a period of 5 years. However, upon approval from KPJ's Board of Directors on 3 December 2019, it was resolved that ESOS's period was extended to another 3 years.

The fair value of each share option on the grant date was RM0.25. The options were settled only by the issuance and allocation of new ordinary shares of the Company. There were no cash settlement alternatives. The exercise price of the share options granted under the ESOS was RM0.91 each. The options granted remained dividable into 5 equal tranches which vested on 14 April 2015, 27 February 2016, 27 February 2017, 27 February 2018 and 27 February 2019. The vested condition was that the offeree must be an employee or director, as the case may be, of the Company or its subsidiaries on the respective vested and exercised dates.

The option expired on 27 February 2023, whereby no additional options will be granted.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

37. SHARE BASED PAYMENTS (CONTINUED)

Movement of share options

	2023 Units'000
Number of share options at exercise price of RM0.91 each:	
Outstanding as at 1 January	102,421
- Exercised	(21,080)
- Lapsed	(81,341)
Outstanding as at 31 December	-
Exercisable at end of financial year	-

The fair value of the ESOS granted in which MFRS 2 applies, were determined using the Black–Scholes valuation model. The significant inputs in the model are as follows:

Description of ESOS

Fair value per option	RM0.25
Exercise price	RM0.91
Option life	5 years
Weighted average share price at grant date	RM1.01
Expected dividend yield	1.90%
Risk free interest rates	3.35% to 3.62%
Expected volatility	20%

38. OTHER RESERVES (NON-DISTRIBUTABLE)

	Merger reserve (Note a) RM'000	Exchange reserve (Note b) RM'000	Revaluation reserve (Note c) RM'000	Share option reserve (Note d) RM'000	FVOCI reserve (Note e) RM'000	Total RM'000
Group						
At 1 January 2024	(3,367)	11,404	228,267	-	49	236,353
Other comprehensive income ("OCI"):						
Group OCI:						
- Currency translation differences of foreign subsidiaries	-	(905)	-	-	-	(905)
- Fair value loss on equity instrument classified as FVOCI	-	-	-	-	(57)	(57)
Total Group's OCI	-	(905)	-	-	(57)	(962)
Share of OCI from associates:						
- Currency translation differences	-	(6,358)	-	-	-	(6,358)
- Revaluation surplus	-	-	22	-	-	22
- Fair value gain on equity instrument classified as FVOCI	-	-	-	-	822	822
Total share of associates' OCI	-	(6,358)	22	-	822	(5,514)
Total other comprehensive income	-	(7,263)	22	-	765	(6,476)
Transactions with Owners:						
Disposal of interest in subsidiaries	-	-	(423)	-	-	(423)
At 31 December 2024	(3,367)	4,141	227,866	-	814	229,454

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

38. OTHER RESERVES (NON-DISTRIBUTABLE) (CONTINUED)

	Merger reserve (Note a) RM'000	Exchange reserve (Note b) RM'000	Revaluation reserve (Note c) RM'000	Share option reserve (Note d) RM'000	FVOCI reserve (Note e) RM'000	Total RM'000
Group (continued)						
At 1 January 2023	(3,367)	1,764	237,733	40,276	(217)	276,189
Other comprehensive income:						
Translation of foreign subsidiaries	-	5,425	-	-	-	5,425
Revaluation surplus	-	-	21,657	-	-	21,657
Fair value gain on equity instrument classified as FVOCI	-	-	-	-	266	266
Total other comprehensive income	-	5,425	21,657	-	266	27,348
Transactions with Owners:						
Issue of share capital:						
- ESOS	-	-	-	(3,678)	-	(3,678)
Disposal of interest in subsidiaries	-	4,215	(31,123)	-	-	(26,908)
Lapsed ESOS	-	-	-	(36,598)	-	(36,598)
Total transactions with Owners	-	4,215	(31,123)	(40,276)	-	(67,184)
At 31 December 2023	(3,367)	11,404	228,267	-	49	236,353

38. OTHER RESERVES (NON-DISTRIBUTABLE) (CONTINUED)

(a) The difference between the issue price and the nominal value of shares issued that arose from a merger was classified as merger reserve.

(b) Exchange reserve is used to record exchange differences arising from the translation of financial statements of subsidiaries/associate whose functional currency differs from the Group's presentation currency.

(c) Revaluation reserve (non-distributable):

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**228,267**	237,733
Revaluation surplus, net of tax	**22**	21,657
Disposal of interest in subsidiaries	**(423)**	(31,123)
At 31 December	**227,866**	228,267

The revaluation reserve represents surplus from the revaluation of the Group's land and buildings.

(d) Share option reserve is a reserve created arising from the fair value of the employee services provided. When the ESOS options are exercised, the related amounts are transferred to share capital. When options are not exercised and lapsed, the related share option reserve is transferred to retained earnings.

(e) FVOCI reserve used to record the gain or loss arising from subsequent measurement of financial assets classified as FVOCI.

39. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group is a subsidiary of Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995). During the ordinary course of business, the Group transacts with various state related government agencies and departments, mainly relating to land premiums, utilities payments and administrative services. These are based on normal commercial terms and are individually immaterial to warrant separate disclosure.

In addition to the related party disclosures elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on negotiated terms.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant related party transactions

	Carrying Value		Fair Value	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group and Company				
Rental paid to an associate*	**110,802**	109,203	**-**	-
Management fee from subsidiaries	**-**	-	**98,273**	68,548
Dividend received (net) from subsidiaries	**-**	-	**257,878**	195,373
Interest income from subsidiaries	**-**	-	**31,781**	22,602
Interest expense to subsidiaries	**-**	-	**18,037**	16,459
Dividends received and receivables from associates	**22,297**	23,166	**2,182**	1,801
* Al-Aqar Healthcare REIT				
Johor Corporation group of companies				
Housekeeping contract fees	**26,954**	27,466	**-**	-
Contract management and advisory service rendered	**12,780**	-	**-**	-
Security service fees	**-**	423	**-**	-
Medical service rendered	**990**	358	**-**	-
Insurance premiums	**-**	194	**-**	-
Contribution to Klinik Waqaf An-Nur	**3,120**	3,855	**19**	1,025
Car park rental income	**3,382**	3,005	**-**	-
Rental fees to Damansara REIT	**9,117**	-	**-**	-
Rental fees to Al-Salam REIT	**2,332**	2,301	**-**	-
Building management service fees	**10,197**	4,900	**-**	-
Training and seminar	**1**	-	**-**	-
Secretarial fee	**-**	3	**-**	-
Building management service income	**90**	-	**-**	-
Consultants' car park fees	**609**	161	**-**	-
Indoor plant maintenance	**-**	101	**-**	-
Registrar fees	**231**	360	**211**	360
Subscription fees for Human Resources applications	**11,943**	3,325	**367**	3,325
Dividend paid	**-**	-	**81,493**	51,901

Management fees charged to subsidiaries are in respect of operational and administrative function of the subsidiaries which are performed by employees of the Company.

39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant related party transactions (continued)

Information regarding outstanding balances arising from related party transactions as at the financial year end are disclosed in Note 26 and 30.

(b) Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company whether directly or indirectly. The key management personnel of the Company comprise Directors and the Group Senior Management of the Company. Details on the compensation for these key management personnel are disclosed as below:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors' remuneration (Note 12)	**6,982**	3,769	**6,793**	3,642
Salaries, allowances and bonuses	**7,469**	4,103	**7,469**	4,103
Contributions to defined contribution plan	**904**	553	**904**	553
Benefits-in-kind	**133**	60	**133**	60
	15,488	8,485	**15,299**	8,358

40. CONTINGENT LIABILITIES

The Group is subject to litigations in the ordinary course of business, mainly arising from its subsidiaries hospital operations. The Directors are of the opinion that, based on legal advice and malpractice insurance taken by the Group, no significant exposure will arise that requires recognition nor disclosure to the financial statements.

41. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:

	Group	
	2024 RM'000	2023 RM'000
Approved by the Directors and contracted	**104,935**	196,854
Approved by the Directors but not contracted	**373,688**	183,146
	478,623	380,000

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

41. CAPITAL COMMITMENTS (CONTINUED)

	Group	
	2024 RM'000	2023 RM'000
Analysed as follows:		
- Buildings	**109,637**	44,323
- Medical equipment	**162,800**	165,163
- Other property, plant and equipment	**206,186**	170,514
	478,623	380,000

42. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the KPJ Group Management Committee ("KGMC"). The KGMC considers the business by geographical location. The reportable segments have been identified as follows:

Continuing operations

(i) Malaysia - All healthcare activities including the private hospitals, pathology and laboratory services and distribution of pharmaceutical, medical and consumer healthcare products.

(ii) Others - Operating segments involved in provision of hospital and retirement village services in Thailand, Bangladesh and Australia, private university of nursing and allied health and sale of hospital merchandise and other similar activities, none of which are individually significant to warrant separate disclosure per quantitative thresholds required by MFRS 8.

Discontinued operation

(i) Australia – Provision of aged care services, where the divestment was completed on 31 January 2024.

(ii) Indonesia – Provision of hospital services, where all the divestments were completed on 5 April 2023 and 18 September 2023, respectively.

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

The KGMC assesses the performance of the operating segments based on earnings before interest, tax, depreciation and amortisation ("EBITDA") and profit after tax.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

42. SEGMENTAL REPORTING (CONTINUED)

	Malaysia RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Sub-total RM'000	Discontinued operations RM'000	Total RM'000
31 December 2024							
Revenue							
Revenue from external customers	3,853,949	71,415	3,925,364	(3,120)	3,922,244	6,108	3,928,352
Results							
Gain on disposal of shares in subsidiary	242	-	242	-	242	-	242
Gain on fair value of investment properties	2,190	-	2,190	-	2,190	-	2,190
Impairment loss	(8,091)	-	(8,091)	-	(8,091)	-	(8,091)
Depreciation and amortisation	(273,014)	(9,395)	(282,409)	479	(281,930)	(229)	(282,159)
Finance costs (net)	(164,647)	(11,405)	(176,052)	1,137	(174,915)	(320)	(175,235)
Share of results of associates	49,099	263	49,362	-	49,362	-	49,362
Gain on disposal of assets held for sale	-	-	-	-	-	43,472	43,472
Profit/(loss) before tax	561,073	(30,063)	531,010	(55)	530,955	42,478	573,433
Tax	(165,717)	(473)	(166,190)	-	(166,190)	-	(166,190)
Profit/(loss) after tax	395,356	(30,536)	364,820	(55)	364,765	42,478	407,243
EBITDA*	998,734	(9,263)	989,471	(1,671)	987,800	43,027	1,030,827
Total assets	7,315,879	260,208	7,576,087	(172,846)	7,403,241	-	7,403,241
Total liabilities	4,460,447	378,042	4,838,489	(172,846)	4,665,643	-	4,665,643
Additions to property, plant and equipment	402,088	3,726	405,814	-	405,814	-	405,814

* Earnings before interest, tax, depreciation and amortisation ("EBITDA")

Notes To The Financial Statements

For The Financial Year Ended 31 December 2024 (Continued)

42. SEGMENTAL REPORTING (CONTINUED)

	Malaysia RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Sub-total RM'000	Discontinued operations RM'000	Total RM'000
31 December 2023							
Revenue							
Revenue from external customers	3,351,819	70,459	3,422,278	(3,577)	3,418,701	85,750	3,504,451
Results							
Gain on disposal of shares in subsidiary	44,781	-	44,781	-	44,781	-	44,781
Loss on fair value of investment properties	(2,733)	-	(2,733)	-	(2,733)	-	(2,733)
Reversal of Impairment loss	(4,033)	-	(4,033)	-	(4,033)	(16,771)	(20,804)
Depreciation and amortisation	(264,194)	(11,607)	(275,801)	479	(275,322)	(6,288)	(281,610)
Finance costs (net)	(172,754)	(14,096)	(186,850)	2,108	(184,742)	(726)	(185,468)
Share of results of associates	45,967	790	46,757	-	46,757	-	46,757
Profit/(loss) before tax	405,172	(27,185)	377,987	(45)	377,942	(31,752)	346,190
Tax	(74,575)	(770)	(75,345)	-	(75,345)	(439)	(75,784)
Profit/(loss) after tax	330,597	(27,955)	302,642	(45)	302,597	(32,191)	270,406
EBITDA*	842,120	(1,482)	840,638	(2,632)	838,006	(24,738)	813,268
Total assets	7,125,267	237,156	7,362,423	(151,412)	7,211,011	35,151	7,246,162
Total liabilities	4,450,502	362,712	4,813,214	(149,553)	4,663,661	54,349	4,718,010
Additions to property, plant and equipment	240,319	3,745	244,064	-	244,064	399	244,463

* Earnings before interest, tax, depreciation and amortisation ("EBITDA")

42. SEGMENTAL REPORTING (CONTINUED)

	Group	
	2024 RM'000	2023 RM'000
Reconciliation of profit before tax		
Segment profit before tax	**531,010**	377,987
Intercompanies	**(55)**	(45)
Profit before tax	**530,955**	377,942
Reconciliation of assets		
Segment total assets	**7,576,087**	7,362,423
Intercompanies	**(172,846)**	(151,412)
Total assets	**7,403,241**	7,211,011
Reconciliation of liabilities		
Segment total liabilities	**4,838,489**	4,813,214
Intercompanies	**(172,846)**	(149,553)
Total liabilities	**4,665,643**	4,663,661

43. INTERNATIONAL TAX REFORM - PILLAR TWO MODEL RULES

The Global Minimum Tax ("GMT") legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates, such as Australia, Indonesia and Malaysia.

The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group is continuously monitoring the potential exposure arising from the GMT legislation.

Meanwhile, assessments based on the financial information for the financial year ended 31 December 2024 have been carried out for jurisdictions where the Group operates which have implemented GMT in the year of 2024 (i.e., Australia). Based on the Transitional Country-by-Country Report Safe Harbour assessment and the Pillar Two calculations carried out, the Australian entities can either rely on the transitional safe harbour relief or are not subject to Top-up Tax exposure due to being in Net GloBE Loss position in the current financial year.

Therefore, the Group and Company does not expect any material exposure to Pillar Two income taxes in the current financial year in respect of all jurisdictions where the Group operates.

Care For Life Stories

Powered by Purpose, Led by People

At KPJ, we are proud to say: our people power our purpose. Talent is not just a resource – it is the heartbeat of our organisation.

The achievements we celebrate today are built on the dedication, passion and perseverance of our people. Every milestone reached, every life touched and every innovation introduced shows that with purpose and heart, we can create lasting impact.

In 2024, we reaffirmed our unwavering commitment to our people – recognising, developing and investing in them with deliberate intention and a bold, long-term vision. We introduced a series of initiatives such as the Future Forward Leaders Programme ("FFLP") to cultivate tomorrow's trailblazers, alongside Signature Leadership and Culture Development programmes including C.L.I.M.B. – Continuous Leadership Initiative for Managerial Breakthrough and the WE C.A.R.E. Culture Transformation Workshop.

As we move forward, we do so with renewed energy – guided by our new DNA under the KPJ Health System. Our people will continue to be at the heart of this movement.

We are proud of all we have achieved together – and even more inspired by the future we are shaping: a future driven by extraordinary talent, united spirit and an dedication to making a difference.

Section 8

APPENDICES

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Shareholdings Statistics

as at 2 April 2025

TOTAL NUMBER OF ISSUED SHARES : 4,526,608,066 LESS 162,306,700 TREASURY SHARES = 4,364,301,366
CLASS OF SHARES : ORDINARY SHARE
VOTING RIGHTS : ONE VOTE PER ORDINARY SHARE

BREAK DOWN OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	HOLDERS	%	HOLDINGS	%
LESS THAN 100	643	8.34	14,283	0.00
100 – 1000	2,027	26.29	923,318	0.02
1,001 – 10,000	2,498	32.39	11,872,652	0.27
10,001 – 100,000	1,720	22.31	56,609,367	1.30
100,001 TO LESS THAN 5% OF ISSUED CAPITAL	820	10.63	2,355,727,712	53.98
5% AND ABOVE OF ISSUED CAPITAL	3	0.04	1,939,154,034	44.43
TOTAL	**7,711**	**100.00**	**4,364,301,366**	**100.00**

TOP THIRTY SECURITIES ACCOUNT HOLDERS
(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME DEPOSITOR)

	NAME	HOLDINGS	%
1	JOHOR CORPORATION	1,407,150,100	32.24
2	WAQAF AN-NUR CORPORATION BERHAD	286,349,087	6.56
3	CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD	245,654,847	5.63
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	176,391,400	4.04
5	JOHOR CORPORATION	107,999,780	2.47
6	JCORP CAPITAL SOLUTIONS SDN. BHD.	93,319,148	2.14
7	CITIGROUP NOMS (A) SDN BHD - A/C UBS AG	71,042,732	1.63
8	CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	65,407,200	1.50
9	CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	62,603,958	1.43
10	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC SELECT TREASURES FUND	51,335,572	1.18
11	CIMB SECURITIES SDN BHD - A/C CLEARING (EO040) FOR EMPLOYEES PROVIDENT FUND BOARD	40,000,000	0.92
12	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM BUMIPUTERA	40,000,000	0.92
13	CARTABAN NOMS (T) SDN BHD - A/C PAMB FOR PRULINK EQUITY FUND	38,439,200	0.88
14	JOHOR CORPORATION	34,565,248	0.79

TOP THIRTY SECURITIES ACCOUNT HOLDERS (CONT'D)
(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME DEPOSITOR)

	NAME	HOLDINGS	%
15	CARTABAN NOMS (T) SDN BHD - A/C PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	33,879,500	0.78
16	HSBC NOMS (A) SDN BHD - A/C JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	33,179,667	0.76
17	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC DIVIDEND FUND	32,608,140	0.75
18	CITIGROUP NOMS (A) SDN BHD - A/C EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	32,475,600	0.74
19	CITIGROUP NOMS (T) SDN BHD - A/C EXEMPT AN FOR AIA BHD.	31,116,300	0.71
20	HSBC NOMS (A) SDN BHD - A/C JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	27,907,200	0.64
21	CARTABAN NOMS (T) SDN BHD - A/C PBTB FOR TAKAFULINK DANA EKUITI	27,277,000	0.63
22	HSBC NOMS (A) SDN BHD - A/C MORGAN STANLEY & CO. INTERNATIONAL PLC (FIRM A/C)	26,516,628	0.61
23	CITIGROUP NOMS (T) SDN BHD - A/C URUSHARTA JAMAAH SDN. BHD. (2)	24,771,302	0.57
24	HSBC NOMS (A) SDN BHD - A/C J.P. MORGAN SECURITIES PLC	23,855,905	0.55
25	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ITTIKAL SEQUEL FUND	23,342,264	0.53
26	LEMBAGA TABUNG HAJI	22,270,000	0.51
27	CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	21,821,000	0.50
28	HSBC NOMS (A) SDN BHD - A/C JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	21,520,000	0.49
29	DB (M) NOM (A) SDN BHD - A/C EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	21,349,500	0.49
30	DB (M) NOM (A) SDN BHD - A/C SSBT FUND ZM47 FOR INVESCO EQV EMERGING MARKETS ALL CAP FUND	20,820,600	0.48

SUBSTANTIAL SHAREHOLDERS

			DIRECT		INDIRECT	
	NAME		HOLDINGS	%	HOLDINGS	%
1	JOHOR CORPORATION - 5 a/cs		1,565,052,721	35.86	398,622,499	9.13
2	EMPLOYEES PROVIDENT FUND BOARD - 12 a/cs		467,330,305	10.71	-	-
	- CIMB SECURITIES SDN BHD - 2 a/cs	50,000,000				
	- CITIGROUP NOMS (T) SDN BHD - 10 a/cs	417,330,305				
3	WAQAF AN-NUR CORPORATION BERHAD		286,349,087	6.56	-	-
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	176,391,400	223,085,200	5.11	-	-
	- CITIGROUP NOMS (T) SDN BHD - 9 a/cs	46,693,800				

Shareholdings Statistics

as at 2 April 2025

DIRECTORS' SHAREHOLDING IN THE COMPANY AND/OR ITS RELATED CORPORATION

Directors' Shareholding in the Company

		DIRECT		INDIRECT	
	NAME	HOLDINGS	%	HOLDINGS	%
1	TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR	-	-	-	-
2	DATO' MOHD REDZA SHAH BIN ABDUL WAHID	-	-	-	-
3	KHAIRUDDIN BIN JAFLUS	-	-	-	-
4	HISHAM BIN ZAINAL MOKHTAR	-	-	-	-
5	SHAMSUL ANUAR BIN ABDUL MAJID	-	-	-	-
6	ROZAINI BIN MOHD SANI	-	-	-	-
7	PROF. EMERITUS DATO' DR. AZIZI BIN HAJI OMAR	330,000	0.01	-	-
8	ANNIE BINTI ROSLE	-	-	-	-
9	LEE LAI FAN	-	-	-	-
10	CHIN KEAT CHYUAN	700,000	0.02	-	-
	TOTAL	**1,030,000**	**0.03**	**-**	**-**

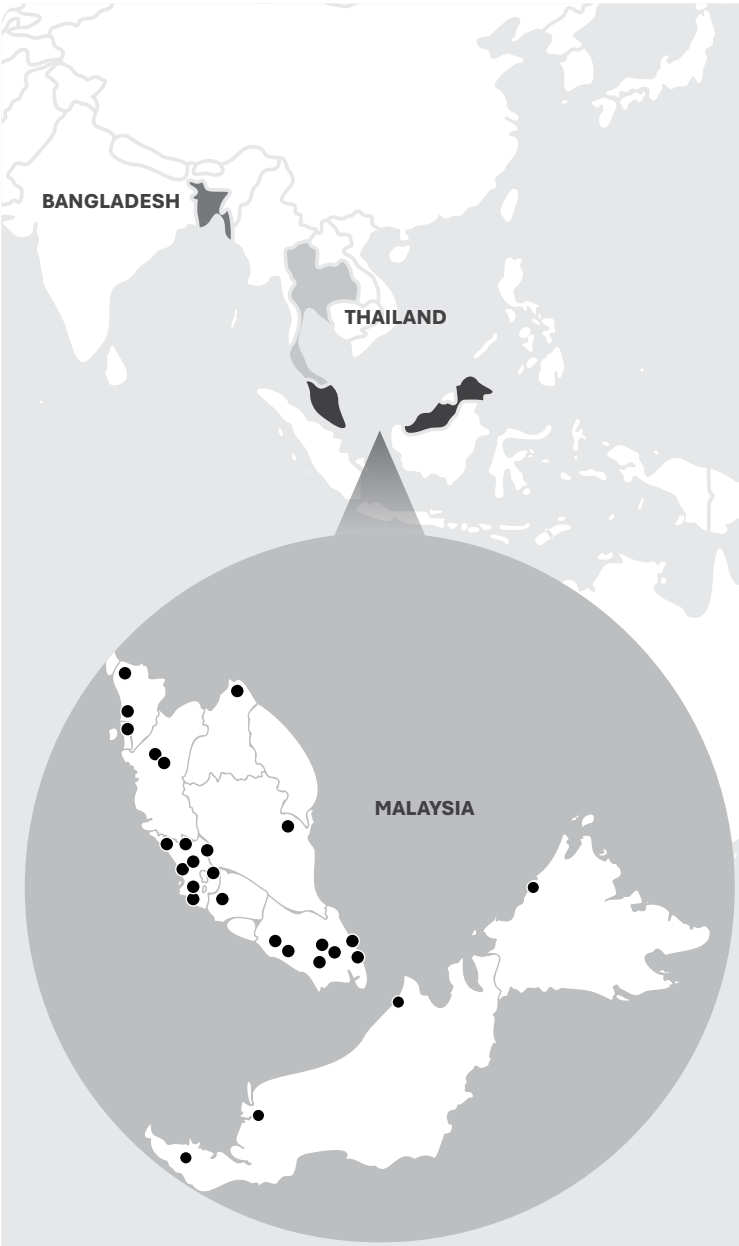
Directors' Shareholding in Johor Plantations Group Berhad

		DIRECT		INDIRECT	
	NAME	HOLDINGS	%	HOLDINGS	%
1	TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR	416,000	0.02	-	-
2	SHAMSUL ANUAR BIN ABDUL MAJID	3,000,091	0.12	-	-
3	ROZAINI BIN MOHD SANI	2,017,791	0.08	-	-
4	CHIN KEAT CHYUAN	320,000	0.01	-	-
	TOTAL	**5,753,882**	**0.23**	**-**	**-**

List of KPJ Top 10 Properties

No	Company	Location	Description	Latest date of valuation	NBV as at 31.12.2024 RM million	Tenure & expiry date	Area (in sq metre)	Age of building
1	Bandar Dato Onn Specialist Hospital Sdn Bhd	Lot PTD 163189, HSD 501209, Mukim Tebrau, 81100 Johor Bahru, Johor.	Land and hospital building	31-Dec-20	271.7	Freehold land	104,646	6 years
2	Kumpulan Perubatan (Johor) Sdn Bhd	Lot 405, Seksyen 87A, Geran 52130, Menara KPJ, No. 238, Jalan Tun Razak, 50400 Kuala Lumpur.	Land and office building	31-Dec-24	255.0	Freehold land	97,350	26 years
3	SMC Healthcare Sdn Bhd	TL 017553221, Off Jalan Damai, 88300 Kota Kinabalu, Sabah.	Hospital building	31-Dec-20	170.2	NA	42,211	11 years
4	BDC Specialist Hospital Sdn Bhd	Lot 18807, Block 11, Muara Tebas Land District, Jalan Stutong, 93350, Kuching, Sarawak.	Land and hospital building	31-Dec-24	168.0	Leasehold land (60 years expiring on 8 August 2072)	18,990	5 years
5	Pasir Gudang Specialist Hospital Sdn Bhd	PTB 24134, HSD 535599 80350 Johor Bahru, Johor.	Hospital building	31-Dec-23	139.8	NA	34,805	3 years
6	Ampang Puteri Specialist Hospital Sdn Bhd	PT 25119, HSM 26550, Mukim Empang, District of Hulu Langat, 68000 Ampang, Selangor.	Hospital building	31-Dec-20	120.5	NA	49,780	5 years
7	Pahang Specialist Hospital Sdn Bhd	Lot 140885, Pajakan Mukim 32008, Mukim Kuala Kuantan, 26060 Kuantan, Pahang.	Land and hospital building	31-Dec-20	104.6	Leasehold land (99 years expiring on 17 April 2106)	52,312	9 years
8	Kluang Specialist Hospital Sdn Bhd	PTD 91374, Jalan Saujana Utama Taman Saujana Kluang 86000 Kluang, Johor.	Land and hospital building	31-Dec-24	96.5	Freehold land	27,349	6 years
9	Miri Specialist Hospital Sdn Bhd	Lot 8836, Block 11 (TRN: 04-LCLS-005-011-08836), Kuala Baram Land District, 98000 Miri, Sarawak.	Land and hospital building	31-Dec-20	81.6	Leasehold land (99 years expiring on 26 May 2114)	28,794	5 years
10	Rawang Specialist Hospital Sdn Bhd	PT 4156, section 16, HSD 52121, Bandar Rawang, 48000 Rawang, Selangor.	Land and hospital building	31-Dec-20	77.5	Leasehold land (99 years expiring on September 2103)	34,955	11 years

Group Network and Directory



MSQH & JCI ACCREDITED HOSPITALS

KPJ AMPANG PUTERI SPECIALIST HOSPITAL
1, Jalan Mamanda 9
Taman Dato' Ahmad Razali
68000 Ampang, Selangor

Tel: 603-4289 5000
Website: www.kpjhealth.com.my/ampang/
Email: apsh@kpjampang.com

KPJ SEREMBAN SPECIALIST HOSPITAL
Lot 6219 & 6220, Jalan Toman 1
Kemayan Square
70200 Seremban, Negeri Sembilan

Tel: 606-768 6000
Emergency: 606-763 6900
Website: www.kpjhealth.com.my/seremban/
Email: ssh@kpjseremban.com

KPJ PENANG SPECIALIST HOSPITAL
570, Jalan Perda Utama
Bandar Baru Perda
14000 Bukit Mertajam
Seberang Perai, Pulau Pinang

Tel: 604-548 6688
Website: www.kpjhealth.com.my/penang/
Email: inquiry@kpjpenang.com

KPJ JOHOR SPECIALIST HOSPITAL
39B, Jalan Abdul Samad, Kolam Ayer
80100 Johor Bahru, Johor

Tel: 607-225 3000
Website: www.kpjhealth.com.my/johor/
Email: jsh@jsh.kpjhealth.com.my

MQSH ACCREDITED HOSPITALS

KPJ IPOH SPECIALIST HOSPITAL
26, Jalan Raja Dihilir
30350 Ipoh, Perak

Tel: 605-240 8777
Website: www.kpjhealth.com.my/ipoh/
Email: kpjipoh@kpjipoh.com

KPJ DAMANSARA SPECIALIST HOSPITAL
119, Jalan SS20/10
Damansara Utama
47400 Petaling Jaya, Selangor

Tel: 603-7718 1000
Website: www.kpjhealth.com.my/damansara/
Email: prdsh@kpjdamansara.com

KPJ SELANGOR SPECIALIST HOSPITAL
Lot 1, Jalan Singa 20/1
Section 20
40300 Shah Alam, Selangor

Tel: 603-5543 1111
Website: www.kpjhealth.com.my/selangor/

KPJ PERDANA SPECIALIST HOSPITAL
PT 37 & 600 Dan Lot 684 (Level 1, 2 & 3)
Seksyen 14, Jalan Bayam
Bandar Kota Bharu
15200 Kota Bharu, Kelantan

Tel: 609-745 8000
Website: www.kpjhealth.com.my/perdana/
Email: feedbackkpj@perdana.kpjhealth.com.my

KPJ KAJANG SPECIALIST HOSPITAL
Jalan Cheras
Kampung Sungai Kantan
43000 Kajang, Selangor

Tel: 603-8769 2999
Website: www.kpjhealth.com.my/kajang/
Email: cs.kjsh@kpjkajang.com

KEDAH MEDICAL CENTRE
Pumpong, 05250 Alor Setar
Kedah Darul Aman

Tel: 604-730 8878
Website: www.kpjhealth.com.my/kedah/
Email: kmccustcare@kpjkmc.com

KPJ TAWAKKAL KL SPECIALIST HOSPITAL
1, Jalan Pahang Barat,
53000 Kuala Lumpur

Tel: 603-4026 7777
Website: www.kpjhealth.com.my/tawakkal/
Email: tawakkal@kpjtawakkal.com

KPJ PERLIS SPECIALIST HOSPITAL
No. 77, Jalan Dato Wan Ahmad
01000 Kangar, Perlis

Tel: 604-970 7777
Website: www.kpjhealth.com.my/perlis/
Email: prm.kpjperlis@gmail.com

KPJ SENTOSA KL SPECIALIST HOSPITAL
Address: 36, Jalan Chemur, Kompleks Damai,
50400 Kuala Lumpur, Wilayah Persekutuan
Kuala Lumpur

Tel: 03-4043 7166
Website: https://kpjhealth.com.my/sentosa/

KPJ KLANG SPECIALIST HOSPITAL
102, Persiaran Rajawali/KU1
Bandar Baru Klang
41150 Klang, Selangor

Tel: 603-3377 7888
Website: www.kpjhealth.com.my/klang/
Email: customer@kpjklang.com

KPJ PASIR GUDANG SPECIALIST HOSPITAL
Lot PTD 204781, Jalan Persiaran Dahlia 2
Taman Bukit Dahlia
81700 Pasir Gudang, Johor

Tel: 607-257 3999
Website: www.kpjhealth.com.my/pasirgudang/
Email: info@kpjpgsh.com

KPJ BANDAR MAHARANI SPECIALIST HOSPITAL
73-1, Jln Stadium
Kampung Baharu
84000 Muar, Johor

Tel: 606-956 4500
Website: www.kpjhealth.com.my/maharani/
Email: maharani@kpjmaharani.com

KPJ RAWANG SPECIALIST HOSPITAL
Jalan Rawang, Bandar Baru
48000 Rawang, Selangor

Tel: 603-6099 8999
Website: www.kpjhealth.com.my/rawang/
Email: customer.s@kpjrawang.com

KPJ SABAH SPECIALIST HOSPITAL
Lot No.2, Off Jalan Damai
Luyang Commercial Centre
88300 Kota Kinabalu, Sabah

Tel: 6088-322 000
Website: www.kpjhealth.com.my/sabah/
Email: prsmckk@kpjsabah.com

KPJ PAHANG SPECIALIST HOSPITAL
Jalan Tanjung Lumpur
26060 Kuantan, Pahang

Tel: 609-511 2692
Website: www.kpjhealth.com.my/pahang/
Email: kphg@kpjpahang.com

MOVING TOWARDS ACCREDITATION

TAIPING MEDICAL CENTRE
45-49, Jalan Medan Taiping 2
Medan Taiping
34000 Taiping, Perak

Tel: 605-807 1049
Website: www.kpjhealth.com.my/taiping/
Email: tmc@kpjtaiping.com

KPJ KUCHING SPECIALIST HOSPITAL
Lot 18807, Block 11
Muara Tebas Land District
Jln Stutong, 93350 Kuching, Sarawak

Tel: 6082-365 777
Website: www.kpjhealth.com.my/kuching/
Email: kcsh@kcsh.kpjhealth.com.my

KPJ SIBU SPECIALIST MEDICAL CENTRE
52A-G, Persiaran Brooke, Pekan Sibu
96000 Sibu, Sarawak

Tel: 6084-329 900
Website: www.kpjhealth.com.my/sibu/
Email: enquiry@kpjsibu.com

KPJ KLUANG SPECIALIST HOSPITAL
PTD 91374, Jalan Saujana Utama
Taman Saujana
86000 Kluang, Johor

Tel: 607-771 8999
Website: www.kpjhealth.com.my/kluang/

KPJ DAMANSARA SPECIALIST HOSPITAL 2
Bukit Lanjan, 60000 Kuala Lumpur

Tel: 603-7717 3000
Website: https://www.kpjhealth.com.my/damansara2/
Email: d2marcomm@kpjdamansara2.com

KPJ SRI MANJUNG SPECIALIST HOSPITAL
Lot 14777 & 14778
Jalan Lumut
32000 Sitiawan, Perak

Tel: 605-691 8153
Website: www.kpjhealth.com.my/srimanjung/
Email: kpjsrimanjung@kpjsrimanjung.com

KPJ BANDAR DATO' ONN SPECIALIST HOSPITAL
No. 2, Jalan Bukit Mutiara
Taman Bukit Mutiara
81100 Johor Bahru, Johor

Tel: 607-301 1000
Website: www.kpjhealth.com.my/bdo/
Email: bdo@kpjbdo.com

KPJ PUTERI SPECIALIST HOSPITAL
No. 33, Jalan Tun Abdul Razak (Susur 5)
80350 Johor Bahru, Johor

Website: www.kpjhealth.com.my/puteri/
Email: psh@psh.kpjhealth.com.my

KPJ BATU PAHAT SPECIALIST HOSPITAL
No 1, Jalan Mutiara Gading 1
Taman Mutiara Gading, Sri Gading
83000 Batu Pahat, Johor

Tel: 607-459 1000
Website: www.kpjhealth.com.my/batupahat/
Email: bpsh@kpjbatupahat.com

KPJ MIRI SPECIALIST HOSPITAL
Lot 8836, Block 11
Kuala Baram By Pass Rd
Bandar Baru Permyjaya
98000 Miri, Sarawak

Tel: 6085-649 999
Website: www.kpjhealth.com.my/miri/
Email: inquiry.miri@kpjmiri.com

AMBULATORY CARE AND WELLNESS CENTRES

KPJ SPECIALIST AND HEALTHCARE CENTRE
33, 35 & 37, Jalan BK 5A/2
Bandar Kinrara
47100 Puchong, Selangor

Tel: 603-8090 7070
Website: www.kpjkinrara.com
Email: marketing@kpjkinrara.com

TMC HEALTH CENTRE
Lot 3140, Aras 1 - 4
Medan Taiping
34000 Taiping, Perak

Tel: 605-804 8836

JETA GARDENS
Retirement and Aged Care Resort
27 Clarendon Ave
Queensland 4205 Australia

Tel: 1800-227-818
Website: www.jetagardens.com

TAWAKKAL HEALTH CENTRE
202A, Jalan Pahang, Pekeliling
53000 Kuala Lumpur

Tel: 603-4023 3599
Website: www.kpjhealth.com.my/thc/
Email: info@kpjhealthcentre.com

EDUCATION

KPJ Healthcare University (KPJU)
Website: www.kpju.edu.my
Email: info@kpjuc.edu.my

Main Campus (Nilai, Negeri Sembilan)
Lot PT 17010, Persiaran Seriemas
Kota Seriemas
71800 Nilai, Negeri Sembilan

Tel: 1-300-88-5758
Fax: 606-794 2662

Branch Campus (Johor Bahru, Johor)
No. 1, Jalan Dato' Onn 1
Bandar Dato' Onn
81100 Johor Bahru, Johor

Tel: 607-360 1907
Fax: 607-360 1988
Email: infojb@kpjuc.edu.my

Branch Campus (Penang)
565, Jalan Sungai Rambai
Taman Manggis Indah
14000 Bukit Mertajam, Pulau Pinang

Tel: 604-538 2692
Fax: 604-530 8695
Email: penang@kpjuc.edu.my

EYE SPECIALIST CENTRE

KPJ PUSAT PAKAR MATA CENTRE FOR SIGHT
1-1, Jalan SS 23/15
Taman SEA
47400 Petaling Jaya, Selangor

Tel: 603-7880 8222
Fax: 603-7804 6052
Website: www.kpjhealth.com.my/cfs/
Email: info@kpjcfs.com

Rawang Branch
No. 88, Jalan Bandar Rawang 1
Pusat Bandar Rawang
48000 Rawang, Selangor

Tel: 603-6093 1051
Fax: 603-6093 1052
Website: www.kpjhealth.com.my/cfs/
Email: inforw@kpjcfs.com

Kuala Lumpur Branch
Lot 100-102, Level 4,
Tawakkal Health Centre, 202A,
Jalan Pahang,
53000 Kuala Lumpur

Tel: 603-4022 6222
Fax: 603-4021 1409
Website: www.kpjhealth.com.my/cfs/
Email: infokl@kpjcfs.com

Bandar Kinrara Branch
Level 1,
KPJ Ambulatory Care Centre Kinrara,
33, 35 & 37, Jalan BK5A/2,
Bandar Kinrara,
47180 Puchong

Tel: 603-8090 7070
Website: www.kpjhealth.com.my/cfs/
Email: nfokl@kpjcfs.com

KPJ INTERNATIONAL NETWORK

VEJTHANI HOSPITAL
1 Soi Lat Phrao 111
Khlong Chan, Bang Kapi District
Bangkok 10240, Thailand

Tel: 662-734 0000
Fax: 662-734 0044
Emergency: 66(0)-2734 0001
Website: www.vejthani.com
Email: service@vejthani.com

SHEIKH FAZILATUNNESSA MUJIB MEMORIAL KPJ SPECIALIZED HOSPITAL & NURSING COLLEGE
C/12, Nabinagar - Chandra Road
Near DEPZ Tetuibari
Kasimpur, Bangladesh

Tel: 088-017 0378 8561
Fax: 088-017 0378 8562
Website: www.sfmmkpjsh.com
Email: info@sfmmkpjsh.com

LABORATORY SERVICES

LABLINK MEDICAL LABORATORY
14(129) Jalan Pahang Barat
Off Jalan Pahang
53000 Kuala Lumpur

Tel: 603-4023 4588
Website: https://www.kpjlablink.com/

Notice of 32nd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Second ("**32nd**") Annual General Meeting ("**AGM**") of KPJ Healthcare Berhad ("**KPJ**" or the "**Company**") will be held at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 10:00 a.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A.

2. To re-elect the following Directors of the Company who retire pursuant to the Constitution of the Company and being eligible, have offered themselves for re-election:-
   (i) Dato' Mohd Redza Shah bin Abdul Wahid - Rule 95(i) **(Ordinary Resolution 1)**
   (ii) Khairuddin bin Jaflus - Rule 95(i) **(Ordinary Resolution 2)**
   (iii) Prof. Emeritus Dato' Dr. Azizi bin Haji Omar - Rule 95(i) **(Ordinary Resolution 3)**
   Please refer to Explanatory Note B.

3. To approve the payment of directors' fees up to an aggregate amount of RM3,110,000 to the Non-Executive Directors ("**NEDs**") from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company.
   Please refer to Explanatory Note C(I). **(Ordinary Resolution 4)**

4. To approve the payment of benefits payable to the NEDs up to an aggregate amount of RM2,200,000 from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company.
   Please refer to Explanatory Note C(II). **(Ordinary Resolution 5)**

5. To re-appoint Ernst & Young PLT as Auditors of the Company for the ensuing financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

   "**THAT** subject to the Companies Act 2016 (the "**Act**"), the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company's Constitution and approval of the relevant governmental and/or regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company.

   THAT pursuant to Section 85 of the Act to be read together with Rule 7.5 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act." **(Ordinary Resolution 7)**
   Please refer to Explanatory Note D.

7. **PROPOSED RENEWAL OF AUTHORITY FOR KPJ TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

"**THAT** subject to the Act, the provisions of the Company's Constitution, the Listing Requirements of Bursa Securities and any other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised to utilise an amount not exceeding the audited retained profits of the Company to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that:-

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its own ordinary shares shall not exceed the total retained profits of the Company at the time of purchase; and

(c) the authority conferred by this resolution shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company, at which time the authority will lapse unless renewed by ordinary resolution passed at the AGM either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM is required by law to be held; or
(iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares so purchased in their absolute discretion in the following manner:-

(i) cancel the shares so purchased; and/or
(ii) retain the shares so purchased as treasury shares and held by the Company; and/or
(iii) retain part of the shares so purchased as treasury shares and cancel the remainder; and/or
(iv) distribute all or part of the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
(v) transfer all or part of the treasury shares as share award or purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, variations, modifications, revaluations and/or amendments (if any) as may be imposed by any relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

Please refer to Explanatory Note E. **(Ordinary Resolution 8)**

Notice of 32nd Annual General Meeting

8. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"**THAT** subject to the Act, the Listing Requirements of Bursa Securities and the Company's Constitution, approval be and is hereby given to the Company and/or its subsidiaries (the "**Group**") to enter into any of the transactions falling within the classes of recurrent related party transactions of a revenue or trading nature ("**RRPTs**") as set out in the Circular to Shareholders dated 28 April 2025 with the related parties as described therein, provided that such transactions are:

(a) recurrent transactions of a revenue or trading nature;
(b) necessary for the day-to-day operations of the Group;
(c) carried out in the ordinary course of business of the Group, made on arm's length basis and on normal commercial terms not more favourable to the related parties than those generally available to the public; and
(d) not detrimental to the minority shareholders of the Company.

THAT such authority shall continue to be in force until:-

(a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed; or
(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and to do all acts, deeds and things, including execute all documents as they may consider expedient or necessary to give effect to the RRPTs contemplated and/or authorised by this ordinary resolution with full power to assent to any conditions, variations, modifications, arrangements and/or amendments in any manner as may be imposed or permitted by the relevant regulatory authorities and/or deemed fit by the Directors in the best interest of the Company."
Please refer to Explanatory Note F. **(Ordinary Resolution 9)**

9. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

By Order of the Board,

Keh Ching Tyng (MAICSA 7050134)
(SSM Practising Certificate 202008002616)
Hana binti Ab Rahim @ Ali (MAICSA 7064336)
(SSM Practising Certificate 202408000758)
Company Secretaries
Kuala Lumpur

28 April 2025

NOTES:

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 19 June 2025 shall be eligible to attend the 32nd AGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries in the Record of Depositors after the said date shall be disregarded in determining the rights of any person to attend and vote at the 32nd AGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the 32nd AGM, is entitled to appoint a proxy or attorney or in the case of a corporation, a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. A member of the Company is entitled to appoint more than one (1) proxy to attend, participate and vote at the 32nd AGM.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies ("**Proxy Form**").

7. The appointment of proxy may be made in hard copy form or by electronic means in the following manner and must be deposited with and received by the Company at least forty-eight (48) hours before the time appointed for holding the 32nd AGM:-

   (a) In hard copy form
   In the case of appointment made in hard copy form, the Proxy Form must be deposited with the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) By electronic form
   The Proxy Form can be electronically lodged with the poll administrator of the Company via TIIH Online website at *https://tiih.online*. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via TIIH Online.

8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

9. Last date and time for lodging the Proxy Form is **Tuesday, 24 June 2025** at **10:00 a.m**.

10. Any authority pursuant to which such appointment is made by a power of attorney must be deposited at the office of the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at *https://tiih.online* at least forty-eight (48) hours before the time appointed for holding the 32nd AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. For a corporate member who has appointed a representative, please deposit the certificate of appointment at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at *https://tiih.online*. The certificate of appointment should be executed in the following manner:

    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment is to be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (i) at least two (2) authorised officers, of whom one (1) shall be a director; or
        (ii) any director and/or authorised officer(s) in accordance with the laws of the country under which the corporate member is incorporated.

Notice of 32nd Annual General Meeting

EXPLANATORY NOTES:

A. Audited Financial Statements for the financial year ended 31 December 2024

The Audited Financial Statements together with the Reports of the Directors and Auditors thereon are laid in accordance with Section 340(1)(a) of the Act for discussion only. They do not require shareholders' approval and hence, will not be put for voting.

B. Ordinary Resolutions 1 to 3: Re-election of Directors who retire pursuant to Rule 95(i) of the Company's Constitution and being eligible, have offered themselves for re-election

Rule 95(i) of the Company's Constitution states that at the First ("**1st**") AGM of the Company, the whole of the Directors shall retire from office and at every succeeding AGM, one-third (1/3) of the Directors or if their number is not a multiple of three (3), the number nearest to, but not exceeding one-third (1/3), shall retire from office. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Rule 95(ii) of the Company's Constitution states that the Directors to retire shall be those who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement, be selected from among them by lot. Pursuant to Rule 95(i) of the Company's Constitution, YBhg. Dato' Mohd Redza Shah bin Abdul Wahid, Encik Khairuddin bin Jaflus and YBhg. Prof. Emeritus Dato' Dr. Azizi bin Haji Omar are due to retire at the 32nd AGM.

In determining the eligibility of the retiring Directors to stand for re-election, the Nomination and Remuneration Committee ("**NRC**") considered the following:-

- Evaluation on the effectiveness of the retiring Directors in accordance with the fit and proper criteria as set out in the Company's Fit and Proper Policy for the Board, which includes character, experience, integrity, competency, time and commitment in discharging their roles as Directors of the Company;
- The current board balance and composition; and
- Practice 5.2 of the Malaysian Code on Corporate Governance ("**MCCG**") for large companies, which recommends that the Board comprises a majority of independent directors.

The NRC (save for the retiring Directors who had abstained from deliberation and decision on their own re-election), was satisfied that the retiring Directors met the fit and proper criteria as set out in the Company's Fit and Proper Policy for the Board. Based on the above, the NRC (save for the retiring Directors who had abstained from deliberation and decision on their own re-election) was of the view that the retiring Directors are eligible to stand for re-election.

The Board, having considered the views and recommendations of the NRC, endorsed the NRC's recommendation that the Directors who retire in accordance with Rule 95(i) of the Company's Constitution, namely YBhg. Dato' Mohd Redza Shah bin Abdul Wahid, Encik Khairuddin bin Jaflus and YBhg. Prof. Emeritus Dato' Dr. Azizi bin Haji Omar are eligible to stand for re-election at the 32nd AGM.

Any retiring Directors who are shareholders of the Company will abstain from voting on the resolution in respect of their own re-election at the 32nd AGM.

C. Ordinary Resolutions 4 and 5: Payment of directors' fees and benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that shareholders' approval shall be sought at the 32nd AGM of the Company for the payment of directors' fees and benefits for the NEDs from the conclusion of the 32nd AGM until the conclusion of the next AGM of the Company ("**Mandate Period**").

The Company had, at its Thirty-First ("**31st**") AGM, obtained approval from the shareholders in respect of the payment of directors' fees and benefits for the NEDs for the period from the conclusion of the 31st AGM until the conclusion of the 32nd AGM.

In determining the estimated total amount of directors' fees and benefits payable to the NEDs for the Mandate Period, the Board has considered various factors including among others, the increasing responsibilities, risks and time commitment required from the NEDs to contribute their expertise to the Company in line with the growth of the Company, the number of scheduled meetings for the Board and Board Committees of the Company and its subsidiaries, the current Board size and a provisional sum as a contingency for appointment of additional director(s), additional meetings and establishment of new Board Committee(s) as deemed necessary by the Board.

The Board, upon the recommendation of the NRC, has reviewed the remuneration of the NEDs and recommends that the prevailing rates of directors' fees and benefits be maintained for the Mandate Period. This recommendation is commensurate with the time commitment, responsibilities, duties and commitment required of the NEDs:-

(I) Ordinary Resolution 4: Payment of directors' fees to the NEDs

Board	Chairman of the Board (RM per annum)	Member of the Board (RM per director per annum)
Board of KPJ	360,000	150,000
Board of subsidiary (who are Directors of KPJ)	Up to 90,000	Up to 40,000

Board Committees	Chairman of the Board Committee (RM per annum)	Member of the Board Committee (RM per director per annum)
Audit Committee	45,000	30,000
Risk, Sustainability and Governance Committee	36,000	24,000
Nomination and Remuneration Committee	36,000	24,000
Investment Committee	36,000	24,000
Tender Committee	36,000	24,000
Group Medical Advisory and Clinical Governance Committee (who are Directors of KPJ)	36,000	24,000
Whistleblowing Committee	-	-
Long Term Incentive Plan Committee	-	-

Notes:

(a) Nominee Directors who represent and are employees of Johor Corporation will have their directors' fees paid to Johor Corporation as Corporate Fees.

*(b) 50% of the directors' and committee fees for nominee Director who represents and is an employee of the Employees Provident Fund ("**EPF**") will be paid to EPF as Corporate Fees.*

(c) The President and Managing Director/Executive Director(s) will not receive any directors' fees. Directors' fees from subsidiary companies of KPJ will be paid to KPJ as Corporate Fees.

(II) Ordinary Resolution 5: Payment of benefits to the NEDs

(a) Meeting Allowances

Description	Chairman of the Board and Committee (RM per meeting)	Member of the Board and Committee (RM per meeting)
Board of KPJ	4,000	3,000
Audit Committee	4,000	3,000
Risk, Sustainability and Governance Committee	3,000	2,000
Nomination and Remuneration Committee	3,000	2,000
Investment Committee	3,000	2,000
Tender Committee	3,000	2,000
Group Medical Advisory and Clinical Governance Committee (who are Directors of KPJ)	4,000	3,000
Whistleblowing Committee	3,000	2,000
Long Term Incentive Plan Committee	-	-
Board of subsidiary (who are Directors of KPJ)	Up to 3,000	Up to 1,500

Notes:

(a) The Meeting Allowances will be paid to all Directors in the Board and Board Committees, except for the President and Managing Director/Executive Director(s) of the Company.

(b) Meeting allowances from KPJ's subsidiary companies for nominee Director who represents and is an employee of KPJ will be paid to KPJ as Corporate Fees.

(b) Other Benefits

Description	Chairman of the Board	Member of the Board
NED	Medical benefits (including dental and eye treatment) from KPJ Hospitals only, company car and driver, technology devices and other claimable benefits	Medical benefits (including dental and eye treatment) from KPJ Hospitals only, technology devices and other claimable benefits

The proposed Ordinary Resolutions 4 and 5, if passed, will allow the quarterly payment of directors' fees to the NEDs and payment of benefits on a monthly basis and/or when incurred within the Mandate Period. The Board is of the view that the payment of directors' fees and benefits to the NEDs are just and equitable taking into account their roles and responsibilities towards the Group and the time, contribution and services they render to the Company and its subsidiaries.

Any NEDs who are also shareholders of the Company will abstain from voting on the aforesaid resolutions at the 32nd AGM.

Notice of 32nd Annual General Meeting

D. Ordinary Resolution 7: Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue and allot up to ten per centum (10%) of the total number of issued shares in the Company for the time being, pursuant to Sections 75 and 76 of the Act. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The general mandate sought under the proposed Ordinary Resolution 7 is to renew the existing general mandate granted to the Directors at the 31st AGM of the Company held on 26 June 2024 and is sought to provide flexibility and to avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities.

The Company did not issue any new shares under the general mandate which was approved at the 31st AGM.

The authority will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company for any possible fund raising activities, including but not limited to placement of shares, funding for future investment project(s), acquisitions of assets and/or working capital purposes.

The Company is also seeking shareholders' approval to waive their statutory pre-emptive rights under Section 85 of the Act and to allow the Directors to allot new shares without first offering them to existing shareholders in proportion to their shareholdings pursuant to the general mandate.

E. Ordinary Resolution 8: Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to utilise any of its surplus financial resources to purchase the Company's own shares up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Securities at any time within the time stipulated in the mandate. The funds allocated for this purpose shall not exceed the total retained profits of the Company.

For further information, please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 28 April 2025 which is available on the Company's corporate website at *https://kpj.listedcompany.com/ar.html*.

F. Ordinary Resolution 9: Proposed Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for Additional RRPTs of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will enable the Group to enter into RRPTs of a revenue or trading nature, the particulars of which are set out in the Circular to Shareholders dated 28 April 2025 in relation to the Proposed Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for additional RRPTs of a Revenue or Trading Nature. The said Circular to Shareholders is available on the Company's corporate website at *https://kpj.listedcompany.com/ar.html*. The procurement of the above proposed shareholders' mandate will substantially reduce administrative time, effort and expenses associated with the convening of separate general meetings to seek shareholders' approval as and when potential RRPTs arise.

Please refer to the details in the Circular to Shareholders dated 28 April 2025 for the Proposed Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for additional RRPTs of a Revenue or Trading Nature.

Statement Accompanying Notice of the 32nd Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

A. Details of individuals who are standing for election as Directors

(i) No individual is seeking election as a Director at the 32nd AGM of the Company.
(ii) The profiles of Directors standing for re-election under Ordinary Resolutions 1, 2 and 3 are set out on pages 31, 32 and 37 of this Integrated Annual Report.

B. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities.

Kindly refer to the Explanatory Note D of the Notice of the 32nd AGM pertaining to the authority to issue and allot shares pursuant to Sections 75 and 76 of the Act.

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Proxy Form

KPJ healthcare
A JCORP Company

KPJ HEALTHCARE BERHAD
199201015575 (247079-M)
(Incorporated in Malaysia)

*I/We

Full Name (in block letters and as per NRIC/Passport/Certificate of Incorporation):	
NRIC No./ Passport No./Registration No.:	Contact No.:
CDS account No.:	No. of shares held:
Address:	

being a member of KPJ Healthcare Berhad (Registration No. 199201015575 (247079-M)) ("**Company**"), do hereby appoint:

Full Name (in block letters and as per NRIC/Passport):		
NRIC No./Passport No.:	Proportion of Shareholdings	
	No. of Shares	%
Address:		

*and / or

Full Name (in block letters and as per NRIC/Passport):		
NRIC No./Passport No.:	Proportion of Shareholdings	
	No. of Shares	%
Address:		

or failing *him/her, the Chairman of the meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the 32nd Annual General Meeting ("**32nd AGM**") of the Company to be held at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 10:00 a.m. or any adjournment thereof.

Resolutions		**For**	**Against**
Ordinary Resolution 1	To re-elect Dato' Mohd Redza Shah bin Abdul Wahid as Director of the Company.		
Ordinary Resolution 2	To re-elect Khairuddin bin Jaflus as Director of the Company.		
Ordinary Resolution 3	To re-elect Prof. Emeritus Dato' Dr. Azizi bin Haji Omar as Director of the Company.		
Ordinary Resolution 4	To approve the payment of directors' fees to the Non-Executive Directors of the Company.		
Ordinary Resolution 5	To approve the payment of benefits payable to the Non-Executive Directors of the Company.		
Ordinary Resolution 6	To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 7	To authorise the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 8	To approve the Proposed Renewal of Share Buy-Back Authority.		
Ordinary Resolution 9	To approve the renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("**RRPTs**") and proposed new shareholders' mandate for additional RRPTs of a revenue or trading nature.		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy shall vote or abstain from voting at his/her discretion)

** Strike out whichever is not applicable*

Signed this _____ day of _____ 2025

_____
Signature and/or Seal

NOTES:

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 19 June 2025 shall be eligible to attend the 32nd AGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries in the Record of Depositors after the said date shall be disregarded in determining the rights of any person to attend and vote at the 32nd AGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the 32nd AGM, is entitled to appoint a proxy or attorney or in the case of a corporation, a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. A member of the Company is entitled to appoint more than one (1) proxy to attend, participate and vote at the 32nd AGM.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies ("**Proxy Form**").

7. The appointment of proxy may be made in hard copy form or by electronic means in the following manner and must be deposited with and received by the Company at least forty-eight (48) hours before the time appointed for holding the 32nd AGM:-

   (a) In hard copy form
   In the case of appointment made in hard copy form, the Proxy Form must be deposited with the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) By electronic form
   The Proxy Form can be electronically lodged with the poll administrator of the Company via TIIH Online website at *https://tiih.online*. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via TIIH Online.

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AFFIX
STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
UNIT 32-01, LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE, AVENUE 3
BANGSAR SOUTH, NO. 8, JALAN KERINCHI
59200 KUALA LUMPUR, MALAYSIA

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8. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.

9. Last date and time for lodging the Proxy Form is **Tuesday, 24 June 2025** at **10:00 a.m.**

10. Any authority pursuant to which such appointment is made by a power of attorney must be deposited at the office of the poll administrator of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at *https://tiih.online* at least forty-eight (48) hours before the time appointed for holding the 32nd AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. For a corporate member who has appointed a representative, please deposit the certificate of appointment at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via TIIH Online website at *https://tiih.online*. The certificate of appointment should be executed in the following manner:

    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment is to be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (i) at least two (2) authorised officers, of whom one (1) shall be a director; or
        (ii) any director and/or authorised officer(s) in accordance with the laws of the country under which the corporate member is incorporated.

KPJ HEALTHCARE BERHAD (199201015575 (247079-M))
(A JCorp Company)

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