KPJhealthcare
A JCORP Company

EXCELLENCE, BY DESIGN

ONE SYSTEM
ONE PURPOSE
ONE STANDARD

INTEGRATED
ANNUAL REPORT 2025

Excellence, by Design

ONE SYSTEM, ONE PURPOSE, ONE STANDARD

This year's cover is built around a simple metaphor.

The frame.

We reach for a frame when a moment matters, when something is worth holding, worth remembering, worth keeping. Behind this frame sits Adam, a fictional character, but with a story that is real, drawn from the journeys of patients KPJ has walked beside. His path through cancer carries him from the shock of diagnosis, through the weight of treatment, to the quiet courage of a father who chose to live up to the words his children had written about him. As the layered covers unfold, his portrait is gradually revealed, and with it the truth that excellence in healthcare is never only clinical. It is human.

KPJ does not place itself at the centre of this story. We sit beside it. The frame is our role: present, steady, and trusted to hold the moments that define a life. That trust is made possible by the way we work as One System across 30 hospitals, with One Purpose of Care for Life to restore not only what needs healing but the life around it, and held to One Standard our patients can feel even when they cannot name it.

This is what we mean by Excellence, By Design. The frame becomes a symbol of what we built with care. Every standard, every protocol, every hand that holds a patient steady is part of a system designed to deliver excellence by intent, not by chance. And the picture inside, in the end, is the patient we were built to serve.

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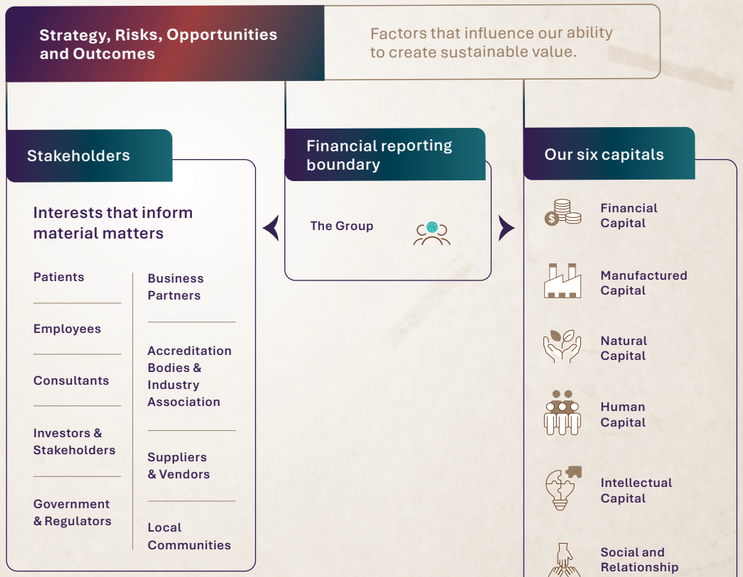
ABOUT THIS REPORT

This Integrated Annual Report 2025 (“IAR2025”) tells the story of our pursuit of excellence - how the KPJ Health System (“KPJHS”) brings together our people, capabilities and care to deliver excellence in patient outcomes and create lasting value for those we serve.

REPORTING SCOPE AND BOUNDARY

This report covers the financial reporting boundary of KPJ Healthcare Berhad, together with its group of companies and subsidiaries (“KPJ”) for the reporting period from 1 January 2025 to 31 December 2025, with financial and non-financial information consolidated at the Group level. Unless otherwise stated, Kedah Medical Centre (“KMC”) is excluded from the operational boundary of the IAR data.



REPORTING SUITE

We publish two core reports for the reporting year. Each report aligns with specific regulatory and reporting frameworks, depending on their purpose and content.

The IAR2025 is the Group’s primary corporate report and should be read together with the Sustainability Report 2025 (“SR2025”), which provides more detailed sustainability related information.

INTEGRATED ANNUAL REPORT 2025

Key Focus

Strategy, governance, performance, risk management and value creation.

Applicable Frameworks & Standards

- Value Reporting Foundation’s Integrated Reporting (“<IR>”) Framework (formerly the International Integrated Reporting Council)
- Malaysian Code on Corporate Governance (revised April 2021)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- International Financial Reporting Standards (“IFRS”)
- Malaysian Financial Reporting Standards (“MFRS”)

SUSTAINABILITY REPORT 2025

Key Focus

Detailed sustainability disclosures, policies, initiatives and performance.

Applicable Frameworks & Standards

- National Sustainability Reporting Framework (“NSRF”)
- Global Reporting Initiative (“GRI”) Standards
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad (sustainability requirements)
- FTSE4Good Bursa Malaysia (“F4GBM”) Index Sustainability Criteria
- International Financial Reporting Standards (“IFRS”) S1 and S2 Disclosure
- Sustainability Accounting Standards Board (“SASB”) Standards – Healthcare Sector
- Greenhouse Gas (“GHG”) Protocol

ASSURANCE

Selected sustainability information in this IAR2025 has been subject to independent external assurance by SIRIM QAS.

The scope, standards applied and conclusions of the assurance engagement are set out in the Independent Assurance Statement included in the SR 2025. The assurance provider is independent of the Group and conducts its work in accordance with applicable professional standards.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to our strategies, plans, expectations and outlook. These statements are based on current assumptions and expectations and involve known and unknown risks and uncertainties.

Actual outcomes may differ materially due to changes in economic conditions, regulatory developments, competitive dynamics and other factors beyond our control. Forward-looking statements reflect our views as at the date of this report, and we do not undertake to update them unless required by law.

Board's Responsibility Statement

The Board of Directors is responsible for the integrity and has approved the content of this report and confirms that, to the best of its knowledge, the information presented is accurate, complete and balanced in all material respects.

The Board has applied its collective judgement in preparing this report, including making appropriate assumptions and estimates, and believes that this report provides a fair and reasonable view of the Group's performance, position and prospects.

NAVIGATION

We use icons throughout this report to guide readers to related information.

Five Strategic Pillars

Core focus areas that guide our strategy and decision-making:

- Patients
- People
- Partners
- Physicians
- Planet

Key Stakeholders

Stakeholder groups whose perspectives inform our decisions.

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

Material Matters

Topics identified as most significant based on our impacts on the economy, environment and people.

- Climate Change Resilience
- Resource and Waste Management
- Service Quality and Safety
- Community Outreach
- Diversity, Inclusion and Human Rights
- Employee Engagement and Development
- Governance, Ethics and Integrity
- Technology, Innovation and Collaboration
- Data Privacy and Security
- Supply Chain Management

1 Leadership Insights

- Message from the Chairman
- Message from the President and Managing Director ("PMD")

MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

Healthcare is a sector where trust is built steadily through decisions that safeguard care, safety and responsibility. In 2025, the healthcare environment became more demanding as expectations rose, scrutiny intensified and structural pressures across the healthcare system sharpened the consequences of decisions made by providers and governing bodies alike.

TAN SRI DATO' SRI DR ISMAIL BIN HAJI BAKAR

Chairman of KPJ Healthcare Berhad

In such conditions, the Board's role is not to react to events as they unfold, but to provide steadiness of judgement. We must guide KPJ with discipline, while remaining mindful that our decisions affect not only financial performance, but also the patients, employees, partners and communities who place their trust in us. In healthcare, strong results must always be pursued responsibly.

The healthcare sector is evolving, which calls for system-level thinking.

The operating environment in 2025 placed sustained pressure on healthcare providers across Malaysia. Medical inflation in both the public and private sectors continued to strain operating costs, while demographic shifts and rising disease complexity drove higher demand. At the same time, payors and patients became more sensitive to affordability and value, sharpening expectations around cost discipline and outcomes.

Care delivery itself has become more demanding. Patients are presenting with greater acuity, often requiring more specialised interventions, longer care pathways and higher clinical intensity. This growing clinical burden has been compounded by workforce sustainability pressures, particularly across nursing and specialised clinical roles, which continue to constrain capacity and stretch service delivery across the sector.

In parallel, expectations around accountability have intensified. Regulators, payors and the public are increasingly focused on patient safety, clinical quality indicators, mortality outcomes and the management of sentinel events. Healthcare providers are now expected not only to deliver care, but to demonstrate clearly how safety, quality and accountability are governed, monitored and improved.

However, the landscape also presented clear opportunities. Momentum towards value-based healthcare, digitalisation and broader health system reform continues to build, supported by advances in Artificial Intelligence ("AI"), digital health and precision medicine. These developments enable care models that are more connected, more efficient and better aligned to patient needs.

Taken together, these dynamics expose the need to move away from a traditional hospital-centric model. The sector has reached an inflection point. Resilience now depends on stronger system integration, deeper clinical capability and a workforce culture that supports learning, research and consistent standards of care. We see this shift as critical to strengthening system-wide oversight, reducing fragmentation and supporting consistent clinical outcomes across our network.

In response, KPJ has been clear on the strategic direction required. Through our integrated Academic Health System ("AHS"), care delivery, education and research are increasingly aligned across the KPJHS, strengthening clinical capability, knowledge development and long-term sustainability. KPJ Healthcare University ("KPJU") and our hospital network also play an important role in developing the next generation of healthcare professionals, strengthening the training of doctors, nurses and allied health personnel who will sustain the quality and continuity of care across the system.

In healthcare, strong governance is how trust is protected.

With the healthcare environment becoming more complex, strong corporate governance becomes more critical. It is the foundation that holds everything together. Our strategic priorities cannot be pursued credibly unless they are supported by integrity, sound internal controls and accountability throughout the organisation. This extends to the clinical dimension, where patient safety, quality of care and clinical outcomes must be consistently upheld across the Group.

During the year, the Board remained focused on guiding KPJ through these changes with discipline and oversight. Against this backdrop, the Annual General Meeting ("AGM") continued to serve as an important mechanism for reinforcing governance legitimacy and continuity. At the 32nd AGM held in June 2025, shareholders approved resolutions relating to director re-elections, remuneration and benefits, affirming confidence in Board leadership and the framework through which authority and accountability are exercised.

Board composition also remained a deliberate area of focus. As healthcare risks become more complex, the quality of Board deliberation matters as much as structure. The Board therefore reviewed its composition to ensure continued alignment with listing requirements and governance best practices, reaffirming its commitment to diversity, independence and balanced oversight. This included maintaining at

least one female Director and ensuring that at least one-third of the Board comprises Independent Directors, in line with the Malaysian Code on Corporate Governance (“MCCG”) and global standards.

Beyond structure, the Board focused on its readiness to govern a healthcare system undergoing rapid change. Directors were regularly engaged on emerging developments in sustainability, digitalisation and healthcare delivery through structured management briefings, external governance and ESG programmes, and ongoing updates on regulatory and risk trends. This is reinforced through formal capability-building, with newly appointed Directors completing the Mandatory Accreditation Programme (“MAP”) to establish a strong foundation in fiduciary responsibilities, regulatory expectations and Board leadership, complemented by MAP II, the mandatory sustainability onboarding programme, which deepens understanding of ESG principles, climate-related risks, reporting expectations and the Board’s oversight role.

Our governance measures are intended to ensure a Board that is equipped not only to meet current governance demands, but to steward KPJ responsibly as the healthcare system continues to evolve.

Our people are at the heart of care.

In healthcare, the strength of our system ultimately depends on the people who deliver care every day. I do not believe in managing from a distance. It is important to see for myself how things are working on the ground, to understand the challenges our teams face and to hear directly from them.

Through these engagements, we continue to place emphasis on open communication and responsiveness to our people. In many cases, what may appear as small matters can carry significant meaning for our staff. Whether it relates to day-to-day concerns, workplace activities or how teams stay connected, these experiences shape how our people feel about the organisation. Being attentive to these realities is essential in building trust and maintaining a supportive working environment across KPJ.

Workforce sustainability remains a key challenge for the healthcare sector. The movement of nurses and clinical staff across hospitals and to overseas markets continues to affect retention and service continuity. While this reflects the strength of the talent we develop, it also reinforces the need for us to continuously invest in building and sustaining our workforce.

KPJ has taken steps to build a stronger talent pipeline through KPJU and the broader KPJHS. These platforms provide opportunities for doctors, nurses and allied health professionals to further their training, deepen their expertise and contribute to teaching and development. This creates a continuous cycle where experienced practitioners help develop the next generation while strengthening capabilities across our hospitals.

Alongside this, we have also reinforced a consistent culture anchored on our C.A.R.E. values. Initiatives such as the CARE Culture Activation Programme and the integration of C.A.R.E. competencies into performance management support clearer behavioural expectations, accountability and consistency in service delivery across the Group.

This focus on engagement is reflected in measurable outcomes. In 2025, KPJ recorded a Total Employee Engagement Index of 91%, with a strong response rate. This reflects increased levels of trust, ownership and responsiveness across the organisation.

Ultimately, these efforts underscore the importance of building a workforce that is capable, engaged and aligned in purpose, recognising that the quality and continuity of care we deliver will always depend on the people behind it.

ESG is both a responsibility and a value driver.

In 2025, environmental, social and governance (“ESG”) considerations remained integral to risk management and long-term value creation. In a sector where trust and care are paramount, ESG is treated as a core governance lens shaping risk oversight and strategic judgement.

To anchor this approach, the Board endorsed the Green Healthcare Sustainability Framework, providing a clear and structured direction for how KPJ addresses sustainability risks and opportunities over the long term. The framework strengthens governance over climate-related risks, social responsibilities and ethical conduct, embedding sustainability into decision-making rather than addressing it reactively, and reinforcing institutional trust and stability.

Climate change was also recognised as a material risk with dual implications for the Group. Healthcare operations contribute to environmental impact, while climate-related events such as floods and heatwaves can directly affect patient access, service continuity and infrastructure resilience. The Board therefore emphasised a climate-aware operating model, reflected in KPJ’s ESG Roadmap towards Net Zero by 2050, which strengthens disaster preparedness protocols and investments in renewable and energy-efficient systems across hospitals. These measures support emissions reduction while also enhancing operational reliability, cost resilience and continuity of care.

Beyond operations, we recognise that a significant portion of healthcare ESG risks sits within the supply chain. As expectations around responsible procurement intensify, governance over supplier oversight was strengthened to set clearer standards on ethical conduct, compliance and resilience. Suppliers, contractors and partners supporting our hospitals are therefore encouraged to uphold the same standards of safety, integrity and responsible practice.mThis reduces exposure to quality failures and service disruptions, while supporting more reliable, values-aligned supplier relationships and consistent standards of care across the network. Over time, this helps ensure that the standards expected within our hospitals are upheld consistently across the wider ecosystem that supports our operations.

In this context, the Board views ESG governance as a means of protecting and enhancing value, not merely meeting expectations.
By embedding sustainability into how risks are governed and decisions are made, KPJ strengthens its ability to deliver trusted care today while safeguarding resilience, relevance and societal value in the years ahead.

The future of healthcare depends on care that endures.

The years ahead will demand more from healthcare providers than operational strength alone. Structural pressures such as workforce constraints and medical cost inflation are expected to persist, while care delivery becomes more specialised, digitally enabled and closely scrutinised. As these forces converge, the risks facing healthcare systems are increasingly interconnected, requiring disciplined leadership and sound judgement to navigate complexity while sustaining high standards of care.
In navigating this environment, the Board’s priorities remain firmly anchored in fundamentals. Maintaining cost discipline while ensuring reliable and professional healthcare services will remain an important priority for KPJ as we navigate an increasingly demanding healthcare environment. A mature clinical governance ecosystem, supported by data, quality intelligence and rigorous oversight, will continue to guide how KPJ navigates complexity. KPJ Healthcare University and our hospital network play an important role in developing the next generation of healthcare professionals, strengthening the training and ongoing development of doctors, nurses and allied health personnel across our system.

At the same time, the future of healthcare will be shaped by technology. AI and digital tools will continue to create opportunities to improve efficiency and decision-making, but we must remain clear that these tools should support clinicians rather than replace the empathy, judgement and responsibility that define good care.

Ultimately, the Board’s responsibility is to safeguard trust into the future. We remain mindful that healthcare institutions must stay close to the people they serve, responding to the needs of patients and communities with responsibility, compassion and trust. Above all, we remain committed to ensuring that KPJ continues to be an institution that patients, partners and communities can rely on with confidence, today and in the years ahead.

At the Malaysia International Healthcare Megatrends 2025, KPJ reinforced its commitment to advancing the nation’s healthcare agenda through strategic collaboration and innovation, supporting more sustainable, patient-centred care.

With appreciation to each of you.

On behalf of the Board of Directors, I would like to take this opportunity to acknowledge the people whose commitment and trust continue to shape KPJ. First and foremost, thank you to those who run and sustain First and foremost, thank you to those who run and sustain KPJ: our consultants, clinicians, nurses, educators, researchers, support services teams and every member of Team KPJ. Each of you plays a vital role in delivering care, often under demanding circumstances.

To our patients, partners, shareholders and the wider community, thank you for your continued confidence in KPJ. Your trust holds us to account and challenges us to remain responsible, ethical and forward-looking in how we govern and deliver care.

As we look ahead, KPJ remains guided by Care for Life, committed to serving society with integrity and delivering care that is worthy of the confidence placed in us, today and for the generations to come.

MESSAGE FROM THE PRESIDENT AND MANAGING DIRECTOR

Dear Stakeholders,

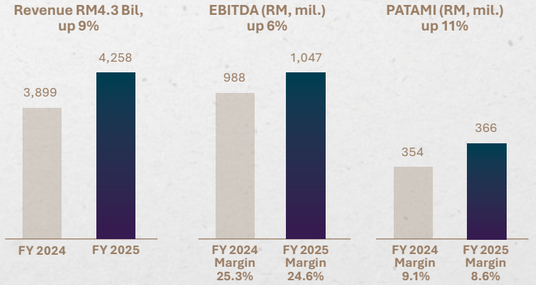
The past year brought us both opportunities and challenges. Demand for healthcare continued to grow, even as rising cost pressures, shifting demographics and higher expectations reshaped the environment in which care is delivered. These conditions require healthcare providers to respond with clarity, discipline and a continued commitment to patients and society.

CHIN KEAT CHYUAN
President and Managing Director
of KPJ Healthcare Berhad

At KPJ, we continued our transformation towards specialised excellence to meet these evolving demands. While the journey is ongoing, the direction is clear. With KPJHS as our engine of transformation and guided by our Care for Life purpose, we focused on disciplined execution and on building the foundations of a more integrated and future-ready healthcare system — one that delivers trusted care today while creating sustainable value for our stakeholders for the years ahead.

2025 REVIEW & PERFORMANCE

In a demanding operating environment, KPJ delivered robust financial and operational performance in 2025 through disciplined execution and selective growth. Higher patient volumes and expanded bed capacity across the network supported stronger results, while the Malaysia operations remained the Group's core contributor.



This growth performance is a testament to KPJ's ability to capture demand opportunities while maintaining discipline across the Group. Continued efforts to enhance and optimise our hospital network, alongside targeted capacity expansion, subspecialist recruitment and a sustained focus on operational efficiency supported consistent performance.

KPJ HEALTH SYSTEM: STRENGTHENING THE ECOSYSTEM

The evolving healthcare landscape is making one reality increasingly clear: KPJ must move beyond a traditional hospital-centric model towards an integrated AHS. This shift is being driven through the KPJHS, launched in 2024.

By bringing care delivery, education and research into a single, connected framework, the KPJHS links hospitals with KPJ Healthcare University ("KPJU") and structured research activity. In doing so, it enhances coordination across clinical practice, education and research and innovation. This helps ensure more consistent standards of care across the network while allowing KPJ to respond more effectively to rising clinical complexity and workforce constraints.

Practice

Under the Practice pillar, KPJ continues to build its hospitals as premier referral centres for complex and higher-acuity cases within the AHS. This focus centres on deepening subspecialist capability, advancing multidisciplinary care and improving clinical outcomes across the network.

Centres of Excellence ("CoEs") represent a key mechanism in advancing this ambition. Designed around priority disease areas and complex care pathways, the CoEs concentrate clinical expertise, advanced technology and coordinated multidisciplinary teams within a structured framework.

In 2025, KPJ launched its first flagship Centre of Excellence (CoE) in Heart and Lung at Johor Specialist Hospital, marking the first of 15 planned CoEs across the network. These centres are designed to elevate clinical outcomes and position KPJ as a leading referral destination for complex care.

Centres of Excellence
KPJ will establish 15 Centres of Excellence over the next five years, anchoring the KPJ Care Network with higher-acuity care, stronger research and consistent, measurable outcomes.

Complementing these efforts, KPJ also strengthened the clinical leadership and governance structures required to support system-level integration. Key milestones included the appointment of the Group's first Chief Medical Director and the establishment of 16 Heads of Specialty and Subspecialty across major medical and surgical domains. Supported by a dyad leadership model linking clinical leadership with operational accountability, these roles help ensure consistent clinical standards and stronger coordination across the network.

Education

Education remains central to sustaining the future healthcare workforce. Through KPJ University and its academic ecosystem, the Group continues to advance clinical training and professional development while reinforcing the link between clinical practice and training.

Within the AHS, education is closely integrated with care delivery and research. This enables healthcare professionals to develop capability in step with evolving clinical complexity while ensuring that training remains closely aligned with real-world clinical needs.

Research and Innovation

Research and innovation form the third pillar supporting the evolution of the KPJHS. The Future Health Institute ("FHI") has been positioned as a key integration catalyst, bringing together experiential learning, research and innovation, digital health development and command centre capabilities.

Through this platform, KPJ is deepening the connection between clinical practice, education and innovation, enabling knowledge generated from care delivery to inform training, research and service improvement across the network.

Operationally, early progress has been made to enhance referral pathways across hospitals and optimise case mix across the network. KPJ has also begun piloting AI-enabled monitoring and command centre capabilities to improve operational visibility, patient flow and system-wide coordination.

These capabilities are reinforced by the progressive integration of clinical systems and enterprise data platforms across our hospitals. Initiatives such as the New Hospital Information System, Enterprise Picture Archiving and Communication System ("PACS") and the Enterprise Data Integration Platform improve the flow, availability and usability of clinical information, enabling more timely and informed decision-making across the network.

Digital systems are shaping how care is delivered and trusted.

Digitalisation across the healthcare sector continues to accelerate in 2025. Patients increasingly expect care to be seamless across physical and digital touchpoints, while regulators and payors are paying closer attention to how technology affects safety, quality and outcomes. Therefore, digital capability has become fundamental to trust, shaping not only convenience, but confidence in the reliability of healthcare systems.

In response, KPJ continues to strengthen its digital capabilities across the Group. Guided by our Digital Blueprint, the aim is to ensure that technology, data and innovation across the KPJHS evolve in a coordinated and interoperable manner, supporting long- term clinical and operational needs across our hospitals.

A key priority is improving system integration across the hospital network. Historically, healthcare systems often operate in silos, making it difficult to consolidate information across facilities. Strengthening digital connectivity across our hospitals allows KPJ to improve visibility of patient care, enhance coordination between facilities and support more informed clinical decision-making.

However, as care delivery becomes increasingly dependent on digital systems, we recognise our responsibility to protect what matters most: patient safety, confidentiality and continuity of care. Failures in digital systems or breaches of patient data can have direct consequences for both patients and public trust. Digital progress must therefore be matched by strong safeguards. KPJ continues to emphasise robust cybersecurity, data protection and operational resilience across KPJ's digital ecosystem.

THE FIVE PS: DELIVERING STRATEGIC VALUE

The KPJHS is ultimately delivered through people and relationships. The Five Ps reflect how KPJ creates value by recognising the needs, expectations and roles of those who shape and are affected by healthcare delivery:

Patients

Patients sit at the heart of KPJ's purpose. As disease burden grows and cases become more complex, patients and their families look for more than clinical treatment. We are responding by widening how care experience is defined and delivered. Excellence must come from both the clinical outcome and the experience that surrounds it.

- **Centres of Excellence**
- **KPJ Cares App**
- **AIRA Chatbot**
- **Specialist Access**

Planet

Planet is a core pillar for KPJ. Healthcare is energy- and resource-intensive, and carries a significant environmental footprint. Addressing climate and resource challenges, while continuing to deliver safe and high-quality care, is therefore central to sustaining healthcare for the long term.

- **Green Building Certified**
- **Renewable Energy**
- **Waste Intensity Reduced**
- **Solar Sites Expansion**

Physicians

KPJ continues to deepen its clinical expertise by recruiting subspecialists in priority disciplines. Within KPJHS, these specialists work in coordinated teams, building advanced care pathways that respond to the real health needs of the communities we serve.

- **Consultant Onboarding**
- **Leadership Appointments**
- **Clinical Standards Focus**

Partners

KPJ plays a constructive role in the wider healthcare ecosystem. We work closely with the Ministry of Health (MoH) through public-private initiatives and lead actively within the Association of Private Hospitals Malaysia. Our focus is on building transparency around cost drivers, deepening shared understanding among stakeholders and supporting collaborative policy development.

- **Industry**
- **Government Relations**
- **Global Academia**

People

In 2025, KPJ focused on strengthening its talent pipeline and workforce readiness and continued to invest in leadership capability and culture as anchors for retention, engagement and care continuity.

- **Learning Platform Roadmap**
- **Mental Health Programmes**
- **Financial Aid Disbursed**
- **Employee Engagement Index (EEI)**

THE YEARS AHEAD

Looking ahead, structural pressures such as medical inflation, workforce constraints and rising clinical complexity will continue to shape healthcare delivery. At the same time, ageing populations and higher expectations for quality, access and outcomes are driving a decisive shift towards more integrated and specialised healthcare systems.

For KPJ, integration will be central to how we create value, with a strong focus on improving clinical outcomes and patient experience across the continuum of care. Through KPJHS and KPJ Care Network, which we are developing, we are advancing system-wide alignment across hospitals, education and research, enabling more consistent standards, coordinated pathways and outcome-focused care delivery.

Growth will be supported by a hub-and-spoke model with CoEs serving as hubs and Ambulatory Care Centres ("ACC") extending access closer to communities. This model allows KPJ to scale capacity efficiently, improve patient flow and deliver care in settings that are appropriate, accessible and cost-effective while maintaining specialist depth at our core hospitals.

As we look ahead, our focus remains on disciplined execution and long-term value creation. Guided by Care for Life, KPJ is committed to building an integrated, digitally enabled healthcare system that delivers clinical excellence, meaningful patient experiences and enduring institutional strength for the years ahead.

These priorities will be supported by the Future Health Institute ("FHI"), which will serve as a catalyst for integrating clinical practice, education, research and digital innovation across the KPJHS. Underpinning this is a strong emphasis on effective change management, transparency and collaboration. We will continue to develop leadership capacity, enhance data transparency and governance, while deepening partnerships with global institutions, regulators and industry players to enable sustainable and responsible transformation at scale.

A NOTE OF APPRECIATION

As we close the year, I would like to acknowledge each of you who has contributed to KPJ's journey. To our Board, thank you for your stewardship and guidance as we navigate a period of change and complexity. Your oversight continues to shape our direction and strengthen the foundations of the Group.

To our partners, regulators, policymakers and collaborators, your engagement and shared responsibility remain essential. To our patients and communities, thank you for placing your trust in KPJ at moments that matter most.

And to #TeamKPJ, your commitment is what turns intention into impact. Every day, you bring care, professionalism and resilience to the work you do. It is your dedication that gives meaning to our purpose and credibility to our ambitions.

As we move forward together, let us continue to build a healthcare system that earns trust, advances standards and serves future generations with integrity and care.

TRANSFORMATIVE FORCES SHAPING OUR FUTURE

ARTIFICIAL INTELLIGENCE IN CLINICAL PRACTICE
AI will augment clinical decision-making, enable population health management and improve care efficiency.

GENOMICS AND PRECISION MEDICINE
Advancing from research to routine care, genomics enables treatments tailored to individual genetic profiles, improving outcomes while reducing adverse outcomes.

VALUE-BASED CARE MODELS
Transitioning from volume-driven to outcome-based care, aligning clinical quality, patient outcomes and financial sustainability.

Preventive | Predictive | Precision

The launch of KPJ's first Centre of Excellence on 1 December 2025 marks another step in KPJ Health System's commitment to delivering timely, consistent and excellent outcomes for every patient. Officiated by Datuk Syed Mohamed Syed Ibrahim, President and Chief Executive of Johor Corporation and Chairman of KPJ Healthcare University, with KPJ Chairman Tan Sri Dato' Sri Dr Ismail Bakar in attendance, the Heart and Lung Centre of Excellence at Johor Specialist Hospital brings together multidisciplinary expertise, coordinated care pathways and advanced cardiac and pulmonary services under one integrated home of care.

Stories of Excellence

2025 - A Year in the Pursuit of Excellence

Excellence in healthcare is rarely the work of a single moment. It is built quietly, year after year, through investment in people, in technology and in the courage to attempt what has not been done before. 2025 was a year in which that pursuit gathered pace across the KPJ network, with milestones that, taken together, tell a story of a health system steadily expanding what is possible for the patients it serves.

In East Malaysia, Kuching Specialist Hospital led with three landmark achievements. It became the first hospital in the region to perform Cardiac Ablation using Next-Generation Pulse Field Ablation Technology, a meaningful step forward in the safety profile of treatment for irregular heart rhythms. It became the first private hospital in East Malaysia to perform Deep Brain Stimulation surgery, opening a new pathway of hope for patients living with movement disorders. And it crossed a remarkable threshold of 1,111 Robotic Knee Replacements, a number that speaks not only to volume but to the depth of clinical experience now held within a single team.

In the south, Johor Specialist Hospital ("JSH") had a defining year of its own. The introduction of Robotic Assisted Surgery brought a new standard of precision into theatres across multiple specialties. The hospital pioneered Robotic Sentinel Node Biopsy for Endometrial Cancer in the southern region, advancing the way women's cancers are staged and treated with less invasiveness and greater accuracy. The launch of the JSH Heart and Lung Centre of Excellence brought cardiac and pulmonary expertise together under one roof, designed around the patient journey rather than the convenience of departments. And the adoption of the latest Robotic Visualisation System for neurosurgery placed the hospital at the forefront of a field where millimetres matter. JSH also proudly marks a new milestone with the installation of the MRI Solar Fit 1.5 Tesla, the first in Malaysia and within KPJ.

At our Central region, the first HOBBIT MIS and Cement Surgery in Malaysia and Asia Pacific Region was successfully performed at KPJ Selangor Specialist Hospital using HOBBIT MIS cement screws, marking a significant advancement in minimally invasive spine surgery and patient care.

The network itself also grew. KPJ Kuala Selangor Specialist Hospital opened as the 30th hospital in the KPJ family, extending the reach of specialist care into a community that had long deserved it. Each new hospital is a promise made tangible: that quality care should not be the privilege of those who live near a city.

Behind every milestone in this list sits the same quiet truth. Technology opens doors. Teams walk patients through them. The pursuit of excellence at KPJ is not measured by the equipment we acquire or the firsts we record, but by the lives those investments touch. In 2025, that pursuit reached further than it ever has before.

Kuching Specialist Hospital
First Private Hospital in East Malaysia to perform Deep Brain stimulation surgery

Kuching Specialist Hospital
First in East Malaysia to perform Cardiac Ablation using Next-Gen Pulse Field Ablation Technology

Johor Specialist Hospital
Introduction of Robotic Assisted Surgery

Johor Specialist Hospital
First in Malaysia to adopt the latest Robotic Visualisation System for neurosurgery

KPJ Kuala Selangor Specialist Hospital
KPJ's 30th hospital

Kuching Specialist Hospital
Completes 1,111 Robotic Knee Replacements

KPJ Selangor Specialist Hospital
Pioneers Advanced Prostate Cancer Treatment with the Introduction of High Intensity Focused Ultrasound ("HIFU")

KPJ Healthcare Berhad
Clinches Triple Win at The Edge Billion Ringgit Club 2025

Johor Specialist Hospital
Launch of JSH Heart and Lung Centre of Excellence

KPJ Healthcare Berhad
Becomes First Public-Listed Healthcare Provider to Join United Nation Global Compact ("UNGC")

2 Our Purpose & Story

- Who We Are
- What We Do
- Where We Operate
- Snapshot into 2025
- Board of Directors
- Senior Management Team

WHO WE ARE

For more than four decades, KPJ has been a key driver of Malaysia's private healthcare system.

Today, we are the nation's leading private healthcare provider, delivering specialist care through a nationwide hospital network. Our work is grounded in clinical discipline, strong governance and a clear commitment to patient safety.

Our shared values guide how care is delivered across the Group. We focus on care that is safe and compassionate, supported by consistent clinical standards. We continue to strengthen care continuity through better capability and digital integration, with our efforts directed towards improving patient outcomes and supporting healthier communities, now and into the future. This long-term view informs how we invest in our people, systems and infrastructure.

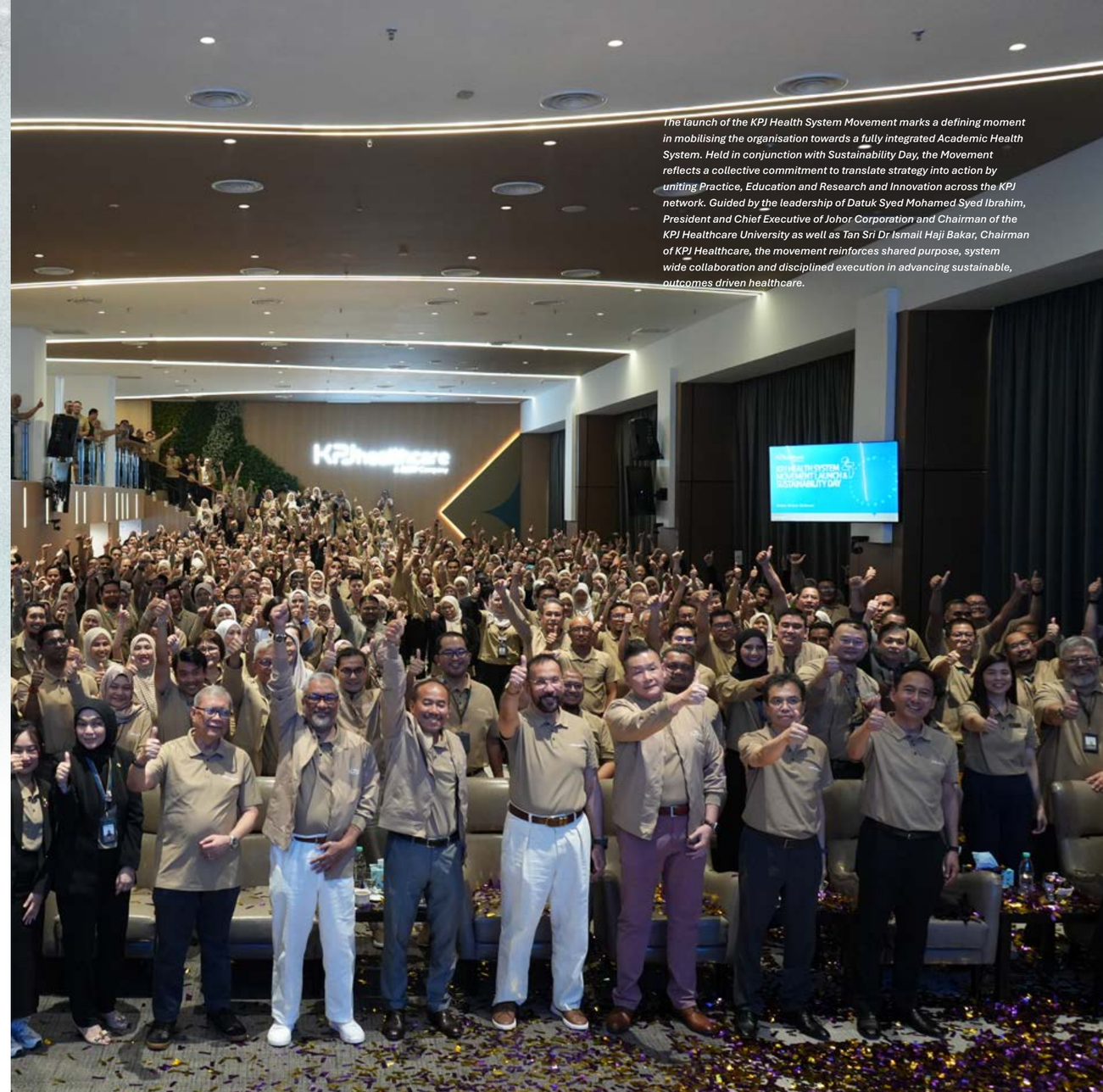
VISION

The Preferred Healthcare Partner

PURPOSE

Guided by 'Care for Life', we are committed to enhancing patient well-being through safe, compassionate and exceptional care.

SHARED VALUES



The launch of the KPJ Health System Movement marks a defining moment in mobilising the organisation towards a fully integrated Academic Health System. Held in conjunction with Sustainability Day, the Movement reflects a collective commitment to translate strategy into action by uniting Practice, Education and Research and Innovation across the KPJ network. Guided by the leadership of Datuk Syed Mohamed Syed Ibrahim, President and Chief Executive of Johor Corporation and Chairman of the KPJ Healthcare University as well as Tan Sri Dr Ismail Haji Bakar, Chairman of KPJ Healthcare, the movement reinforces shared purpose, system wide collaboration and disciplined execution in advancing sustainable, outcomes driven healthcare.

WHAT WE DO

KPJ delivers quality patient-centred healthcare services across Malaysia through an integrated network of hospitals and supporting healthcare platforms.

Our focus is on providing safe, high-quality care that responds to patients' needs at every stage of their healthcare journey, supported by continuous advancements in medical practice and technology.

We operate across the full continuum of care, supported by strong clinical governance, consistent quality standards and disciplined operations. This integrated approach enables service continuity, supports better health outcomes and strengthens long-term healthcare capability across the communities we serve.

Our core activities are organised across three key divisions, working together to expand access to care, maintain service reliability and sustain the delivery of healthcare over time.

Across the Group, our approach to care is shaped by a commitment to sustainability in how we make decisions and invest in healthcare capability over time. By taking a long-term view, we uphold the reliability of care today while ensuring our hospitals remain resilient and responsive to the changing needs of the communities we serve, always centred on our patients.

HOSPITAL OPERATIONS

Hospital operations form the foundation of KPJ's services. Across our hospitals, we provide acute and specialised care under consistent clinical and safety standards, supported by the right expertise, infrastructure and clinical processes. At its core, this approach is about providing professional care with compassion and trust.

Services offered include:

- Specialist Clinical Services
- Preventive and Wellness Services
- Emergency and Trauma Care
- Laboratory Services
- Surgical and Perioperative Services
- Diagnostic Imaging
- Physiotherapy and Rehabilitation
- Inpatient and Intensive Care
- Medical Engineering and Equipment Support

ALLIED AND RETAIL HEALTH OPERATIONS

We extend care beyond the hospital. Our allied and retail health services support early intervention, outpatient follow-up and day-to-day health needs. These services play a key role in maintaining continuity before and after hospital treatment.

They are designed to work alongside hospital-based care. This allows patients to move through the system with fewer gaps and better coordination.

Services offered include:

- Outpatient Specialist Clinics
- Day Procedures and Ambulatory Care
- Rehabilitation and Physiotherapy
- Diagnostic Imaging and Laboratory Tests
- Inpatient Meal Services
- Medication Management and Retail Pharmacy Services
- Sterilisation
- Hospital Technical Services
- Eye Specialist Centre

EDUCATION SERVICES

Education services support the long-term sustainability of healthcare delivery. Through KPJ Healthcare University ("KPJU") and our nursing colleges in Malaysia, we develop the healthcare talent pipeline for KPJ and the wider sector.

Our programmes build practical clinical skills, professional capability and clinical readiness. Academic learning is closely integrated with clinical exposure to build future healthcare leaders.

Services offered include:

- Undergraduate and Postgraduate Programmes
- Clinical Training and Practicum Placements
- Nursing Diplomas and Professional Certifications
- Continuing Education and Upskilling Courses
- Research and Academic Collaboration Opportunities

WHERE WE OPERATE

Our footprint across Malaysia and selected regional markets reflects the scale of our operations and the services delivered through our core divisions.

MALAYSIA

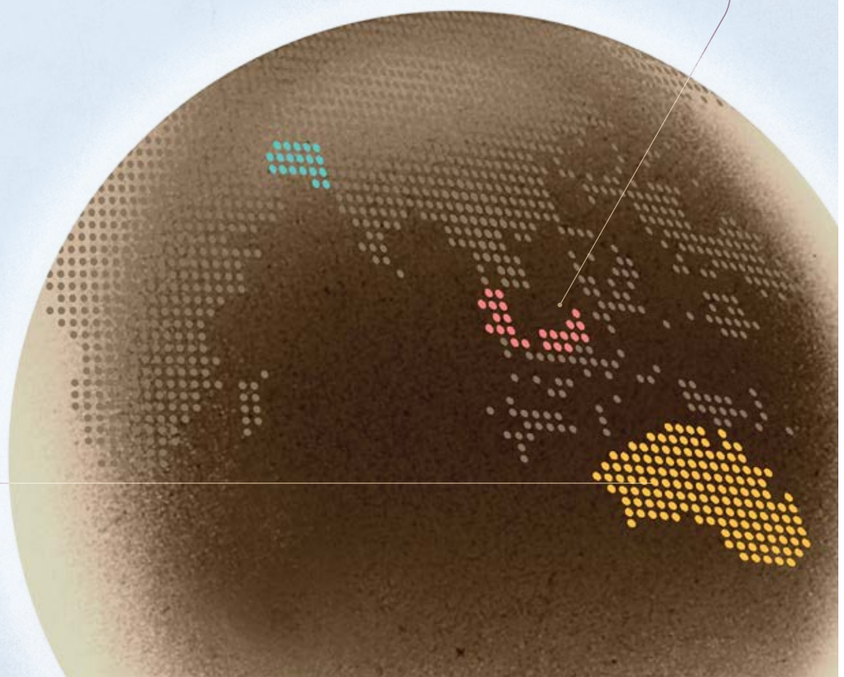
29 Hospitals
3 Ambulatory Care Centres (“ACC”)
3 Education Institutions
8 Klinik Waqaf An-Nur (“KWAN”)
8 KWAN Mobile Clinics
18 MSQH - Accredited Hospitals
4 JCI - Accredited Hospitals

Note: MSQH refers to the Malaysian Society for Quality in Health, while JCI refers to Joint Commission International.

OTHER MARKETS

AUSTRALIA*

1 Retirement Village



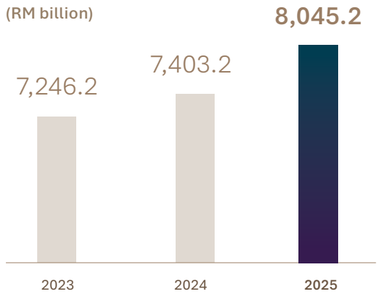
SNAPSHOT INTO 2025

In 2025, KPJ ’s achievements reflected the collective efforts of our people.

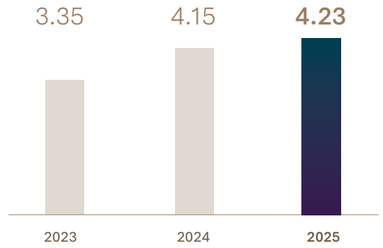
They acknowledge not only performance outcomes, but also the discipline and commitment required to build institutional strength while delivering value for our patients, shareholders and society at large.

FINANCIAL PERFORMANCE

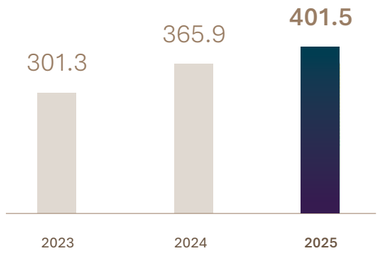
Total Assets (RM billion)



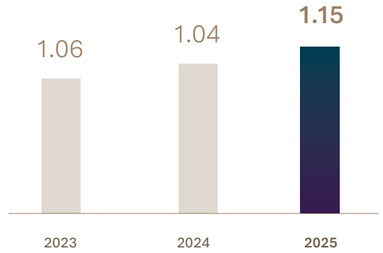
Dividend Payout Per Share (RM sen)



Net Profit from Continuing Operations (RM million)

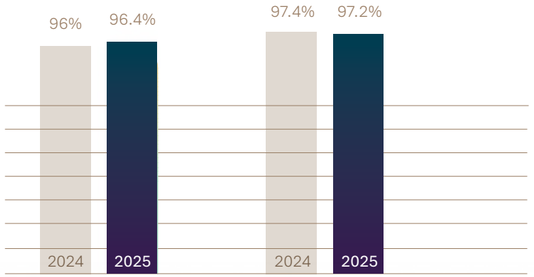


Employee Compensation & Benefit Costs (RM billion)



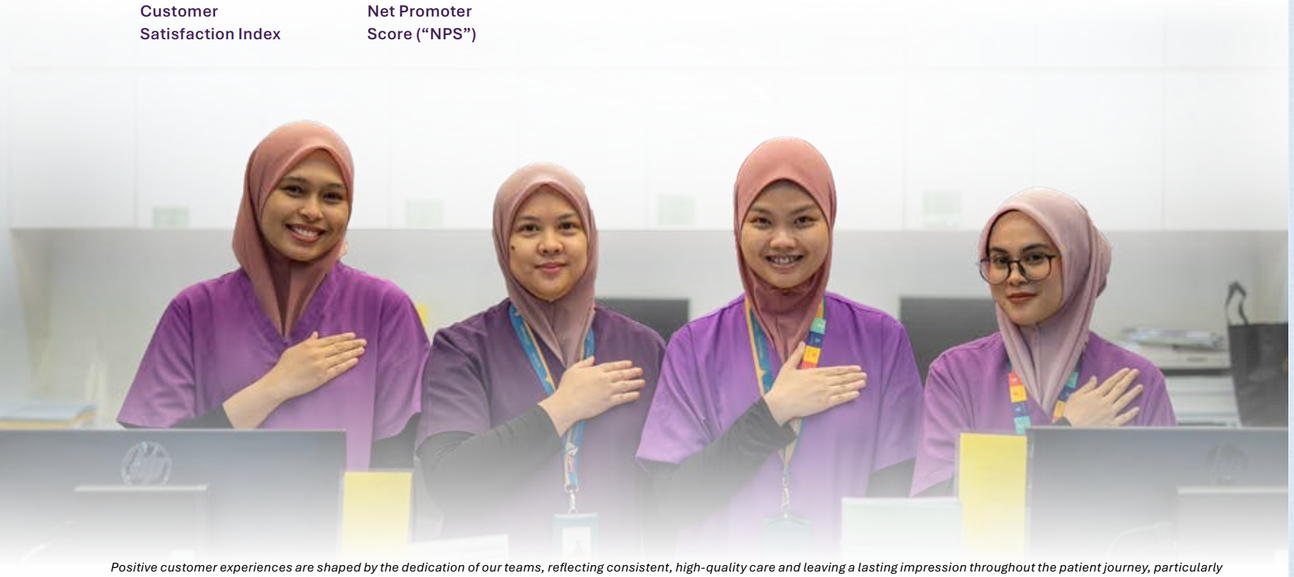
BUSINESS AND ORGANISATIONAL EXCELLENCE

Customer Experience and Stakeholder Trust



Customer Satisfaction Index

Net Promoter Score ("NPS")



Positive customer experiences are shaped by the dedication of our teams, reflecting consistent, high-quality care and leaving a lasting impression throughout the patient journey, particularly during moments that matter most.

OPERATIONAL EXCELLENCE

Patient Care and Access

Total Bed Occupancy Rate

65.9%

Total Outpatients

2,933,593

Total Inpatients

379,342

Total Operating Ward Beds

4,070

Total of Underserved Patients

62,468

Note: Underserved patients are individuals treated at Klinik Waqaf An-Nur (KWAN) clinics under KPJ's subsidised care programme.

Clinical Capability and Workforce

Total Number of Medical Consultants

1,021

New Medical Consultants Onboarded

123

People and Capability

Employees

16,936

Staff Retention Rate

89%

Investment in Training and Development (RM)

14.1 million

Employee Wages and Benefits (RM)

1,295 million

Environmental Stewardship in Operations

GHG Emissions (tCO2e)

100,487.48 Post-offset

Water Consumption (m^3)

1,984,003.00

Energy Consumption (GJ)

785,915.21

(diesel, petrol, LPG, electricity)

Waste Generated (tonnes)

9,741.36

(Include recyclables)

Awards and Recognition

KPJ Healthcare Berhad

- The Edge Billion Ringgit Club 2025
  - Big Cap Companies (RM10 billion–RM40 billion market capitalisation) – Highest Growth in Profit After Tax over three years
  - Healthcare – Highest Growth in PAT over Three Years
  - Healthcare – Highest Return to Shareholders over Three Years
- 2025 Reader's Digest Malaysia Trusted Brands Survey
  - Platinum - Private Hospital
- ASEAN Outstanding CEO Leadership Award
  - Healthcare Excellence Award – Chin Keat Chyuan, President and Managing Director of KPJ

- SEEK People & Purpose Awards 2025
  - Platinum - Top Voted Employer in Healthcare & Pharmaceutical
- PC.com Readers' Choice Awards
  - Best Future Ready Medical Centre
- Anugerah Integriti, Governans dan Antirasuah (AIGA) 2025
  - Silver (Private Sector)
- National Annual Corporate Report Awards (NACRA) 2025
  - Platinum – Best Designed Annual Report
- HR Asia Awards 2025
  - Best Companies to Work for in Asia (Malaysia Chapter)

- HR Asia Best Companies to Work for in Asia - Business Media International
  - Best Company to Work for in Asia
  - Most Caring Company

- Malaysia International HR Awards (MIHRM) 2025
  - Best Presentation Award
- Graduate's Choice of Employer - Talentbank
  - Champion - Hospital Category 2026
  - 5 Consecutive Years as Champion
- Malaysia International HR Awards (MIHRM) 2025
  - Gold - Employer of Choice
- Malaysia International HR Awards (MIHRM) 2025
  - Gold - HR Leader Award

For more information on sustainability and ESG-related awards, please refer to our Sustainability Report 2025.

Awards and Recognition

KPJ Klang Specialist Hospital

- Ministry of Natural Resources and Environmental Sustainability
  - Diamond Recognition for the Low Carbon City (LCC) 2030 Challenge
- The Star ESG Positive Impact Awards 2024
  - Silver – Talent Management (Large Companies)

Ampang Puteri Specialist Hospital

- Ministry of Natural Resources and Environmental Sustainability
  - 3-Diamond Award in the Low Carbon City (LCC) Challenge 2024
- Ministry of Energy Transition and Water Transformation
  - Gold Award at the National Energy Award 2024
- GlobalHealth Asia Pacific Awards 2025
  - Health Screening Provider of the Year in Asia-Pacific
  - Oncology (Radiation) Service Provider of the Year in Asia-Pacific
  - Spine Care Service Provider of the Year in Asia-Pacific

Tawakkal Specialist Hospital

- GlobalHealth Awards 2025
  - Brain and Spine Service Provider of the Year in Asia-Pacific
  - Diagnostic Imaging Centre of the Year in Asia-Pacific
  - ENT Service Provider of the Year in Asia-Pacific
  - Urology Service Provider of the Year in Asia-Pacific

Damansara Specialist Hospital

- GlobalHealth Awards 2025
  - Paediatric Service Provider of the Year in Asia-Pacific
  - Women's Health and Wellness Service Provider of the Year in Asia-Pacific

Johor Specialist Hospital

- Healthcare Asia Awards 2025
  - ESG Programme of the Year
- GlobalHealth Asia Pacific Awards 2025
  - Oncology (Surgical) Service Provider of the Year in Asia-Pacific
- World Stroke Organization
  - Diamond Status – Stroke Care (Q2 and Q3)

KPJ Sentosa KL Specialist Hospital

- Baby Talk MamaPapa Award 2025
  - Best Hospital Award Best Hospital – Paediatrics
- Top Employer Awards 2025 by Jobstore
  - Best Workplace Award
  - Top Employer Award
- 25th Malaysia International HR Awards 2025
  - Silver - Employee of Choice

Damansara Specialist Hospital 2

- GlobalHealth Awards 2025
  - Cardiology Service Provider of the Year in Asia-Pacific
  - Minimally Invasive Cardiac Surgery of the Year in Asia-Pacific
  - Smart Hospital of the Year in Asia-Pacific

KPJ Perdana Specialist Hospital

- GlobalHealth Awards 2025
  - Obstetrics and Gynaecology Service Provider of the Year in Asia-Pacific
- Natural Health & Readers' Choice Awards 2025
  - Best Hospital in Kota Bharu

Kuching Specialist Hospital

- GlobalHealth Asia Pacific Awards 2025
  - Orthopaedic Service Provider of the Year in Asia-Pacific

KPJ Kajang Specialist Hospital

- KPJ Healthcare Berhad
  - KRAFT Challenge 2025 - Judges Special Award

Ipoh Specialist Hospital

- World Stroke Organization
  - Diamond Status in WSO Angels Award Q1 2025

KPJ Healthshoppe Sdn Bhd

- Lazada Malaysia
  - Rising Star Award (FMCG)

Pharmaserv Alliances Sdn Bhd

- The Star Outstanding Business Awards ("SOBA") 2025
  - Best Employer RM25 million and above

BOARD OF DIRECTORS

Chin Keat Chyuan
President and
Managing Director

Lee Lai Fan
Independent Non-
Executive Director

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

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

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

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

Siti Hajar binti Marhani
Alternate Director to
Rozaini bin Mohd Sani

Rozaini bin Mohd Saini
Non-Independent
Non-Executive Director

Hisham bin Zainal Mokhtar
Independent Non-
Executive Director

Khairuddin bin Jaflus
Independent Non-
Executive Director

Annie binti Rosle
Non-Independent
Non-Executive Director

Nina Sapura binti Rahmat
Alternate Director to Shamsul
Anuar bin Abdul Majid

BOARD OF DIRECTORS

as at 31 March 2026

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar

Non-Independent Non-Executive Chairman

66 | Male | Malaysian

Date of Appointment 2 April 2024

Board Committee Membership(s)

Nil

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Executive Leadership Programme, 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 (Honours) in Applied Economics, University of Malaya, Malaysia
- Diploma in Public Management, National Institute of Public Administration ("INTAN"), Malaysia

PRESENT APPOINTMENT(S)

KPJ Healthcare University Sdn Bhd
- Chancellor

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

PRESENT DIRECTORSHIP(S)

Listed Entities:

Bank Islam Malaysia Berhad
- Independent Non-Executive Chairman

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

Other Public Companies:

Nil

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

MIMOS Technology Solutions Sdn Bhd
- Director

Inland Revenue Board of Malaysia ("IRBM")
- Chairman

Bank Pertanian Malaysia Berhad ("Agrobank")
- Director

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

Kumpulan Wang Persaraan
- Chairman

Razak School of Government
- Chairman

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)

BOARD OF DIRECTORS

as at 31 March 2026

Dato' Mohd Redza Shah bin Abdul Wahid

Senior Independent Non-Executive Director

63 | Male | Malaysian

Date of Appointment 7 May 2020

Board Committee Membership(s)

- Chairman, Audit Committee
- Chairman, Whistleblowing Committee
- Member, Nomination and Remuneration Committee
- Member, Investment Committee
- Member, Long-Term Incentive Plan Committee
- Member, Tender Committee

Board Meeting Attendance in 2025 9/9

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, United Kingdom
- Associate Chartered Accountant ("ACA")
- Chairman, Association of Seniors in Islamic Finance
- Sustainability Leadership in Business Sustainability Management, University of Cambridge, United Kingdom
- Member, the Islamic Finance Committee of the Malaysian Institute of Accountants

PRESENT APPOINTMENT(S)

Nil

PRESENT DIRECTORSHIP(S)

Listed Entities:

Avangaad Berhad
- Independent Non-Executive Chairman

Zelan Berhad
- Independent Non-Executive Director

Other Public Companies:

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

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

Al-`Aqar Healthcare REIT
- Independent Non-Executive Chairman

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

Yayasan Pembangunan Ekonomi Islam Malaysia ("YaPEIM")
- Chairman

Bank Muamalat Malaysia Berhad
- Chief Executive Officer

DRB-HICOM Berhad
- Group Chief Operating Officer

Tradewinds (M) Berhad
- Acting Chief Executive Officer

Tradewinds Corporation Berhad
- Group Chief Executive Officer

Silterra Malaysia Berhad
- Chief Financial Officer

Khazanah Nasional Berhad
- Senior Manager

BOARD OF DIRECTORS

as at 31 March 2026

Khairuddin bin Jaflus

Independent Non-Executive Director

69 | Male | Malaysian

Date of Appointment 7 May 2020

Board Committee Membership(s)

- Chairman, Tender Committee
- Member, Audit Committee
- Member, Risk, Sustainability and Governance Committee

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Bachelor of Economics (Honours), Universiti Malaya, Malaysia

PRESENT APPOINTMENT(S)

JLG Investment Holdings Sdn Bhd
- Chairman, Board Audit and Risk Committee

KPJ Healthcare University Sdn Bhd
- Chairman, Nomination and Remuneration Committee
- Member, Research Development and Financial Stewardship Committee

Lablink (M) Sdn Bhd
- Chairman, Board of Directors

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
Nil

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

Johor Land Berhad
- Independent Non-Executive Director

BOARD OF DIRECTORS

as at 31 March 2026

Hisham bin Zainal Mokhtar

Independent Non-Executive Director

64 | Male | Malaysian

Date of Appointment 23 June 2021

Board Committee Membership(s)

- Chairman, Nomination and Remuneration Committee
- Chairman, Long-Term Incentive Plan Committee
- Member, Investment Committee
- Member, Audit Committee
- Member, Risk, Sustainability and Governance Committee
- Member, Whistleblowing Committee

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Master of 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 APPOINTMENT(S)

Lembaga Tabung Angkatan Tentera
- Investment Panel Member

Brahm Capital Partners Sdn Bhd
- Senior Partner

PRESENT DIRECTORSHIP(S)

Listed Entities:
Telekom Malaysia Berhad
- Independent Non-Executive Director

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

Other Public Companies:
Nil

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

Lembaga Tabung Haji
- Member, Investment Panel

Principal Asset Management Berhad
- Director

VADS Berhad
- Director

Malaysian Industrial Development Finance Berhad
- Director in the Group Managing Director’s Office

Astro Overseas Ltd
- Chief Operating Officer

Khazanah Nasional Berhad
- Vice President, Senior Vice President and Director of Investments

Tricubes Berhad
- Vice President, Chief Financial Officer and Executive Director

Britac Capital Sdn Bhd
- Head Analyst

K.E. Malaysian Capital Partners Sdn Bhd
- Executive Director

Santander Investment Research (Malaysia) Sdn Bhd
- Financial Consultant

Sithe Pacific LLC
- Financial Consultant

CIMB Securities Sdn Bhd
- Remisier

UBS Research (Malaysia) Sdn Bhd
- Senior Research Analyst

Crosby Research (Malaysia) Sdn Bhd
- Research Executive
- Investment Analyst

Baring Research (Malaysia) Sdn Bhd
- Investment Analyst

Keluangsa Sdn Bhd
- Head of Research

William M. Mercer Zainal Fraser Sdn Bhd
- Analyst

Aetna Universal Insurance Sdn Bhd
- Manpower Development Assistant

BOARD OF DIRECTORS

as at 31 March 2026

Lee Lai Fan

Independent Non-Executive Director

61 | Female | Malaysian

Date of Appointment 7 July 2022

Board Committee Membership(s)

- Member, Tender Committee
- Member, Nomination and Remuneration Committee
- Member, Long-Term Incentive Plan Committee

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Master of Business Administration, University of Edinburgh, United Kingdom
- Bachelor of Arts (Honours) Administrative Management, University of Lincoln, United Kingdom

PRESENT APPOINTMENT(S)

Nil

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
Nil

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

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

Ogilvy & Mather Malaysia
- Chief Operating Officer

Ogilvy Public Relations Sdn Bhd
- Managing Director
- General Manager
- Client Services Director
- Head of Consumer Practice

Limahsoon Berhad
- Marketing and Sales Manager

Malaysian Timber Council
- Senior Executive, Trade Promotion
- Executive, Trade Promotion

BOARD OF DIRECTORS

as at 31 March 2026

Shamsul Anuar bin Abdul Majid

Non-Independent Non-Executive Director

54 | Male | Malaysian

Date of Appointment 7 May 2020

Board Committee Membership(s)

- Chairman, Investment Committee
- Member, Nomination and Remuneration Committee
- Member, Long-Term Incentive Plan Committee

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

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

PRESENT APPOINTMENT(S)

Johor Corporation
- Chief Investment Officer

PRESENT DIRECTORSHIP(S)

Listed Entities:
Johor Plantations Group Berhad
- Non-Independent Non-Executive Director

Other Public Companies:
QSR Brands (M) Holdings Berhad
- Non-Independent Non-Executive Director

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

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

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

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

Damansara Holdings Berhad
- Non-Independent Non-Executive Director

Johor Land Berhad
- Non-Independent Non-Executive Director

Kara Holdings Sdn Bhd
- Chairman and Director

Business Chronicles Sdn Bhd
- Director

TPM Technopark Sdn Bhd
- Director

Langsat Marine Base Sdn Bhd
- Director

Langsat Marine Terminal Sdn Bhd
- Director

Kulim Energy Sdn Bhd
- Director

Axiata Digital Innovation Fund Sdn Bhd
- Director

Langsat OSC Sdn Bhd
- Director

Johor Corporation
- General Manager

Fikiran Sepakat Sdn Bhd
- Director and Partner

Iskandar Waterfront Holdings
- Special Officer to the Managing Director

Iskandar Investment Berhad
- Executive Vice President, Strategy and Feasibility

Grenland Malaysia
- Vice President, Finance and Special Projects

The Boston Consulting Group
- Energy Sector Specialist

Shell Malaysia
- Planning Analyst, Downstream Economics Planning Department

BOARD OF DIRECTORS

as at 31 March 2026

Rozaini bin Mohd Sani

Non-Independent Non-Executive Director

52 | Male | Malaysian

Date of Appointment 7 May 2020

Board Committee Membership(s)

- Chairman, Risk, Sustainability and Governance Committee
- Member, Audit Committee
- Member, Tender Committee

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

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

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

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
Nil

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 and Corporate Services
- Vice President, Finance

Iskandar Waterfront Holdings
- Non-Executive Director

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

Kulim (Malaysia) Berhad
- Non-Executive Director

Astro Malaysia Holdings Berhad
- Chief Financial Officer

PETRONAS Dagangan Berhad
- Chief Financial Officer

PETRONAS Group of Companies
- Various Managerial Roles

KPMG, Sydney, Australia
- Assistant Manager

BOARD OF DIRECTORS

as at 31 March 2026

Prof. Emeritus Dato' Dr. Azizi bin Haji Omar

Non-Independent Non-Executive Director

76 | Male | Malaysian

Date of Appointment 1 February 2016*

Board Committee Membership(s)

- Member, Nomination and Remuneration Committee
- Member, Risk, Sustainability and Governance Committee
- Member, Long-Term Incentive Plan Committee

Board Meeting Attendance in 2025 9/9

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 APPOINTMENT(S)

KPJ Healthcare Berhad
- Member of Protem Committee for Academic Health System
- Chairman of University Hospital Integration Committee

Damansara Specialist Hospital
- Consultant Paediatrician and Paediatric Respiratory Physician, Damansara Specialist Hospital

Clinical Practice Guidelines for the Management of Childhood Asthma
- Chairman

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
Nil

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

KPJ Healthcare Berhad
- KPJ Group Medical Advisor
- Chairman of Group Medical Advisory and Clinical Governance Committee

Damansara Specialist Hospital
- Medical Director / Person-in-Charge

National Specialist Register
- Chairman, Subspecialty Committee for Accreditation, Paediatric Respiratory Medicine

Puteri Nursing College
- Chairman, Educational Advisory Council

Universiti Tunku Abdul Rahman
- Adjunct Professor of Paediatrics, Faculty of Medicine

Universiti Teknologi MARA
- Adjunct Professor of Paediatrics, Faculty of Medicine

Malaysian Paediatric Association
- President

Malaysian Medical Council
- Member

Association of Private Hospitals Malaysia
- Board Member

Conjoint Board for Postgraduate Training in Medical Specialties
- Member

Paediatric Conjoint Board
- Member

Clinical Practice Guidelines on Paediatric Respiratory Infections
- Chairman

Clinical Practice Guidelines on Tuberculosis
- Member

Committee of Malaysian Thoracic Society
- Member

Universiti Kebangsaan Malaysia
- Deputy Dean
- Head of Department of Paediatrics
- Professor of Paediatrics (Respiratory Paediatrics and Clinical Epidemiology)

*Appointed as Independent Non-Executive Director on 1 February 2016 and re-designated as Non-Independent Non-Executive Director on 1 December 2020.

BOARD OF DIRECTORS

as at 31 March 2026

Annie binti Rosle

Non-Independent Non-Executive Director

57 | Female | Malaysian

Date of Appointment 23 June 2021

Board Committee Membership(s)

- Member, Tender Committee
- Member, Investment Committee

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Bachelor of Finance and Economics, London Guildhall University, United Kingdom
- Graduate of Association of Chartered Certified Accountants ("ACCA")

PRESENT APPOINTMENT(S)

Employees Provident Fund ("EPF")
- Head of Private Equity and Infrastructure Department

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
QSR Brands (M) Holdings Berhad
- Non-Independent Non-Executive Director

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

Iskandar Investment Berhad
- Director

Battersea Power Station Development Company Limited
- Director

KWASA Invest Ltd
- Principal Officer

BOARD OF DIRECTORS

as at 31 March 2026

Chin Keat Chyuan

President and Managing Director

52 | Male | Malaysian

Date of Appointment 1 September 2023

Board Committee Membership(s)

Nil

Board Meeting Attendance in 2025 9/9

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Executive Education Programme in Advanced Strategic Management, IMD Business School, Switzerland
- Master of Business Administration (Merit), Nottingham University Business School, University of Nottingham, United Kingdom
- Bachelor of Biochemistry (First Class Honours), Universiti Kebangsaan Malaysia, Malaysia

PRESENT APPOINTMENT(S)

Association Private Hospital Malaysia ("APHM")
- Vice President

National Chamber of Commerce Industry of Malaysia ("NCCIM")
- Council Member, Malaysia UAE Business Council ("MUAEBC")

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
Nil

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

Ethicon South East Asia
- Vice President

American Malaysian Chamber of Commerce ("AMCHAM")
- Board of Governor

Pharmaceutical Association of Malaysia ("PhAMA")
- President

Johnson & Johnson Malaysia & Brunei
- Managing Director
- Country Director

Johnson & Johnson Medical
- ASEAN General Manager
- ASEAN Franchise Director

Johnson & Johnson Medical Malaysia
- Franchise Manager, Director
- Product Specialist, Sales Manager

BOARD OF DIRECTORS

as at 31 March 2026

Nina Sapura binti Rahmat

Alternate Director to Shamsul Anuar bin Abdul Majid

46 | Female | Malaysian

Date of Appointment 14 May 2025

Board Committee Membership(s)

Nil

Board Meeting Attendance in 2025 N/A

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Bachelor of Accountancy, Royal Melbourne Institute of Technology, Australia
- Certified Practising Accountant ("CPA"), CPA Australia

PRESENT APPOINTMENT(S)

Johor Corporation
- General Manager, Portfolio Management Department, Investment Division

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Other Public Companies:
Nil

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

Intrapreneur Value Creation Sdn Bhd
- Director

JCorp Capital Excellence Sdn Bhd
- Director

Johor Silica Industries Sdn Bhd
- Director

Larkin Sentral Management Sdn Bhd
- Director

Johor Capital Holdings Sdn Bhd
- Director

Pheonix Progress Sdn Bhd
- Director

Pristine Bay Sdn Bhd
- Director

Paper Automation Sdn Bhd
- Director

Damansara Assets Sdn Bhd
- Director

Kulim (Malaysia) Berhad
- Senior Manager

SAJ Holdings Sdn Bhd
- Finance Executive

PricewaterhouseCoopers ("PwC")
- Senior Associate

BOARD OF DIRECTORS

as at 31 March 2026

Siti Hajar binti Marhani

Alternate Director to Rozaini bin Mohd Sani

40 | Female | Malaysian

Date of Appointment 14 May 2025

Board Committee Membership(s)

Nil

Board Meeting Attendance in 2025 N/A

ACADEMIC / PROFESSIONAL QUALIFICATIONS / MEMBERSHIP(S)

- Association of Chartered Certified Accountants ("ACCA")
- Bachelor of Accountancy (Honours), Universiti Teknologi MARA ("UiTM"), Malaysia
- Diploma in Accountancy, UiTM, Malaysia
- Fellow, ACCA
- Committee Member, Southern Region, Malaysian Institute of Accountants ("MIA")
- Member, MIA

PRESENT APPOINTMENT(S)

Board of Quantity Surveyors Malaysia 22nd Session (Lembaga Juruukur Bahan Malaysia)
- Member, Audit, Risk and Standards Committee

JLG Investment Holdings Sdn Bhd
- Alternate Director

JLG Services Sdn Bhd
- Director

Langsat Marine Terminal Sdn Bhd
- Director

Langsat OSC Sdn Bhd
- Director

Tanjung Langsat Port Sdn Bhd
- Director

Johor Ventures Sdn Bhd
- Director

Intrapreneur Value Creation Sdn Bhd
- Director,

Johor Skills Development Sdn Bhd
- Director

Johor Silica Industries Sdn Bhd
- Director

BDO Assets Management Sdn Bhd
- Director

PRESENT DIRECTORSHIP(S)

Listed Entities:
Nil

Non-Listed Entities:
Other Public Companies:
Nil

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

Nil

Declaration of Conflict of Interest: 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 2025.

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Chin Keat Chyuan

President and Managing Director

52 | Male | Malaysian

Date of Appointment: 1 September 2023

Working Experience:

Chin Keat Chyuan was appointed President and Managing Director (PMD) of KPJ Healthcare Berhad in September 2023, with responsibility for steering the Group's strategic direction and advancing its patient-centric "Care for Life" purpose.

Since taking on the role, he has focused on strengthening business growth, optimising assets and shaping the culture needed for long-term sustainability. Supported by the Board, Chin is driving the KPJ Health System as the engine of the Group's next chapter, positioning KPJ to lead in a competitive and fast-evolving healthcare industry.

Under his leadership, KPJ has maintained strong financial performance, reflecting growing patient confidence and improved operational discipline across the Group. The portfolio has been streamlined through the divestment of underperforming entities, including selected overseas ventures and aged care businesses, sharpening the focus on core markets and capabilities.

Beyond his executive responsibilities, Chin serves on the Boards of Selangor Specialist Hospital, Kedah Medical Centre and KPJ Healthcare University. He was elected Vice President of the Association of Private Healthcare Providers Malaysia (APHM) in 2024, and also sits on the Malaysia–United Arab Emirates Business Council (MUAEBC) and the Jawatankuasa Bersama Peringkat Menteri untuk Kos Penjagaan Kesihatan Swasta (JBMKKS), co-chaired by the Minister of Health and the Minister of Finance II.

Chin brings more than 25 years of leadership experience across medical devices, pharmaceuticals and corporate management. The majority of his career was spent at Johnson and Johnson, where he progressed from Product Specialist in Medical Devices to Managing Director of Johnson and Johnson Malaysia. Beyond his corporate role, he served as President of the Pharmaceutical. He played an active leadership role within the industry, serving as President of the Pharmaceutical Association of Malaysia ("PhAMA") from 2017 to 2023 and as a Board Member of the American Malaysian Chamber of Commerce ("AMCHAM") from 2018 to 2023.

Academic / Professional Qualification

- Executive Education Programme in Advanced Strategic Management, IMD Business School, Switzerland
- Master of Business Administration (Merit), Nottingham University Business School, University of Nottingham, United Kingdom
- Bachelor of Biochemistry (First Class Honours), Universiti Kebangsaan Malaysia, Malaysia

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Dato' Mohamad Farid bin Salim

Chief Operating Officer – Hospital Operations

61 | Male | Malaysian

Date of Appointment: 1 September 2023

Working Experience:

Dato' Mohamad Farid Bin Salim brings more than three decades of leadership experience spanning hospital operations, corporate management and cross-border healthcare markets. He is recognised for his operational expertise and his track record in leading complex healthcare organisations across Malaysia, Indonesia, Saudi Arabia and Australia.

He began his career in audit in England before returning to Malaysia to take on roles in the corporate sector. In 1994, he joined KPJ Healthcare Berhad and played a key role in the Group's early growth, including its initial public offering and listing on the Main Board of Bursa Malaysia. Over the years, he has built deep expertise in financial strategy, investment planning and corporate restructuring, contributing to KPJ's expansion and operational maturity.

He was appointed Chief Operating Officer – Hospital Operations on 1 September 2023. In this role, he oversees hospital performance and operational efficiency across the Group, with a focus on strengthening service delivery and enhancing patient experience. He also sits as Chairman and serves on the Board of KPJ Group's subsidiary Companies.

In recognition of his contributions to the corporate sector and the community, Dato' Mohamad Farid 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

- Master of Business Administration in International Business (Distinction), University of East London, United Kingdom
- Postgraduate Diploma in Healthcare Management, London South Bank University, United Kingdom
- Leadership Development Programme, Henley Business School, United Kingdom
- Advanced Leadership Programme (Certified), Johor Corporation, Malaysia
- Executive Coaching Programme (Certified), Johor Corporation; INSEAD

Memberships

- Fellow, Association of Chartered Certified Accountants, United Kingdom
- Member, Malaysian Institute of Accountants, Malaysia
- Former Treasurer, Malaysian Society for Quality in Health, Malaysia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Professor Dato' Dr Hanafiah Bin Harunarashid

Chief Medical Director

58 | Male | Malaysian

Date of Appointment: 1 February 2026

Working Experience

Professor Dato' Dr Hanafiah Harunarashid is a distinguished clinician, academic leader, and health policy advocate with decades of experience in specialist training, institutional governance, and national healthcare development. His appointment reflects a sustained record of professional excellence, principled leadership, and service to the medical profession and the nation.

Professor Dato' Dr Hanafiah is Professor of Vascular Surgery at Universiti Kebangsaan Malaysia ("UKM"). A graduate of the University of St Andrews and the University of Edinburgh Medical School, he completed his medical education with distinctions. He currently serves as Pro Vice-Chancellor of UKM, bringing extensive experience in healthcare leadership, medical education, specialist training, and international collaboration.

He is the Master of the Academy of Medicine of Malaysia and a Council Member of the Malaysian Medical Council ("MMC"). His past leadership roles include President of the College of Surgeons, Academy of Medicine Malaysia; President of the Asian Surgical Association; and Vice President of the Vascular Society of Malaysia. He is also the Technical Chairman of the Health Technopolis Project, a university-led medical city and innovation hub in the heart of Kuala Lumpur.

Internationally, Professor Dato' Dr Hanafiah is widely recognised for his contributions to surgery and medical leadership. He is appointed International Surgical Adviser to the Royal College of Surgeons of Edinburgh and serves as Malaysia's country representative to the International Surgical Society.

During his tenure as Director of Hospital Canselor Tuanku Muhriz, he led major patient safety and quality improvement initiatives, introducing the "Better, Faster, Friendlier ("BFF")" culture and pioneering the UKM–SingHealth Leadership Programme, sponsored by Temasek International. He also led the hospital's digital health transformation initiatives and chaired the COVID-19 hospital task force during the pandemic. Under his leadership, the hospital became the first teaching hospital in Malaysia to achieve MSQH accreditation.

Earlier in his career, Professor Dato' Dr Hanafiah was instrumental in establishing the UKM Advanced Surgical Skills Centre and the Royal College of Surgeons of Edinburgh International Office in Kuala Lumpur. He remains actively engaged in surgical education and training, serving on national conjoint and subspecialty training committees, examining both local and international professional examinations, and delivering invited lectures at peer-reviewed meetings. A certified ATLS instructor, he is also actively involved in humanitarian missions with MERCY Malaysia and is a co-founder of the Tuanku Muhriz Travelling Fellowship in Rural Surgery.

In recognition of his contributions, he became the first Malaysian to receive the Royal College of Surgeons of Edinburgh International Medal in 2016 and was awarded the Margaret Pickering Gold Medal by the University of St Andrews. He has received nine fellowships from leading international medical institutions worldwide, including three honorary fellowships.

Academic and Professional Qualification

- Intercollegiate Exit Examinations (Subspecialty Vascular Surgery)
- Fellowship of Royal College of Surgeons (General Surgery)
- Fellowship of Royal College of Surgeons of Edinburgh ("FRCSEd")
- Fellowship of Royal College of Surgeons in Ireland ("FRCSI")
- Bachelor of Science in Medical Science, University of St Andrews, Scotland, United Kingdom
- Medical Bachelor, Chirulogy Bachelor ("MBChB"), University of Edinburgh Medical School, Scotland, United Kingdom

Memberships

- Master, Academy of Medicine Malaysia
- Fellow, Academy of Medicine of Singapore
- Fellow American College of Surgeons
- Fellow of Academy of Medicine Malaysia
- Honorary Fellow Academy of Medicine of Philippines
- Honorary Fellow Academy of Family Physicians Malaysia
- Honorary Fellow College of Surgeons of Indonesia
- Council Member, Malaysian Medical Council
- Member, College of Surgeons, Academy of Medicine Malaysia
- Council Member, Asian Surgical Association
- Kesatria Malaysia, Ministry of Tourism
- Member, Vascular Society of Malaysia
- International Surgical Advisor, The Royal College of Surgeon of Edinburgh
- Country Representative International Surgical Society

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Dr. Nik Fawaz bin Nik Abdul Aziz

Chief Operating Officer - Group Allied & Retail Health Operations

48 | Male | Malaysian

Date of Appointment: 15 August 2022

Working Experience

Dr Nik Fawaz Nik Abdul Aziz is a healthcare executive and physician-leader with more than 20 years of experience across clinical practice, hospital operations, commercial healthcare, healthcare support services, digital health, and board-level governance.

His career spans Malaysia's leading private healthcare platforms, national healthcare support service organisations, and the United Kingdom's National Health Service.

He is currently Chief Operating Officer, Allied and Retail Health, at KPJ Healthcare Berhad, where he oversees the strategic direction and operational performance of KPJ's non-hospital businesses across pharmaceuticals, diagnostics, education, and healthcare support services. His role focuses on strengthening business integration, improving commercial discipline, and unlocking growth across a diversified healthcare portfolio.
A central part of his current mandate is supporting KPJ's transformation into Malaysia's first private Academic Health System.

Dr Nik Fawaz plays a key role in integrating clinical care, research, education, and commercial capabilities into a unified healthcare ecosystem. This reflects his broader leadership strength in aligning strategy, operating models, partnerships, and institutional purpose to build scalable healthcare platforms.
Previously, he served as Chief Commercial Officer of KPJ Healthcare, where he led group-wide commercial strategy, integrated multiple business verticals, advanced data-driven performance management, and supported strategic partnerships, including KPJ's affiliation with Mayo Clinic. His work contributed to the positioning of selected KPJ hospitals as Centres of Excellence and strengthened the group's differentiated service offerings.

Before KPJ, Dr Nik Fawaz was Head of Healthcare Solutions at UEM Edgenta Berhad and Managing Director of Edgenta Mediserve Sdn Bhd and UEMS Malaysia Sdn Bhd. He managed public and private healthcare support services, including facilities engineering maintenance services, biomedical engineering maintenance services, cleansing, laundry, and clinical waste management. His leadership focused on operational excellence, service reliability, stakeholder management, business transformation, and growth across concession and non-concession healthcare environments.

He was also the founding Chief Executive Officer of CVSKL, where he led hospital commissioning, licensing, operating model design, clinical readiness, and business development, establishing a strong specialist cardiovascular platform.

Earlier, he held senior roles at IHH Healthcare, Parkway Pantai Malaysia, Prince Court Medical Centre, and the NHS. He holds an MSc in International Health Management from Imperial College Business School, an MBChB from the University of Manchester, and a BSc in Medical Science from the University of St Andrews.

Academic and Professional Qualification

- Master of Science in International Health Management, Imperial College Business School, United Kingdom
- Bachelor of Medicine and Bachelor of Surgery ("MBChB"), University of Manchester, United Kingdom
- Bachelor of Science in Medical Science, University of St Andrews, Scotland, United Kingdom

Memberships

- Member, Malaysian Medical Association, Malaysia
- Member, The Chartered Management Institute, United Kingdom

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Mohd Khairul Izzad B. Mohammed Shamsudin

Chief Financial Officer

42 | Male | Malaysian

Date of Appointment: 10 June 2024

Working Experience

Mohd Khairul Izzad B. Mohammed Shamsudin is a finance leader with more than 20 years of experience across professional services and multinational organisations. He is recognised for his ability to challenge the status quo and lead impactful financial strategies.

Most recently, he served as Group Chief Financial Officer of QSR Brands (M) Holdings Berhad, where he oversaw group financial operations, strategic initiatives, financial reporting and corporate finance.

Earlier in his career, he spent many years in audit, advisory and consulting with leading professional services firms, progressing through senior roles over time. He was a Partner at Deloitte Southeast Asia and a member of the Deloitte Malaysia Senior Leadership Team, where he also led the Government and Public Services as well as Telecommunications and Multimedia practices in Malaysia.

Beyond his executive responsibilities, Mohd Khairul Izzad is an engaging mentor and advocate for people development, contributing to the advancement of finance leadership. He is currently a member of the Industry Advisory Panel for the School of Diploma and Professional Studies at Taylor's College.

Academic and Professional Qualification

- Bachelor of Science in Accounting (Honours), Cardiff University, United Kingdom

Memberships

- Member, Malaysian Institute of Accountants ("MIA")
- Fellow Chartered Accountant ("FCA") and Business & Finance Professional ("BFP"), Institute of Chartered Accountants in England and Wales ("ICAEW"), United Kingdom
- Member, CPA Australia, Australia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Norhamijah binti Mohd Hanafiah

Chief Human Resource Officer

53 | Female | Malaysian

Date of Appointment: 2 May 2023

Working Experience

Puan Norhamijah Binti Mohd Hanafiah has over 25 years of experience in human capital management and organisational transformation across diverse industries.

She began her career in 1997 as a scholar with Telekom Malaysia and has since held various senior leadership roles, leading end-to-end human resource functions and contributing to workforce transformation and organisational effectiveness.

At KPJ Healthcare Berhad, she leads the Group's people and culture agenda across a workforce of over 17,000 employees. Her key contributions include the establishment of HR Shared Services, implementation of an OKR-based performance management framework, and deployment of Workday as an integrated digital HR platform to enhance efficiency, governance, and decision-making.

She also led the implementation of the Long-Term Incentive Plan (LTIP) for senior management, strengthening alignment with long-term shareholder value. In addition, she oversees manpower cost management initiatives to ensure cost discipline while supporting the Group's growth and operational requirements.

Prior to joining KPJ Healthcare Berhad, she was involved in transformation initiatives at Unifi and Webe, focusing on organisational agility, workforce optimisation, and operational efficiency.

Beyond the organisation, she was appointed Chairman of the MyMahir National AI Council for Industry in 2025, reflecting her role in advancing workforce capabilities at the national level, particularly in digital and AI readiness.

She continues to support KPJ Healthcare Berhad in strengthening organisational capabilities, leadership development, and sustainable talent strategies aligned with the Group's long-term growth.

Academic and Professional Qualification

- Master of Human Resource Development, Universiti Putra Malaysia, Malaysia
- Bachelor of Human Resource Management, Universiti Teknologi MARA, Malaysia
- Certificate in Communication and Psychology, Stanford University, United States of America

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Shahril Mizani bin Ariffin

Chief Digital Officer

46 | Male | Malaysian

Date of Appointment: 7 October 2024

Working Experience

Shahril Mizani Ariffin, the Chief Digital Officer of KPJ Healthcare Berhad, brings over two decades of experience in enterprise digital transformation, strategic leadership, and technology-enabled business innovation across healthcare, consulting, and conglomerates.

Prior to KPJ Healthcare, he played a pivotal role at UMW Group, where he led group-wide transformation initiatives spanning sustainability, cloud adoption, and Industry 4.0. His leadership contributed to progress towards Net-Zero Carbon ambitions, the launch of green products, and digitalisation programmes that enhanced operational efficiency and reduced costs.

Earlier in his career, Shahril held senior leadership roles at Korn Ferry, Accenture, and A.T. Kearney, building deep expertise in enterprise strategy, workforce transformation, and large-scale technology implementation.

At KPJ Healthcare, he leads the Group's digital, data, and cybersecurity agenda through a comprehensive IT Transformation Blueprint anchored on modern data management, cyber resilience, and enhanced patient journey. Under his leadership, KPJ has strengthened its enterprise data architecture and accelerated digital and AI-enabled capabilities to enhance care delivery and operational performance.

He has also successfully driven key infrastructure initiatives, including the rollout of private cloud modernisation project and the new enterprise PACS and AI imaging platform, strengthening system scalability, integration, and clinical efficiency across the Group.

Academic and Professional Qualification

- Bachelor of Engineering (Hons) in Chemical Engineering, University College London, United Kingdom

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Hoo Ling Lee

Regional CEO, Central Region

47 | Female | Malaysian

Date of Appointment: 23 May 2024

Working Experience

Hoo Ling Lee has close to 20 years of experience in the healthcare industry, with expertise spanning strategy development, hospital acquisition, operational leadership, lean management and financial management.

Prior to joining the Group, she held senior leadership roles within the healthcare sector. She served as Chief Executive Officer of Gleneagles Hospital Kuala Lumpur and Pantai Hospital Ampang and spent a decade with IHH Healthcare Malaysia as Head of Strategy and Special Projects. In this role, she oversaw the organisation's overall strategy and led business development initiatives, contributing to numerous greenfield and brownfield projects across Malaysia.

Earlier in her career, Ling Lee held roles at Singapore General Hospital as an Assistant Manager in Lean Management and at the National University Hospital in Singapore, where she built strong experience in healthcare operations and performance improvement.

Alongside her executive roles, she is actively involved in academic and industry engagement. She serves as a Visiting Lecturer at the International Medical University, lecturing on healthcare strategy and operations, and is a member of the University's Industry Advisory Board in Healthcare Management. Ling Lee was also recently appointed as Adjunct Professor at the School of Business and Technology, IMU University

Academic and Professional Qualification

- Master of Laws in Healthcare, Taylor's University, Malaysia
- Bachelor of Economics, National University of Malaysia ("UKM"), Malaysia

Memberships

- Industry Advisory Board Member (Healthcare Management), International Medical University ("IMU"), Malaysia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Maisarah binti Omar

Regional CEO, Southern Region

57 | Female | Malaysian

Date of Appointment: 1 October 2024

Working Experience

Maisarah binti Omar has extensive healthcare executive with over 30 years of progressive leadership experience in healthcare management within KPJ Healthcare Berhad, with a strong background in hospital operations, strategic planning and financial management.

In her roles across the Group, she has overseen operations at multiple KPJ specialist hospitals. Her responsibilities have included driving operational efficiency, strengthened regulatory add (JCI & MSQH) and supporting hospital expansion and commissioning projects. She has also played a key role in driving performance improvement across her hospital portfolio.

Her contributions have been recognised through notable achievements, including leading KPJ Kajang Specialist Hospital to win the Best Managed Hospital Award in 2012. Maisarah also lead the KPJ Seremban team in winning the National OSH Award 2018 - Excellence Safety & Health Occupational for the Services Sector Category from NCOSH and DOSH. The award recognises business and industrial organisation's continuous commitment to OSH performance and management at work. The award was presented by the former Deputy Prime Minister Malaysia, YAB Dato' Seri Wan Azizah Dr Wan Ismail

Beyond her operational responsibilities, Maisarah's experience spans audit, investigation, industrial relations and talent management, supporting effective execution, financial oversight and constructive stakeholder engagement across her areas of responsibility.

Academic and Professional Qualification

- Master of Healthcare Management, Universiti Teknologi Malaysia, Malaysia
- Bachelor of Accountancy, Universiti Putra Malaysia, Malaysia
- Certified Transformational Manager, IPMA UK

Memberships

- Member, Malaysian Institute of Accountants, Malaysia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Renuga Muniandy

Regional CEO, Northern and East Coast Region

51 | Female | Malaysian

Date of Appointment: 15 November 2024

Working Experience

Renuga Muniandy is an accomplished healthcare executive with a distinguished track record in hospital leadership, clinical governance and enterprise-wide transformation within the KPJ Healthcare Group.

She is presently serving as Covering Regional Chief Executive Officer for the Northern & East Coast Region, where she provides strategic leadership and oversight across eight hospitals, driving performance excellence and aligning regional operations with the Group's growth agenda. Concurrently, she serves as Chief Executive Officer of KPJ Penang Specialist Hospital, the largest facility within the KPJ network, where she leads overall operational, financial and strategic performance.

Throughout her career, Renuga has held several senior leadership roles as CEO of KPJ Kajang Specialist Hospital, General Manager of TMC & TMC Healthcare Centre, Group Chief Pharmacist & Operations Manager. She is widely recognised for her strong execution capabilities in organisational turnaround, performance optimisation and service expansion, successfully repositioning hospital operations towards sustainable growth.

Her leadership approach is anchored in strong governance, operational discipline and a commitment to continuous quality improvement, underpinning multiple institutional achievements and performance milestones delivered under her stewardship. Beyond her executive responsibilities, she has also contributed to the advancement of the healthcare profession, having served as a Council Member of the Malaysian Pharmaceutical Society and as Chairman of its Perak Branch.

Academic and Professional Qualification

- Professional Certificate in Leadership and Management, University of South Australia, in collaboration with KPJ Healthcare Berhad
- Leadership Ascendency Programme ("LEAP") (Certified)
- Master of Business Administration, University of Derby, United Kingdom
- Bachelor of Pharmacy (Hons), Nagpur University, India

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Dr. Kenny Yeap Kim Pey

Regional CEO, East Malaysia

38 | Male | Malaysian

Date of Appointment: 4 June 2025

Working Experience

Dr. Kenny Yeap Kim Pey is a senior healthcare leader with a strong track record in hospital management, health services development and organisational transformation. He currently serves as the Regional Chief Executive Officer for East Malaysia at KPJ Healthcare Berhad, where he oversees strategic growth, operational performance and clinical quality across the region's hospital network.

Trained in public health and hospital governance, Dr. Kenny has held senior leadership roles spanning both clinical and operational functions. Before joining KPJ, he served at Borneo Medical Centre in Miri as Medical Director, Chief Operating Officer and a member of the Board of Directors, where he led service development and organisational leadership efforts.

Beyond hospital operations, Dr. Kenny has applied his expertise in health, safety, security and environment and occupational health in practice. He has supported organisations across East Malaysia through workplace health and safety programmes, operational reviews and regulatory-related activities in occupational and marine health.

Dr. Kenny is recognised for his strategic mindset, operational discipline and people-focused leadership. He places strong emphasis on collaboration between clinical and administrative teams and on building capable middle-management leadership to support long-term organisational resilience.

Academic and Professional Qualification

- Doctor of Medicine ("MD"), Universiti Malaysia Sarawak ("UNIMAS"), Malaysia
- Master of Public Health (Health Services Management), University of London, United Kingdom
- Certified Occupational Health Doctor, National Institute of Occupational Safety and Health, Malaysia
- Medical Review Officer, Academy of Occupational and Environmental Medicine Malaysia, Malaysia
- Assistant Medical Review Officer, Academy of Occupational and Environmental Medicine Malaysia, Malaysia
- Marine Certified Doctor, National Institute of Occupational Safety and Health, Malaysia
- HRD Corp Accredited Trainer, Human Resource Development Corporation, Malaysia

Memberships

- Life member of Malaysia Medical Association ("MMA")
- Life member of Academy of Occupational and Environmental Medicine Malaysia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Mohd Firdaus Bin Mohamed Din

Chief Internal Auditor

61 | Male | Malaysian

Date of Appointment: 9 March 2020

Working Experience

Mohd Firdaus Bin Mohamed Din currently serves as the Chief Internal Auditor at KPJ Healthcare Berhad. He brings extensive experience in internal audit, built across both professional services and the banking sector.

He began his career at Arthur Andersen & Co. from 1989 to 1991 and subsequently spent 13 years at Affin Bank in internal audit roles. In 2004, he joined Bank Kerjasama Rakyat Malaysia, where he served for 16 years and held senior internal audit responsibilities, including as Chief Internal Auditor.

Academic and Professional Qualification

- Bachelor of Commerce (Accounting), Australian National University
- Executive Development Programme, Wharton Business School, University of Pennsylvania
- 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
- Management and Leadership Programme, Islamic Banking and Finance Institute Malaysia

Memberships

- Associate Member, CPA Australia, Australia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Sharizul Hasnifa Bin Baseri

Chief Risk Officer

45 | Male | Malaysian

Date of Appointment: 1 July 2021

Working Experience

Sharizul Hasnifa Bin Baseri has deep experience in risk management, risk advisory, corporate restructuring, transaction advisory and corporate advisory across multiple sectors.

In his role, he leads the institutionalisation of risk management across the KPJ Group. He provides strategic oversight on risk and reward in support of the Group's business objectives. His responsibilities include strengthening risk capabilities and embedding robust risk management practices across the organisation.

He has held senior roles in risk management and advisory across a Big Four accounting firm, a global oil and gas company and multinational organisations.

During his tenure at a Big Four firm, he led risk management and advisory engagements for publicly listed and multinational companies across various industries. He was also seconded as Interim Regional Head of Risk and Assurance for Asia at a multinational organisation.

Prior to joining KPJ, he served with a leading global premium integrated healthcare group, where he oversaw risk management and supported the strengthening of risk practices across its Malaysia and India operating divisions.

His contributions to advancing risk management practice have been recognised through the Corporate Risk Leadership Award at the MARIM Malaysia International Conference 2024.

Academic and Professional Qualification

- Bachelor of Arts (Honours) in Accounting and Finance, University of the West of England, United Kingdom

Memberships

- Fellow, CPA Australia, Australia

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Elena Shamsuddin

Chief of Staff & Head of Group Strategic Communication

55 | Female | Malaysian

Date of Appointment: 1 October 2023

Working Experience

Elena Shamsuddin brings close to 30 years of experience advancing strategic priorities across operations and communication, with a track record of delivering national communication and policy initiatives across diverse stakeholders.

Her appointment as Chief of Staff, Office of the President and Managing Director took effect in October 2023, and she was appointed Head, Group Strategic Communication in July 2024.

Working closely with the President and Managing Director, Elena drives the strategic agenda of the Office, coordinating priorities and ensuring the PMD's decisions translate into action across the Group. In parallel, she ensures KPJ's messaging is aligned to strategic priorities, including the advancement of the KPJ Health System, and translates complex transformation programmes into clear, consistent narratives that strengthen organisational cohesion and external confidence.

Elena began her career with Business Times Malaysia before being seconded to the National Economic Action Council during the Asian Financial Crisis in the late 1990s. She later served as Special Officer (Communication) to the Prime Minister and as Chief of Staff to a Member of Parliament.

After co-founding a public relations agency, she returned to public service as Communication Lead for the COVID-19 Immunisation Taskforce under the Ministry of Science, Technology and Innovation. Following the conclusion of the Taskforce, she served as Programme Management Advisor to the Minister of Health, with responsibilities that included MySejahtera, Malaysia's national digital health platform.

Academic and Professional Qualification

- Bachelor of Laws, Universiti Malaya, Malaysia

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Ahmad Sharifuddin Bin Abdul Rahman

Head of Group Procurement

57 | Male | Malaysian

Date of Appointment: 5 June 2024

Working Experience

Ahmad Sharifuddin Abdul Rahman has more than 30 years of experience spanning quantity surveying, property development, construction and investment.

He currently serves as Head of Group Procurement at KPJ Healthcare Berhad, where he oversees procurement strategy and contract management across the Group.

He began his professional career with the quantity surveying firm Hashim & Lim before moving into the property development sector with Land & General Berhad in 1995 and later TH Properties in 2000. During this period, he was involved in the management of large-scale township developments and contract administration activities.

In 2010, Sharifuddin broadened his exposure by joining Malaysian Resources Corporation Berhad, where he worked on high-value infrastructure projects within the construction sector. He returned to property development in 2015 and was involved in the development of Medini as a key growth area in Iskandar Puteri, Johor.

Before joining KPJ, Sharifuddin was with Johor Corporation, where he was responsible for setting up a Group-wide procurement function and strengthening procurement governance across diverse business lines, including healthcare, plantation, real estate and infrastructure and food and restaurant.

His cross-sector experience provides a practical and disciplined foundation for procurement and contract management in his current role.

Academic and Professional Qualification

- Bachelor of Science (Honours) in Quantity Surveying, The Nottingham Trent University, United Kingdom

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Syed Iskandar Shah Bin Syed Abu Bakar

Head of Group Legal & Advisory

58 | Male | Malaysian

Date of Appointment: 13 February 2023

Working Experience

Syed Iskandar Shah Bin Syed Abu Bakar has experience across legal, compliance and governance functions within the financial services, media and public sectors.

He began his career in the financial industry, serving in legal roles within banks and fund management companies. He later moved into the media sector, where he continued to work in legal and compliance-related capacities.

In 2009, Syed Iskandar joined Bank Pembangunan Malaysia as Company Secretary and Head of the Legal and Secretarial Department. In this role, he implemented initiatives to strengthen documentation processes and enhance the Bank's governance framework.

He subsequently joined PR1MA Corporation Malaysia in 2012, a government agency under the Prime Minister's Office, where he played a role in developing standard legal documentation, contracts and templates. He was also involved in establishing policies and standard operating procedures to support the agency's operations.

In 2019, Syed Iskandar founded Novus Ideas Sdn Bhd, a property and business consulting firm, where he was involved in advisory and consulting work prior to his current role.

Academic and Professional Qualification

- Bachelor of Laws (Honours), Liverpool John Moores University, United Kingdom
- Sijil Amalan Guaman (Hons) by Lembaga Kelayakan Profession Undang-Undang, Malaysia
- Certificate Asian International Executive Programme – INSEAD, Singapore
- ICA International Advanced Certificate in Anti-Money Laundering with merit (International Compliance Association / University of Manchester) – Manchester Business School)
- Certification in Anti-Money Laundering and Counter Financing of Terrorism with merit (International Compliance Association / Institute of Bankers Malaysia)

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Saravanan Desigamanie

Head of Group Sustainability

43 | Male | Malaysian

Date of Appointment: 1 July 2024

Working Experience

Saravanan Desigamanie leads KPJ Healthcare's decarbonisation agenda and oversees the Group's Environmental, Social and Governance ("ESG") strategy, supporting the integration of sustainability into business decision-making and long-term value creation.

He brings more than 20 years of experience across sustainability, corporate strategy, investor relations and strategic communications, with a career spanning both operational and stakeholder-facing roles.

Saravanan began his career with Sime Darby Berhad in 2004, where he spent 14 years in roles across the Group's plantation, property, industrial, energy and utilities, motors and healthcare businesses. During this period, he contributed to the development of the Group's early sustainability engagement with institutional investors, particularly in Europe.

In 2018, he joined Malakoff Corporation Berhad, Malaysia's largest Independent Power Producer, as Head of Strategy and Communications. In this role, he supported the Group's transformation initiatives, including the articulation of its strategic direction on energy transition and the delivery of a corporate rebranding exercise.

He was subsequently appointed Head of Sustainability, Research and Investor Relations at Malakoff, where he oversaw the development of the Group's sustainability agenda, enhanced sustainability disclosures and supported research initiatives aligned with evolving global standards.

Academic and Professional Qualification

- Master of Business Administration (Finance), Multimedia University, Malaysia
- Bachelor of Information Technology (Honours) in Software Engineering, Multimedia University, Malaysia
- Certificate in Investor Relations ("CIR"), IR Society of the United Kingdom

Memberships

NIL

Present Directorship (s):

NIL

SENIOR MANAGEMENT TEAM

as at 31 March 2026

Azmi Bin Abdullah

Head of Group Strategy & Project Management Office

57 | Male | Malaysian

Date of Appointment: 5 February 2024

Working Experience

Azmi Bin Abdullah has over 20 years of experience in transformation, programme management and, business development and corp account management, with a career spanning across roles in the telecommunications and national conglomerate sectors.

He joined KPJ Healthcare Berhad in February 2024 as Head of Transformation Management Office, where he led Group-wide transformation initiatives, including the establishment of the Future Forward Leaders Programme.

Commencing October 2025, the portfolio was elevated to Head Group Strategy & Project Management Office ("PMO"). Key responsibilities now includes Strategic Planning, group-wide OKR as well as business growth opportunities through Business Development and Merger & Acquisition.

Academic and Professional Qualification

- Bachelor of Arts in English Language and Linguistics (with Diploma in Education), University of Essex, United Kingdom.

Memberships

NIL

Present Directorship (s):

NIL

Stories of Excellence

Where Millimetres Matter

The brain demands precision. Millimetres can define the difference between a successful tumour resection and a life-altering outcome. For neurosurgical teams, each procedure requires careful judgement, coordination and clarity at every stage.

In 2025, Johor Specialist Hospital (JSH) adopted the Zeiss Kinevo 900 robotic visualisation system to support neurosurgical procedures. At the time of adoption, the system was among the first of its kind in Malaysia. One of the early cases involved a patient with a brain tumour under the care of Consultant Neurosurgeon Dr Sharon Casilda Theophilus, together with Dr Ahmad Khan and a multidisciplinary team. The procedure was performed using a minimally invasive approach supported by integrated surgical navigation.

The system provides real-time 3D visualisation with high magnification and illumination, which can be shared across the operating team. This enables the surgeon, anaesthetist, assisting doctors and nursing team to work from the same field of view during the procedure, supporting coordination in complex cases. Robotic-assisted positioning is designed to support stability during surgery, with fewer manual adjustments required.

These capabilities are applied across a range of neurosurgical procedures, including tumour resections, aneurysm repairs, deep brain stimulation and spinal deformity correction. Shared visualisation also supports training, allowing junior doctors to observe procedures from the same visual field as their mentors.

At JSH, technology is applied to support clinical decision-making and patient care. This reflects the broader direction of the KPJ Health System, where practice is strengthened through the integration of clinical expertise, structured workflows and the appropriate use of technology.

In neurosurgery, outcomes are shaped over time through each case, each team and each patient entrusted to care. That commitment continues, one procedure at a time.care. That commitment continues, one procedure at a time.

Consultant neurosurgeon Dr Sharon Casilda Theophilus (centre) with her surgical team at Johor Specialist Hospital, leveraging the Zeiss Kinevo 900S robotic visualisation system to advance precision in complex neurosurgical procedures. As the first healthcare facility in Malaysia to deploy this technology in neurosurgery, the milestone strengthens clinical outcomes, multidisciplinary teamwork and specialist training, reinforcing KPJ Health System's commitment to technology enabled excellence and long term capability building under its Care for Life purpose.

3 Our Path to Shared Value

- Our Value Creation Business Model
- Strategy and Performance
- Our Operating Landscape
- Stakeholder Management
- Our Approach to Materiality
- Managing Key Risks and Opportunities
- Strategy and Performance

OUR VALUE CREATION BUSINESS MODEL

Our value-creating business model explains how we run the KPJ Health System ("KPJHS"), using our key capitals to support our strategy and day-to-day operations. It reflects how we deliver care, balance priorities and create outcomes that matter to our stakeholders over time.

Our Vision To be the preferred healthcare partner

CAPITALS	INPUTS
Financial Financial resources that support the sustainability and expansion of KPJ's healthcare network, enabling continued investment in facilities, technology, talent and patient services while delivering long-term value to shareholders.	• Total assets valued at RM8.0 billion • Market capitalisation at RM12.0 billion as at end December 2025.
Intellectual Clinical protocols, operating systems, medical expertise and institutional knowledge that support consistent care delivery, innovation and continuous improvement across the Group.	• Standardised clinical protocols and care frameworks applied across our hospital network
Manufactured Our hospital network, medical facilities and clinical infrastructure that enable the delivery of safe, reliable and accessible healthcare services across KPJ's operating footprint.	• Digital and physical infrastructure supporting hospital operations and patient care delivery.
Human The collective expertise, skills and commitment of our medical professionals, nurses and employees, which underpin clinical quality, patient safety and service excellence.	• Workforce of more than 16,900 people • RM14.1 million total investment in employee training
Social and Relationship Trusted relationships with patients, communities, medical professionals, regulators, partners and suppliers that strengthen KPJ's reputation, social licence to operate and ability to deliver integrated healthcare solutions.	• Strategic partnerships and collaborations established with healthcare partners, suppliers and service providers. • Recorded a 97.2% in Net Promoter Score (NPS)
Natural Natural resources utilised in our operations, and our responsibility to manage environmental impacts through efficient resource use, compliance and environmental stewardship across our healthcare facilities.	• 212,725,354.00 kWh total energy consumed which includes electricity, diesel, LPG and petrol • 1,984,003.00 m^3 water withdrawn to support hospital operations and patient care. • 9,741.36 tonnes of waste generated and managed from healthcare operations.

BUSINESS

OUR STRATEGY AND CORE PILLARS

Practice

KPJ Hospitals will be a premier national referral centre for advanced and complex cases, recognised for its Academic Health Centres' clinical outcomes and quality indicators

Education

KPJ Healthcare University ("KPJU") will be a key thought leader in medical healthcare education, producing highly skilled subspecialists and allied health professionals

Research and Innovation

KPJ Research and Innovation Centre ("KPJRIC") will drive breakthroughs in healthcare, increase publications in renowned journals and obtain endowment from private sector

STRATEGIC PILLARS: THE 5Ps

Patients · People · Partners · Physicians · Planet

BUSINESS

Material Matters

- Climate Change Resilience
- Resource and Waste Management
- Service Quality and Safety
- Community Outreach
- Employee Engagement and Development
- Diversity, Inclusion and Human Rights
- Governance, Ethics and Integrity
- Technology, Innovation and Collaboration
- Data Privacy and Security
- Supply Chain Management

Principal Risks

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

KPJ's Sustainability Vision

SusATTAINability 30-BY-30

- Reduce 30% of total absolute GHG emissions by 2030
- Transition to 30% renewable energy by 2030
- Achieve green certification for hospitals by 2030

OUTCOMES / OUTPUTS

- Dividend of 4.23 sen per share
- Achieved RM563.4 million of profit before tax ("PBT")

- Standardised clinical and governance frameworks embedded across the hospital network.
- Produced 1,062 graduates from KPJU.

- 3,934 operational beds
- 64% bed occupancy level

- 1,844 staff turnover
- Employee Engagement Survey: 91% (2024: 91%)
- RM1,295 million paid in salaries and benefits
- 79% workforce are women

- Collaborative healthcare and business partnerships supporting service delivery, supply continuity and care coordination.
- RM302 million in taxes paid to government and approved agencies

- 19.46% reduction in total GHG Emissions (vs. 2024 baseline)
- 10.07% renewable energy utilisation
- Accumulated 7 green-certified hospitals

STAKEHOLDER MAPPING

- Investors and Shareholders

- Patients
- Physicians
- Partners

- Patients
- Consultants
- Government & Regulators

- Patients
- Employees
- Consultants

- Patients
- Business Partners
- Supplier & Vendors
- Local Communities

- Government & Regulators
- Local Communities
- Employees

ASSOCIATED TRADE-OFFS

Investment decisions to expand healthcare capacity and improve affordability support long-term value creation but may constrain financial flexibility in the near term. Capital allocation therefore requires trade-offs between funding growth initiatives and maintaining balance sheet strength to support resilience across economic cycles.

Network-wide clinical and governance frameworks strengthen consistency, quality and patient safety. However, increased standardisation can limit flexibility at the hospital level, requiring careful consideration of how innovation and local clinical practices are introduced without compromising system-wide coherence.

Expansion and upgrading of hospitals, facilities and medical equipment enhance access and service capability. These investments involve long asset lifecycles and fixed cost commitments, creating trade-offs between expanding capacity and optimising utilisation and operational efficiency over time.

Sustained investment in talent, training and workforce wellbeing supports care quality and clinical outcomes. At the same time, rising people-related costs and workforce availability constraints require trade-offs between strengthening capability and managing cost structures to support long-term sustainability.

Strong relationships with partners, suppliers and communities enable coordinated care delivery and system resilience. Prioritisation is required as deepening engagement across the ecosystem demands time and resources, influencing organisational focus and the scale of collaboration pursued.

Investments to reduce environmental impact and improve resource efficiency contribute to long-term resilience and regulatory preparedness. These initiatives often involve higher upfront costs, creating trade-offs between immediate operational priorities and longer-term environmental and compliance considerations.

Strategy and Performance

KPJ HEALTH SYSTEM

Healthcare is becoming more specialised and data-driven, while patients still experience it in one simple way: whether care feels personal, reliable and timely.

In 2025, we continued strengthening our ability to deliver that consistency at scale by building an integrated, academic health system, one that connects how we treat patients, how we train our healthcare workforce, how we learn from outcomes and how we improve operations over time.

Guided by our Care for Life philosophy, this direction is anchored in the KPJ Health System ("KPJHS"), our engine of transformation.

The KPJ Health System represents a deliberate shift from facility-based delivery to a connected, integrated network. It aligns clinical practice, education, research and operations under one coordinated structure.

PRACTICE

In its first full year of implementation, the priority has been aligning how care is delivered across hospitals. Shared clinical standards, clearer referral pathways and strengthened specialist leadership reduce variation and reinforce accountability at system level. This shift enables care to be delivered more consistently across locations while maintaining the flexibility required for different clinical settings. Governance is clearer, decision-making is more coordinated and performance can be monitored with greater discipline.

Clinical care sits at the heart of the KPJ Health System. Across 30 hospitals, multidisciplinary teams deliver patient-centred care supported by specialist expertise, modern facilities and coordinated clinical pathways. Within the KPJHS, Practice is the pillar where Education and Research and Innovation translate into the direct delivery of care. It is where the strengths of the system become meaningful for patients.

Strengthening multidisciplinary care
As healthcare becomes increasingly specialised, KPJ continues to bring clinical expertise, advanced technologies and coordinated pathways together into unified service lines. In December 2025, KPJ launched its first Centre of Excellence, the Heart and Lung Excellence Centre at Johor Specialist Hospital, developed with guidance from Mayo Clinic Global Consulting. The Centre anchors a multidisciplinary model for complex cardiac and lung cases, with standardised clinical protocols and outcomes-driven improvement.

The wider development of Centres of Excellence reflects a deliberate effort to concentrate specialised expertise across the network, enabling more complex treatments while supporting consistent standards of care and value-based outcomes.

Advancing surgical innovation
Clinical innovation continues to expand the scope and precision of treatment across KPJ hospitals. In 2025, Johor Specialist Hospital performed Malaysia's first Hyperthermic Intraperitoneal Chemotherapy (HIPEC) procedure for upper gastrointestinal cancer, including the country's first fully laparoscopic closed-method HIPEC. Damansara Specialist Hospital introduced Malaysia's first private-sector Pressurised Intraperitoneal Aerosol Chemotherapy (PIPAC) for advanced abdominal cancers, and Johor Specialist Hospital deployed Malaysia's first ZEISS KINEVO 900 S robotic visualisation system for complex brain and spine surgery.

Across the network, clinicians continue to expand the use of robotic-assisted platforms including the da Vinci system, supported by AI and data-driven tools that strengthen diagnosis, treatment planning and clinical decision-making.

Strengthening clinical leadership
Strong clinical leadership is essential to consistent care and effective governance. In 2025, KPJ appointed Prof Emeritus Dato' Dr Lokman Saim as Chief Medical Director, alongside 16 Heads of Specialty and Subspecialty across the KPJ Health System. Together, these roles strengthen clinical standards, support multidisciplinary decision-making and align Practice with Education and Research and Innovation.

Connecting Practice across the system
Practice does not stand alone. Through clinical workshops, Grand Ward Rounds, proctorship programmes, specialist symposiums and international collaborations throughout 2025, KPJ continues to build a coordinated clinical ecosystem in which knowledge, training and discovery reinforce one another.

Guided by Care for Life, KPJ continues to strengthen a health system that delivers meaningful outcomes for patients and communities.

Johor Specialist Hospital marked a milestone with KPJ Healthcare's first Endobronchial Ultrasound (EBUS) procedure, led by Dr. Muhammad Redzwan S. Rashid Ali and Dr. See Yee Yong, Consultant Respiratory Medicine Specialists. This minimally invasive diagnostic supports accurate assessment of respiratory conditions and reflects the hospital's ongoing efforts to enhance clinical capabilities and patient care.

EDUCATION

KPJ Healthcare University marked a pivotal milestone through the formalisation of 12 strategic partnerships with leading academic and industry institutions. These collaborations are set to advance research in precision medicine, disease prevention, and advanced treatments, while strengthening the development of globally competent healthcare professionals.

Education within the Academic Health System
Education forms a central pillar of the KPJ Health System, supporting the continuous development of healthcare talent across the organisation. As Malaysia's first private healthcare provider to establish an Academic Health System, KPJ integrates hospitals, education and research within a single ecosystem. At the heart of this is the collaboration between KPJ hospitals and KPJ Healthcare University ("KPJU"), the academic engine of the system, which together carry the guiding principle: We Heal. We Teach. We Discover.

Developing the next generation
In December 2025, KPJU celebrated the graduation of more than 1,000 students across medicine, nursing, pharmacy and allied health sciences, strengthening the talent pipeline for both Malaysia's healthcare workforce and the KPJ Health System. Clinical placements across KPJ hospitals give students hands-on experience in real patient care environments, building clinical judgement and professional confidence.

Strengthening leadership and collaboration
Partnerships with the University of Melbourne, Melbourne Business School and Singapore Management University support leadership development across the organisation, equipping emerging and senior leaders for a more complex healthcare landscape. Collaborations with institutions including Hospital Canselor Tuanku Muhriz further extend clinical placement opportunities and academic exchange.

Lifelong learning and digital capability
Continuous professional development is anchored through platforms such as Angioclub, the 2nd KPJ Eye Conference and the KPJ Nursing Symposium. In 2025, KPJU's School of Digital Health delivered a series of Artificial Intelligence Readiness Talks, reaching more than 1,200 staff across 44 sessions and preparing the workforce for AI-enabled healthcare.

Building the future workforce
By integrating academic learning, clinical training and professional development, the Education pillar continues to nurture talent at every level. Guided by Care for Life, KPJ remains committed to developing the healthcare professionals who will lead the next generation of patient-centred care.

RESEARCH & INNOVATION

Strengthening research capability
Research across the KPJ Health System is coordinated through the KPJ Research and Innovation Centre (KPJRIC), which builds research capability among clinicians and healthcare professionals through methodology workshops and specialised programmes including the Systematic Review and Meta-Analysis workshop. Clinicians, KPJU academic staff and dedicated Research Officers across KPJ hospitals lead studies spanning clinical research, public health and community-based work. The Research Management System provides a centralised digital platform for proposals, approvals, grants and publications, strengthening governance and collaboration across the network. Researcher achievements were recognised during the KPJ Health System Movement Launch 2025, celebrating excellence in publication, innovation and research impact.

Cultivating innovation
The KRAFT (KPJ Redefining Aspirations For Tomorrow) Challenge is the flagship platform for innovation across the network. The 2025 edition drew strong participation from hospitals, universities and the wider innovation community, with the Grand Finale hosted at the Malaysia International Healthcare ("MIH") Megatrends 2025 conference. Through mentorship, funding and pathways for commercialisation, KRAFT supports innovators in turning ideas in artificial intelligence, biotechnology, patient care and community health into practical solutions.

Advancing digital innovation
Strategic partnerships with IBM Malaysia, GlobeOSS, NetSfere and enterprise imaging partners support AI-driven patient engagement tools, secure clinical communication and integrated diagnostic platforms across KPJ hospitals.

Guided by Care for Life, KPJ continues to strengthen research and innovation as part of its broader commitment to improving healthcare outcomes for patients and communities.

Conclusion
Through the Academic Health System, KPJ integrates hospitals, education and research into a single ecosystem in which insights from clinical practice inform research, and discoveries from research translate back into improvements in care delivery. Taken together, the KPJ Health System enables the Group to extract greater value from its existing clinical, educational and operational strengths. When practice, education, research and innovation operate within one coordinated structure, improvements can be replicated across hospitals and capability can compound over time. This supports more predictable performance, clearer accountability and sustained long-term value creation.

The KPJ Redefining Aspirations for Tomorrow (KRAFT) Challenge 2025 underscores this direction by providing a structured platform for innovators to translate bold ideas into practical healthcare applications. Supported by the KPJ Research and Innovation Centre, the initiative enables selected solutions to progress from early-stage development to potential commercialisation, reinforcing KPJ's focus on enhancing patient care, digitalisation, and operational excellence.

GOVERNING COUNCIL FOR KPJ HEALTH SYSTEM STRENGTHENS SYSTEM-LEVEL OVERSIGHT

The inaugural meeting of the KPJ Health System (KPJHS) Governing Council on 13 March 2026 marked the establishment of a central platform for unified strategic oversight across the KPJ Healthcare ecosystem.

The council provides governance over strategic direction, performance and institutional alignment across KPJHS, anchored on its three core pillars: Practice, Education and Research & Innovation. Its mandate includes setting strategic priorities, monitoring clinical, academic and financial performance, and overseeing key investments and institutional partnerships.

Chaired by Professor (Hon.) Datuk Syed Mohamed Syed Ibrahim, President & Chief Executive of Johor Corporation and Chairman of KPJ Healthcare University, the council brings together senior leadership across KPJ Healthcare and its academic and clinical institutions. Members include Chin Keat Chyuan, President & Managing Director of KPJ Healthcare, alongside Adj. Prof. Dato' Mohd Redza Shah Abdul Wahid, Adj. Prof. Khairuddin Ja'afus, Prof. Emeritus Dato' Dr Azizi Hj Omar, Assoc. Prof. (Clinical) Dr Mohd Daud Sulaiman and Prof. Emeritus Dato' Dr Lokman Saim. The KPJHS Management Committee participates as Ex-Officio members.

The council guides system-wide transformation priorities, including the integration of artificial intelligence, genomics and value-based care within KPJHS, alongside a continued focus on governance, leadership continuity and long-term sustainability.

Through this structure, KPJHS reinforces alignment across its hospitals, university and research functions, supporting a consistent approach to care delivery, education and innovation across the system.

The Governing Council of the KPJ Health System provides unified system level oversight, anchored on its three core pillars of Practice, Education and Research & Innovation. Chaired by Prof. Datuk Syed Mohamed Syed Ibrahim, President and Chief Executive of Johor Corporation and Chairman of KPJ Healthcare University, the council brings together senior leadership across KPJ Healthcare and its academic and clinical institutions to guide strategic direction, performance alignment and long term sustainability across the KPJ Health System.

HEADS OF SPECIALTY AND SUBSPECIALTY

Dato Dr. Azhar Mohd Noh
Ampang Puteri Specialist Hospital
Anaesthesiology & Critical Care

Professor (C) Dr. Shahrul Amry Hashim
Damansara Specialist Hospital 2
Cardiothoracic Surgery

Associate Professor (C) Dato Dr. Azlin Azizan
Ampang Puteri Specialist Hospital
Clinical Radiology

Dr. Nur Abdul Karim
Damansara Specialist Hospital
Emergency Medicine

Associate Professor (C) Dr. Rashdan Zaki Mohamed
Damansara Specialist Hospital 2
General Paediatric

Professor (C) Dr. Mohamad Ismail Ali
Johor Specialist Hospital
General Surgery

Dr. Mohd Shazli Draman @ Yusof
Damansara Specialist Hospital
Internal Medicine

Professor (C) Dato' Dr. Zurin Adnan Abd Rahman
Damansara Specialist Hospital
Neurosurgery

Professor. Dr. Imelda Nasreen Nasruddin @ Balchin
Damansara Specialist Hospital 2
Obstetrics & Gynaecology

Dr. Azura Deniel
Ampang Puteri Specialist Hospital
Oncology

Dr. Nor Azlina Bachik
KPJ Centre for Sight
Ophthalmology

Professor (C) Dr. Wan Hazmy Che Hon
KPJ Seremban Specialist Hospital
Orthopaedic

Associate Professor Dr. Mazita Ami
KPJ Klang Specialist Hospital
Otorhinolaryngology

Dr. Zul Hilmi Yaakob
Tawakkal Specialist Hospital
Cardiology

Dato' Dr. Haji Zakaria Abdul Kadir
Ipoh Specialist Hospital
Neurology

Dr. Mohd Arif Mohd Zim
Damansara Specialist Hospital 2
Respiratory Medicine

KPJ Healthcare appointed 16 senior consultants as Heads of Specialty and Subspecialty, unifying clinical leadership and embedding standardised best practices, research and training across the network. Within the KPJ Health System, these leaders connect clinical care, education and research, advancing the Group's commitment to consistent standards and improved patient outcomes.

THE 5 PS: PATIENTS, PEOPLE, PARTNERS, PHYSICIANS AND PLANET

While the KPJ Health System defines how we operate, the 5Ps define who we operate for. By structuring our priorities around these five groups, we ensure that our strategy is translated into clear focus areas that influence daily decisions, resource allocation and performance outcomes across the organisation.

Patients

Care is delivered with the expectation of confidence, continuity and trust, particularly as clinical complexity increases. We focus on consistent, specialist-led care across the network, recognising that experience and outcomes extend beyond the point of treatment. This positions KPJ to serve both local and international patients without losing focus on its home market.

Our Focus Area

Strengthening integrated health system model in KPJ

Heart & Lung Centre of Excellence

Delivering value-based and personalised services by expert

1 Centre of Excellence (“CoE”) for Heart and Lung launched at Johor Specialist Hospital (“JSH”).

Improving standard of care across KPJ hospital network

16 heads

of Specialty and Subspeciality appointed to develop standardised care protocols and referral networks.

First

KWAN Mobile Clinic launched within a public hospital setting in Johor, at Hospital Sultanah Aminah, Johor Bahru.

2026 Priorities

1. Establish Centres of Excellence (CoEs) across priority specialties to strengthen clinical depth and referral pathways
2. Operationalise the Patient-Centred Care framework to enhance care coordination and patient experience
3. Advance Value-Based Care implementation, including evaluation of the Connect pilot and development of the 2027 roadmap

Note: CoE; A specialised healthcare hub that integrates clinical expertise, education and research leveraging advanced technology and interdisciplinary collaboration to deliver exceptional value and excellent health outcomes.

People

Performance begins with culture, alignment and leadership. We place emphasis on clear direction, communication and capability development so our people and clinicians move forward together. This shared mindset underpins consistency in care delivery and organisational resilience.

Our Focus Area

Fostering a supportive environment for talent and performance excellence

7 KPJ hospitals

with Clinical Research Centres operational, strengthening clinical research capability across the network.[1]

- Johor Specialist Hospital
- KPJ Seremban Specialist Hospital
- Damansara Specialist Hospital 2
- Damansara Specialist Hospital
- Ampang Puteri Specialist Hospital
- Kuching Specialist Hospital
- KPJ Penang Specialist Hospital

Implemented a Research Management System (“RMS”) to streamline research proposals, grant tracking, approvals, reporting and collaboration across KPJ hospitals and KPJ Healthcare University (“KPJU”).

Conducted Research Methodology Workshop to strengthen research capabilities and support academic development across hospital healthcare workforce.

Launched the KPJ Health System Movement in conjunction with Sustainability Day.

2026 Priorities

1. Progress the operationalisation of the Future Health Institute (FHI), with four centres established under its structure
   i. Centre of Experiential Learning
   ii. Research and Innovation Centre
   iii. Centre for Digital Health
   iv. Command Centre
2. Embed CARE values across the organisation to strengthen culture and behaviours
3. Roll out the KPJ Health System Movement Roadshow to drive alignment across hospitals

[1] KPJ established Clinical Research Centres at Johor Specialist Hospital, Damansara Specialist Hospital 2, Ampang Puteri Specialist Hospital, KPJ Penang Specialist Hospital, KPJ Seremban Specialist Hospital, Damansara Specialist Hospital and Kuching Specialist Hospital.

Partners

Healthcare outcomes are shaped beyond hospital walls. We engage policymakers, regulators, insurers and industry stakeholders to address affordability, cost pressures and system sustainability. These relationships support a more resilient healthcare ecosystem for patients and providers alike.

Our Focus Area

Seeking collaborative opportunities to drive healthcare advancements

Engaged Mayo Clinic Global Consulting to support:

1. Advisory services for KPJ's CoE development project, including framework, roadmap and capability development addressing governance, values, medical services, patient experience and academic model
2. Research alignment, including advisory support for CoE development.

Mayo Clinic Care Network ("MCCN") with Damansara Specialist Hospital ("DSH") and Damansara Specialist Hospital 2 ("DSH2").

2026 Priorities

Mayo Clinic Strategic Planning

Drive system-wide transformation into execution, supporting KPJ in establishing Centres of Excellence, strengthening clinical governance and standardisation, and embedding values and capabilities.

MCCN Strategic Planning

Advance Paediatric and Neonatology focus at Damansara Specialist Hospital ("DSH")

Advance Neurology and Stroke focus at Damansara Specialist Hospital 2 ("DSH2").

Physicians

Our physicians are at the heart of delivering high-quality care across KPJ. We continue to strengthen clinical capabilities and leadership across the Group, while embedding education, research and innovation into everyday practice to support better patient outcomes.

Our Focus Area

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

Launched the KPJ ASEAN Clinical Fellowship Programme 2026 for Orthopaedic, Oncology and Cardiology, strengthening structured pathways for advanced clinical training.

Participated in the Mayo Clinic Care Network with Damansara Specialist Hospital ("DSH") and Damansara Specialist Hospital 2 ("DSH2"), enabling access to international clinical expertise and peer collaboration.

Appointed a Chief Medical Director, strengthening clinical leadership, governance and system-wide alignment.

2026 Priorities

1. Develop the specialty and subspecialty framework to strengthen clinical capabilities
2. Establish approved clinical pathways to standardise clinical practice

Planet

Environmental stewardship is integral to delivering sustainable and resilient healthcare. Through the Green Healthcare Sustainability Framework, KPJ advances climate action and resource efficiency across the KPJ Health System.

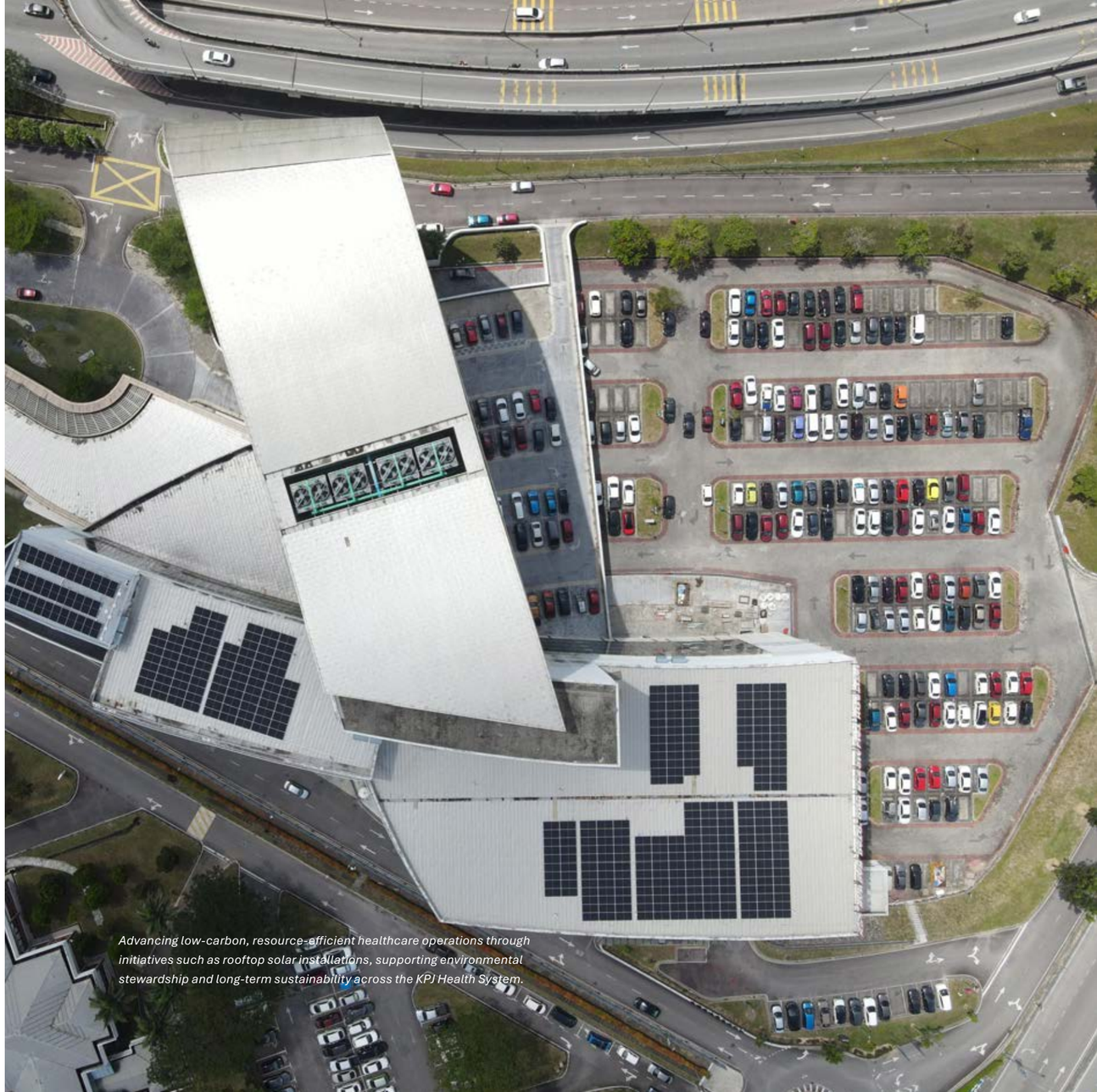
Our Focus Area

Driving low-carbon, resource-efficient healthcare operations, while supporting safe, high-quality patient care

1. **Climate & Energy**
   - Expanded renewable energy utilisation through rooftop solar installations and Green Electricity Tariff (“GET”) subscription
   - Progressed towards SusATTAINability 30-by-30 targets, including tracking of Group-wide GHG emissions
   - Strengthened climate-related risk integration within enterprise risk management processes
2. **Sustainable Facilities**
   - Continued progress towards green hospital certification, supporting the Group’s 2030 target
   - Enhanced energy efficiency measures across hospital operations
   - Leveraged CAFMS for improved monitoring of asset performance and maintain efficiency
3. **Waste & Water Management**
   - Strengthened waste segregation at source, including improved diversion from clinical (SW404) to recyclable waste streams (SW409), where permissible
   - Implemented water management initiatives, including rainwater harvesting and reuse systems at selected hospitals

2026 Priorities

1. Accelerate GHG emissions reduction initiatives across operations
2. Expand renewable energy generation and utilisation across hospitals
3. Strengthen waste management practices, including reduction and material recovery



Advancing low-carbon, resource-efficient healthcare operations through initiatives such as rooftop solar installations, supporting environmental stewardship and long-term sustainability across the KPJ Health System.

OUR OPERATING LANDSCAPE

GROUP STRATEGY

We operate in a healthcare environment shaped by evolving patient needs, policy priorities and rising expectations around access, quality and affordability.

In 2025, resilient demand continued to support asset utilisation, while shifting healthcare dynamics increasingly influenced how care is delivered, funded and experienced by patients, payors and providers.

Against this backdrop, the sector faced growing complexity. Interacting economic, policy and sectoral dynamics heightened expectations for service capability, operational resilience and long-term sustainability across the healthcare ecosystem, reinforcing the need to balance patient outcomes, affordability and system viability.

In advancing neurosurgical care, Dr Sharon Casilda Theophilus and her team leveraged robotic visualisation to perform a minimally invasive procedure, as Johor Specialist Hospital marks a milestone as the first in Malaysia to adopt this advanced technology, demonstrating its commitment to precision and innovation.

Demographic-Driven Demand for Private Healthcare

Overview

Demographic trends, including an ageing population, rising prevalence of chronic diseases and increasing health awareness, continued to underpin demand for private healthcare services in Malaysia. These factors supported steady growth in the private healthcare sector in 2025, alongside a recovery in medical tourism.

Strategic Implications

- **Sustained utilisation:** Stable patient volumes support consistent utilisation across the hospital network, providing demand visibility for capacity planning.
- **Care mix shifts:** Evolving demand towards preventive, chronic and specialist outpatient care influences service configuration and resource allocation.

Our Response

- **Capacity expansion:** Opened KPJ Kuala Selangor in April 2025 to expand healthcare access in northern Selangor.

Outlook

- **Demand momentum:** Demographic trends continue to support demand for private healthcare services.
- **Utilisation profile:** Patient volumes remain supported by ageing demographics, chronic disease prevalence and health awareness.

Risk	Capitals	Stakeholders	Material Matters	Strategic Pillars

Rising Clinical Complexity and Care Acuity

Overview

Beyond demand growth, the nature of healthcare delivery continued to evolve. An ageing population, multi-morbid chronic conditions and advances in medical technologies contributed to rising clinical complexity and higher care acuity. These developments increased requirements for subspecialist expertise, integrated care delivery and robust.

Strategic Implications

- **Capability requirements:** Higher-acuity care necessitates deeper subspecialist capability and more advanced clinical services across the network.
- **Governance intensity:** Increased clinical complexity elevates the importance of consistent clinical standards, integration and oversight across hospitals.

Our Response

- **System integration:** Integrated clinical standards and care protocols across the KPJ Health System.
- **Centres of Excellence ("CoEs"):** Established CoEs to consolidate specialised expertise, including the launch of the Heart and Lung Excellence Centre at Johor Specialist Hospital.

Outlook

- **Care complexity:** Demand for specialised and higher-acuity care continues to increase across the healthcare sector.
- **Service configuration:** Specialised and subspecialist services remain central to meeting evolving clinical requirements.

Risks

Capitals

Stakeholders

Material Matters

Strategic Pillars

Structural Cost Pressures in Healthcare

Overview

Medical cost inflation in Malaysia remained elevated in 2025, driven by higher labour costs, rising pharmaceutical and consumable prices influenced by global supply chain conditions, increased utilisation of advanced medical technologies and ongoing healthcare financing reforms. These factors continued to exert cost, margin and affordability pressures across the private healthcare sector, particularly within the Medical and Health Insurance and Takaful segment.

Strategic Implications

- **Cost and margin pressure:** Rising labour, pharmaceutical and technology costs continue to pressure operating margins, requiring tighter cost control while maintaining quality and safety standards.
- **Workforce constraints:** Sustained manpower cost pressures affect service capacity, productivity and talent availability.
- **Healthcare financing pressure:** Tighter claims approval processes, higher payor discount rates and policy revisions increase administrative complexity, reimbursement pressure and affordability tension for patients.
- **Capital allocation discipline:** Heightened focus on optimising capital deployment amid cost and financing pressures.

Our Response

- **Pricing discipline:** Applied disciplined pricing practices across hospital services.
- **Operational efficiency:** Implemented productivity enhancements and operational efficiency initiatives across hospitals.
- **Workforce development:** Delivered postgraduate / master's programmes through KPJ Healthcare University ("KPJU"), with graduates absorbed into our hospital network.
- **Payor engagement:** Engaged insurers and takaful operators under existing agreements to manage reimbursement processes and claims requirements.
- **Policy readiness:** Leveraged payor agreements to engage on longer-term healthcare financing mechanisms, including eventual Diagnosis-Related Group ("DRG") measures.
- **Portfolio rationalisation:** Disposed our Bangladesh operations as part of capital allocation and portfolio optimisation.

Outlook

- **Persistent cost pressures:** Medical cost inflation is expected to remain elevated in 2026, driven by workforce constraints, pharmaceutical pricing and medical equipment costs, reinforcing continued pressure on operating margins across the healthcare sector.
- **Healthcare financing reform trajectory:** Bank Negara Malaysia's RESET initiative continues to shape healthcare financing through changes to insurance design, price transparency and healthcare data digitalisation. The deferral of DRG implementation to 2027 extends the transition period for providers and payors.
- **Demographic context:** Population ageing continues to shape healthcare demand trends.
- **Affordability and sustainability balance:** Healthcare financing reform remains central to balancing patient affordability, access to care and long-term system sustainability.

Risks	Capitals	Stakeholders	Material Matters	Strategic Pillars

Medical Tourism and Cross-Border Healthcare Demand

Overview

Malaysia continued to position itself as a safe, trusted and affordable destination for high-quality healthcare services. Government-led initiatives such as Visit Malaysia 2026 and Malaysia Year of Medical Tourism 2026 supports the country's medical tourism profile through advanced medical expertise and culturally attuned hospitality.

Strategic Implications	Our Response
• **Inbound contribution:** International patient flows contribute incrementally to utilisation in selected hospitals and specialised services. • **Service expectations:** Cross-border demand places higher expectations on service quality, clinical credibility and patient experience.	• **International services:** Served international patients across selected hospitals and specialised services. • **Service positioning:** Positioned CoEs and specialised services to attract international patients and diversify income streams.

Outlook

- **Inbound activity:** International patient volumes continue to recover, particularly from ASEAN markets.
- **National positioning:** Malaysia continues to strengthen its position as a medical tourism hub through national initiatives and specialised healthcare offerings.

Risk	Capitals	Stakeholders	Material Matter	Strategic Pillars

Technology Adoption and Digitalisation in Healthcare

Overview

Technology adoption accelerated across the healthcare sector, with expanding use of digital health solutions, data analytics and artificial intelligence ("AI") to support diagnostics, clinical decision-making and operational efficiency. Digital health platforms and telemedicine expanded access and continuity of care.

Strategic Implications

- **Clinical enablement:** Digital and AI-enabled tools increasingly shape clinical workflows and decision-making.
- **Care delivery models:** Expanded digital platforms influence how care is delivered, particularly in outpatient and chronic care settings.
- **Governance demands:** Wider digital and AI adoption increased the importance of data governance, regulatory alignment and organisational readiness.

Our Response

- **Digital infrastructure:** Enhanced technologically advanced assets and data systems across the KPJ Health System.
- **AI deployment and partnerships:** Piloted AI-enabled tools across hospitals and CoEs and engaged technology partners to strengthen infrastructure and connectivity.
- **Adoption and engagement:** Advanced digital patient engagement initiatives and implemented change management to support clinician adoption of new digital tools.

Outlook

- **Technology integration:** Digital health solutions and AI continue to embed across clinical and operational processes.
- **Scaling momentum:** Proven digital and AI-enabled solution scale across hospitals as data governance, regulatory alignment and clinician adoption strengthen.

Risks	Capitals	Stakeholders	Material Matters	Strategic Pillars

STAKEHOLDER MANAGEMENT

GROUP STRATEGY

Our care-centred mission is reflected in how we engage the people and organisations connected to our hospitals.

Whether we are listening to patients to improve their experience, working with regulators to uphold healthcare standards, or collaborating with partners on shared solutions, stakeholder engagement helps us make better decisions that strengthen trust and responsiveness across our network.

Given different stakeholder needs, we apply a six-stage Stakeholder Engagement Continuum to ensure each interaction is matched to the level of involvement our stakeholders require.

STAKEHOLDER ENGAGEMENT CONTINUUM

Monitor	Track external developments and sentiment that may affect stakeholder confidence or our operating environment.	1
Consult	Gather feedback or input to inform decisions, policies and service improvements.	2
Message	Provide clear, timely information to keep stakeholders informed about matters relevant to them.	3
Dialogue	Facilitate two-way conversations to deepen understanding and address issues promptly.	4
Advocate	Engage with industry bodies and regulators on matters that require sector alignment or shared positions.a	5
Collaborate	Work jointly with stakeholders on initiatives that deliver mutual value and support our Care for Life commitment.	6

FREQUENCY OF ENGAGEMENT

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

Patients

Capitals | Material Matters | UN SDGs

Why They Are Important

Patients place their trust in KPJ Healthcare at critical moments in their lives. Meeting their needs safely, affordably and with dignity shapes our approach to care delivery, service improvement and long-term healthcare capability.

How We Engage

M	Customer satisfaction survey
D	Corporate and hospital websites
AS	Social media channels
Q	Health-related information magazines
AS	Service brochures
D	Health awareness days

What Matters to Them	How We Deliver Care & Value
Cost of services	**Access and affordability:** Expand access through initiatives such as the Bebas & Sihat screening programme and new insurer collaborations, while maintaining strong cost discipline to manage out-of-pocket costs.
Quality of care and services	• **Clinical excellence:** Advance complex care capabilities through procedures such as our first endobronchial valve procedure and broadening subspecialty services across our hospitals. • **Early detection and prevention:** Strengthen preventive care through collaboration with the National Cancer Society Malaysia (“NCSM”) to enhance lung health services. • **Patient experience:** Deliver upgrades to key care environments, including enhancements to the Oncology Daycare Unit at Damansara Specialist Hospital and progress towards Centres of Excellence (“CoEs”).
World-class facilities	**Digital enablement:** Enhance the patient journey by advancing the KPJ Health System to streamline admissions, scheduling and clinical information flows.

Employees

Capitals | Material Matters | UN SDGs

Why They Are Important

Employees play a critical role in delivering safe, high-quality care across KPJ Healthcare. Supporting their well-being, development and engagement enables consistent clinical standards, service reliability and long-term organisational capability.

How We Engage

A	Town Halls
B	Employee performance review programmes
A	Employee engagement surveys
A	Staff wellness, engagement and recognition and performance review programmes
AS	Intranet portal

What Matters to Them	How We Deliver Care & Value
Career progression and skills development	**Talent growth and capability building:** Support career progression through structured performance reviews, targeted learning opportunities and clear development pathways.
Health, safety and respect for human rights	**Safe and nurturing workplace:** Maintain a safe, ethical and compliant work environment through clear policies, effective governance and adherence to labour and workplace standards.
Fair and competitive remuneration and benefits	**Compensation and wellbeing:** Provide competitive remuneration and benefits aligned with market benchmarks, supporting financial security, work-life balance and overall employee wellbeing.

Consultants

Capitals | Material Matters | UN SDGs

Why They Are Important

Consultants bring deep clinical expertise and professional judgement to patient care at KPJ. Their decisions, standards of practice and collaboration with care teams shape patient outcomes and the quality of care delivered across our hospitals.

How We Engage

A	Town Halls
AS	Clinical governance meetings
Q	Clinical committee meetings
A	Annual medical conferences
AS	Collaboration in educating the public
AS	Welcome meetings for new residents

What Matters to Them	How We Deliver Care & Value
Patient safety and quality of healthcare service delivery	**Clinical oversight and accountability:** Maintain high standards of care through clear clinical governance structures, peer engagement and adherence to ethical and professional guidelines.
Modern facilities and equipment within a strong clinical ecosystem	**Clinical infrastructure and delivery capability:** Provide access to suitable medical technologies, specialised facilities and multidisciplinary teams.
Safe and supportive practice environment	**Sustainable professional practice:** Support long-term clinical practice through well-trained teams, efficient systems and appropriate professional arrangements.

Investors and Shareholders

Capitals | Material Matters | UN SDGs

Why They Are Important

Investors and shareholders provide the capital and long-term support that enable KPJ to grow, invest in clinical capability and strengthen its healthcare network. Their confidence in our strategy and governance supports sustainable value creation over time.

How We Engage

Q	Investor and analyst briefings
Q	Financial results and non-financial reports
AS	Corporate website
AS	General meetings (Annual General Meeting / Extraordinary General Meeting)
A B	Investor meetings

What Matters to Them	How We Deliver Care & Value
Sustainable returns and long-term value growth	**Financial performance and capital discipline:** Deliver returns through disciplined capital allocation, operational efficiency and targeted clinical investments.
Strong governance and effective risk management	**Oversight and accountability:** Safeguard shareholder interests through clear accountability structures, effective risk oversight and adherence to the Malaysian Code on Corporate Governance (“MCCG”).
Clear, transparent and decision-useful information	**Transparent reporting and disclosures:** Build investor confidence through timely, clear and transparent financial and non-financial disclosures.

Government and Regulators

Capitals | Material Matters | UN SDGs

Why They Are Important

Government and regulators define the legal, policy and oversight frameworks for Malaysia's healthcare system. Constructive engagement supports lawful operations, system stability and continued licence to operate.

How We Engage

AS	Licence applications and renewals
AS	Facilities inspection
A	Healthcare conferences
AS	Public-Private Partnership programmes

What Matters to Them	How We Deliver Care & Value
Regulatory compliance and licensing requirements	**Regulatory assurance and controls:** Meet statutory healthcare and licensing requirements through documented controls and regulatory engagement.
Ethical, fair and responsible business conduct	**Operational integrity:** Apply clear standards and controls across operations to ensure ethical conduct and alignment with regulatory and public expectations.
Continuity of essential healthcare services during disruptions	**Service continuity planning:** Maintain preparedness for emergencies and disruptions through structured continuity planning to enable uninterrupted care delivery.

Business Partners

Capitals | Material Matters | UN SDGs

Why They Are Important

Business partners support the delivery, accessibility and sustainability of KPJ's services across the healthcare value chain. Strong and trusted partnerships help ensure service continuity, commercial resilience and shared growth.

How We Engage

AS	Regular meetings
AS	Contract negotiations and renewals
AS	Media releases/media announcements
Q	Quarterly briefing sessions
AS	Media relationship programmes

What Matters to Them	How We Deliver Care & Value
Quality and pricing transparency	**Collaborative partnerships:** Work with partners through regular engagement and clear performance expectations to support service quality, pricing transparency and long-term alignment.
Fair and commercially viable contracts	**Fair and accountable contracting:** Apply clear and consistent contracting processes to support commercial viability and sustained partnerships.
Brand reputation and public trust	**Brand and reputation stewardship:** Manage KPJ's brand through coordinated media engagement, transparent communications and structured crisis response.

Accreditation Bodies and Industry Associations

Capitals | Material Matters | UN SDGs

Why They Are Important

Accreditation bodies and industry associations set recognised benchmarks for quality, safety and professional practice in healthcare. Engaging with these institutions helps KPJ maintain consistent standards of care, meet regulatory and industry expectations, and strengthen public confidence in private healthcare services.

How We Engage

- **Q** Participation in accreditation bodies and industry associations (e.g. Malaysian Society for Quality in Health and Association of Private Hospitals Malaysia)
- **AS** Representation in industry boards and committees
- **AS** Participation in industry conferences and forums

What Matters to Them	How We Deliver Care & Value
Recognised accreditation and quality standards	**Accreditation and quality oversight:** Maintain high standards of care and patient safety by meeting recognised accreditation requirements and applying consistent quality and governance practices across KPJ hospitals.
Alignment with national healthcare requirements and expectations	**Policy and regulatory alignment:** Align clinical and operational practices with national healthcare policies and regulatory requirements.
Continuity of essential healthcare services during disruptions	**Industry engagement:** Participate in industry bodies and forums to contribute to sector development and collective best practices.

Suppliers and Vendors

Capitals | Material Matters | UN SDGs

Why They Are Important

Suppliers and vendors support the reliability, safety and efficiency of KPJ's operations. Strong supplier relationships help ensure continuity of care, consistent service quality and responsible sourcing across the Group.

How We Engage

- **Q** Regular meetings with medical and non-medical suppliers
- **Q** Tenders, bidding, quotations and contract negotiation processes
- **AS** Product demonstrations and evaluations
- **A** Training and collaboration sessions

What Matters to Them	How We Deliver Care & Value
Fair and transparent procurement processes	**Procurement governance:** Centralise and streamline procurement processes, with clear tendering and contracting controls applied across KPJ.
Consistent quality, safety and compliance requirements	**Supplier standards and controls:** Apply KPJ's supplier-related integrity, safety and conduct standards across all contracted suppliers and vendors.
Predictable demand, timely communication and continuity of business relationships	**Supplier engagement:** Maintain structured communication and performance evaluation with suppliers.

Local Communities

Capitals | Material Matters | UN SDGs

Why They Are Important

KPJ operates within and alongside the communities it serves. Understanding local needs and contributing to community well-being strengthens trust, supports public health outcomes and reinforces KPJ's role as a responsible healthcare provider.

How We Engage

M	Community health and outreach programmes
M	Public education and awareness initiatives
M	Corporate social responsibility ("CSR") programmes and ad hoc community initiatives
A	Training and collaboration sessions

What Matters to Them	How We Deliver Care & Value
Community access to healthcare	**Community programme:** Deliver basic and preventive services through targeted outreach initiatives, including underserved and vulnerable groups.
Community well-being and social outcomes	**Social investment and inclusion:** Implement education sponsorships and community development initiatives aligned with local needs.
Health awareness and preventive care knowledge	**Public health awareness:** Conduct education campaigns and community engagement initiatives focused on early intervention and prevention.

OUR APPROACH TO MATERIALITY

MATERIALITY ASSESSMENT PROCESS

In 2025, we strengthened our materiality process through broader and more structured stakeholder inputs.

This included the introduction of focus group discussions ("FGDs") alongside engagements with senior management and Board members, refining how priority issues were identified and aligned with our strategy, operating context and risk profile.

Through these leadership engagements, we also explored high-level considerations of potential financial relevance to inform initial thinking, which will be progressively strengthened in future reporting periods.

We assess material matters based on two core lenses:

- **Stakeholder impact** – how issues affect KPJ's 5Ps: patients, physicians, people, partners and planet.
- **Operational resilience** – how these issues influence clinical quality, safety compliance and long-term business sustainability.

Strengthening our approach to materiality through broader and more structured stakeholder engagement, including focus group discussions alongside engagement with senior management and Board members, enabling a more refined identification of priority issues assessed through the lenses of stakeholder impact and operational resilience.

Step 1: Identify Relevant Issues

- Reviewed the existing set of material sustainability matters against healthcare sector developments, regulatory requirements and peer disclosures.
- Refined and consolidated the material sustainability matters to establish an updated list for assessment.

Step 2: Prioritise Stakeholders

- Identified key stakeholder groups based on their relevance and influence on KPJ's operations.
- Weighted stakeholder input to ensure balanced representation in the assessment.

Step 3: Gather Stakeholder Input

- Conducted an online survey with internal and external stakeholders to assess the importance of the updated sustainability matters, capturing both quantitative ratings and qualitative feedback.
- Evaluated the results using impact severity and likelihood considerations, aligned with impact materiality principles under the European Sustainability Reporting Standards ("ESRS").

Step 4: Deepen Stakeholder and Leadership Dialogue

- Conducted guided FGDs[1] with key stakeholder groups to understand how the Group's activities impact them.
- Held targeted interviews with senior management and Board members to discuss the financial and strategic considerations associated with these sustainability matters.

Step 5: Consolidate and Analyse

- Consolidated stakeholder inputs through internal discussions involving the sustainability team and senior management.
- Prioritised sustainability matters based on the nature and significance of their potential impacts.

Step 6: Leadership Endorsement

- Endorsed the final set of material sustainability matters at senior management and Board level.

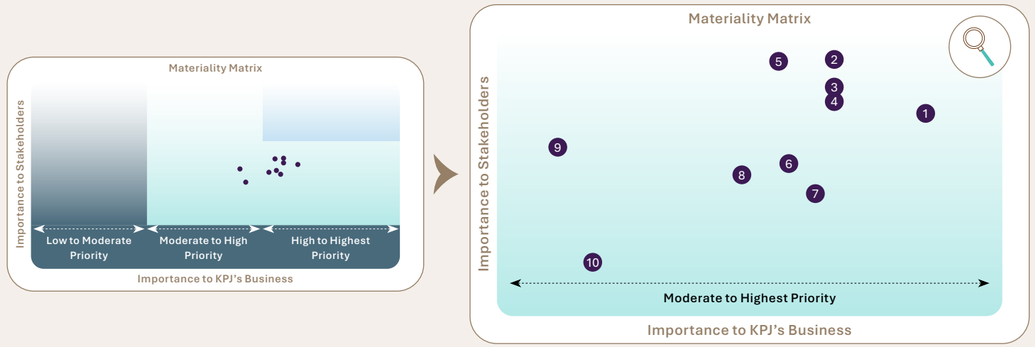
1. FGDs were conducted with selected patient representatives, employees and consultants to capture perspectives across key stakeholder groups.

OUR MATERIAL MATTERS

Drawing on stakeholder and leadership inputs, we consolidated sustainability issues into a set of material sustainability matters for the current reporting period.

We group these matters under the pillars of our Sustainability Framework, reflecting how sustainability priorities manifest across our operations.

Priority impact topics reflect areas where our impacts on people, the environment of the healthcare system are most significant and require focused management anda action. Other material sustainability matters reflect areas where we have impacts and responsibilities, but of lower relative significance in the current reporting period.



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

The materiality matrix reveals a highly concentrated and balanced profile for KPJ, with all 10 material matters clustered within the moderate to highest priority range, indicating a unified strategic focus. At the core of our operational performance and stakeholder trust are **Technology, Innovation and Collaboration, Data Privacy and Security, Governance, Ethics and Integrity, and Service Quality and Safety,** all of which occupy the upper-right quadrant as primary strategic drivers. While slightly lower in relative positioning, environmental and social topics, including Climate Change Resilience, Resource and Waste Management, Employee Engagement and Development, and Diversity, Inclusion and Human Rights remain firmly within the high-priority range and are recognised as integral to long-term sustainability. Ultimately, the matrix reflects a robust alignment between clinical excellence, digital capability and workforce sustainability, consistent with KPJ's mandate as a modern, regulated healthcare provider.

For more information on how we manage these material sustainability matters, please refer to our 2025 Sustainability Report.

PROTECTING OUR ENVIRONMENT

Climate Change Resilience

Strengthening hospital infrastructure and operations to withstand climate-related risks while advancing sustainable healthcare practices.

Resource and Waste Management

Optimising resource use by enhancing waste and water management practices to minimise environmental impact while ensuring regulatory compliance.

UPLIFTING OUR PATIENTS AND COMMUNITIES

Service Quality and Safety

Upholding the highest standards of patient care and safety to enhance healthcare outcomes, strengthen patient experience and trust, and ensure full regulatory compliance.

Community Outreach

Expanding access to healthcare and improving community well-being through targeted outreach and partnerships, with focus on low-income, underserved and persons with disabilities (“PWD”) communities.

FOSTERING OUR PEOPLE

Diversity, Inclusion and Human Rights

Fostering an inclusive, equitable and safe workplace that values its people and upholds human rights through strong DEI practices, fair employment standards, anti-discrimination measures and a respectful working environment.

Employee Engagement and Development

Empowering employees through continuous learning, leadership development and well-being support, including manageable workloads and work-life balance to enhance engagement, career growth and overall workforce performance.

UPHOLDING GOOD GOVERNANCE

Governance, Ethics and Integrity

Ensuring strong corporate governance and ethical business conduct to uphold transparency, accountability, and stakeholder trust across the KPJ and its value chain.

Technology, Innovation and Collaboration

Leveraging digital transformation, robotics and AI to enhance patient care and hospital efficiency, supported by electronic medical records, digital patient services and strategic partnerships.

Data Privacy and Security

Safeguarding patient and corporate data through strong cybersecurity controls, robust data governance and compliance with data protection laws.

Supply Chain Management

Strengthening supplier governance and sustainability practices to ensure ethical sourcing and operational efficiency

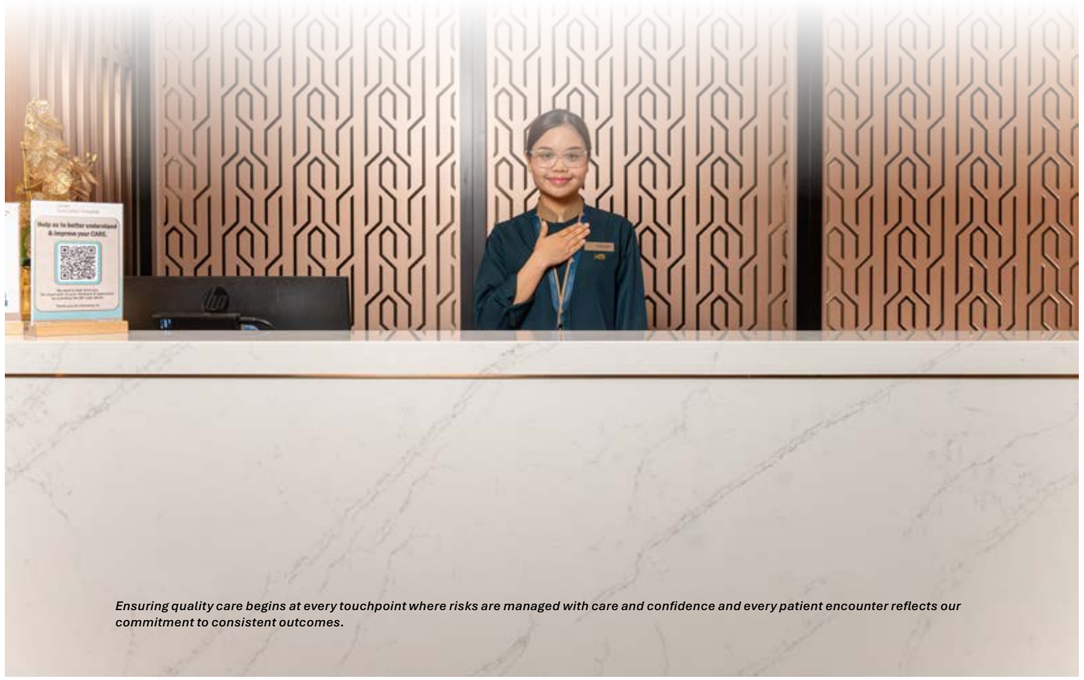
MANAGING KEY RISKS AND OPPORTUNITIES

OUR APPROACH TO RISK MANAGEMENT

Delivering safe, reliable healthcare requires us to manage risks that may affect patient outcomes, operations and stakeholder trust.

We manage risk through a Group-wide approach aligned with ISO 31000 and COSO principles.

Risks are categorised into strategic, financial, operational and compliance / governance areas. The Board and its Committees, including the Risk, Sustainability and Governance Committee (“RSGC”), oversee principal risks and the effectiveness of the framework. Management is responsible for risk ownership, supported by the Group Risk, Compliance and Integrity (“GRCI”) function, while Internal Audit provides independent assurance.



Ensuring quality care begins at every touchpoint where risks are managed with care and confidence and every patient encounter reflects our commitment to consistent outcomes.

KPJ ERM GOVERNANCE – THREE LINES OF DEFENSE

Oversight, ownership, risk facilitation and independent assurance

OVERSIGHT

Board of Directors
Sets risk appetite | Approves ERM framework | Holds final accountability

Board Committees (including RSGC)
Focused oversight of principal risks | Risk appetite and ERM effectivenes | Reviews exposures and policies

MANAGEMENT

Group Management ("MRSGC")
Ownership and escalation | Strategic risk decision-making | Drives ERM culture across the group

1st LINE Risk Ownership

WHO
Hospitals | subsidiaries | business units

RESPONSIBILITIES
- Identify and assess risks at source
- Maintain risk registers
- Implement controls and action plans
- Report risk updates and incidents upward

OUTCOME
Frontline risk accountability in outwards operations

2nd LINE Risk Facilitation & Challenge

WHO
GRCI

RESPONSIBILITIES
- Maintain ERM framework and tools
- Consolidate and report risks
- Monitor KRIs and escalate
- Facilitate reviews and challenge assessments

OUTCOME
Consistent risk practices and oversight across the group

3rd LINE Independance Assurance

WHO
Internal Audit

RESPONSIBILITIES
- independent assurant on controls
- Review ERM effectiveness
- Report audit findings to governance bodies

OUTCOME
Objective confidence on governance and controls

Information flows upwards through reporting and escalation | Assurance provides independent confidence on governance and controls

1st LINE
Owns and manages risk at source within operations

2nd LINE
Designs frameworks, monitors compliance, challenges assessments

3rd LINE
Objective confidence on governance and controls

KPJ ENTERPRISE RISK MANAGEMENT – INTEGRATED FRAMEWORK & WORKFLOW

ISO 31000-aligned iterative cycle | Communication and monitoring are continuous threads embedded across every step

MONITORING AND REVIEW:
Continuous improvement, KRI tracking, periodic refresh and escalation

SCOPE, CONTEXT & CRITERIA 1

Define objectives, risk appetite, internal / external context and stakeholder expectations – the foundation of all risk decisions

ITERATIVE CYCLE

RISK ASSESSMENT

CLINICAL COMMITTEES 2

What can happen and why
- Identify risk sources, events causes and consequences
- Engage owners and business units
- Capture in risk register

RISK ANALYSIS 3

Likelihood, impact and controls
- Assess inherent risk (pre-controls)
- Evaluate control effectiveness
- Determine residual risk rating

RISK EVALUATION 4

Prioritise risk appetite
- Compare residual risk to appetite
- Prioritise risks for treatment
- Escalate where thresholds exceeded

RISK TREATMENT 5

Avoid, reduce, transfer, accept
- Select and implement treatment options
- Assign owners and set action timelines
- Re-assess residual risk post-treatment

RECORDING & REPORTING 6

Risk register, dashboard, KRIs
- Update risk register and KRI dashboards
- Report to management and governance bodies
- Feed outputs into planning and decisions

OUTPUT & REPORTING

COMMUNICATION & CONSULTATION:
Stakeholder Engagement, alignment and transparency at every stage

Outputs feed into governance reporting and management actions | Updates refreshed periodically | Escalated to GRCI and governance bodies where risk appetite is exceeded

Our risk appetite guides decision-making on acceptable risk levels. We maintain the lowest tolerance for patient safety and regulatory compliance, with a more measured approach across strategic, financial and operational areas. Material risks are prioritised based on defined escalation criteria, with management attention focused on identified Top Risks.

RISK MONITORING, REPORTING AND CONTINUOUS IMPROVEMENT

Risk monitoring and reporting are embedded across all levels of the organisation. Business units regularly assess their risk exposures and control effectiveness, with inputs consolidated by the GRCI function for management and Board oversight. Reporting includes dashboards covering principal, operational and ESG risks, supported by risk heatmaps, trend analysis and escalation of critical issues.

Key Risk Indicators are reviewed annually and serve as early warning signals to detect shifts in risk exposure and trigger timely action. Emerging risks are identified through horizon scanning, industry engagement and ongoing monitoring of external developments, ensuring the Group remains responsive to a changing operating environment.

Robust risk monitoring and reporting processes enable early identification of emerging risks and promote continuous improvement across the KPJ Health System, providing a strong governance foundation as the Group expands, including with KPJ Kuala Selangor as its 30th hospital.

KPJ'S KEY RISKS IN 2025

Medical Talent Availability

Risk Trend
Increase

Risk Impact
High

DESCRIPTION

The risk of insufficient availability of qualified nurses and medical consultants, particularly those with post-basic or subspecialty expertise, due to increasing demand and competition within the private healthcare sector.

Value Implications

Shortages of key medical professionals can constrain operations, delay expansion and affect continuity of care, while impacting licensure, driving patient attrition and limiting growth and competitive positioning.

Mitigation Actions

KPJHS

- Established the KPJHS, integrating practice, education, research and innovation and structured career pathways to attract and retain medical professionals.

Targeted retention and rewards strategy

- Enhanced retention through improved benefits, enabled consultant participation in key committees at local and Group levels and supported professional development through the Group's Academic Health System.

Opportunities

Strengthen KPJ's positioning as an employer of choice by leveraging its scale and academic health system to attract and retain medical professionals.

Outlook

Competition for critical medical talent is expected to remain intense, particularly for key specialties and experienced nursing personnel. Continued focus on workforce support, benefits and development is expected to alleviate near-term pressures and strengthen workforce stability over time.

Strategic Pillars

Sustainability Pillars

Material Matters

Stakeholders

Capitals

The continuity and quality of care are shaped by the vital role of our nurses and medical consultants, supporting every step of the patient journey across the system.

Clinical Care

Risk Trend
No Change

Risk Impact
Medium

DESCRIPTION

The risk of inability to consistently deliver high-quality, customer-focused healthcare services in line with patient needs and expectations.

Value Implications

Deterioration in clinical care standards can compromise patient safety and experience, resulting in regulatory action, litigation, erosion of patient trust and reduced patient volumes, impacting growth and market position.

Mitigation Actions

Clinical governance and oversight

- Maintained a robust Group-wide clinical governance framework aligned with Ministry of Health ("MoH") requirements and international best practices to ensure consistent clinical standards across facilities.
- Strengthened clinical oversight through the introduction of the Chief Medical Director role, providing clearer escalation pathways for clinical issues to be reported at the executive level.
- Engaged practising clinicians within the governance framework to reinforce ownership of quality standards and implementation of risk mitigation actions.

Incident reporting and clinical performance monitoring

- Strengthened reporting mechanisms from hospitals to Group level to enable early identification, investigation and root cause analysis of clinical incidents and emerging risks.
- Enhanced mortality and morbidity reporting to support deeper analysis and targeted recommendations to hospital management.
- Introduced clinical indicators and outcome measures to improve performance monitoring and drive continuous improvement in medical treatment and surgical outcomes.

Accreditation, compliance and patient safety

- Maintained participation in local and international accreditation programmes to ensure compliance with clinical, safety and quality standards.
- Sustained implementation of patient safety initiatives, including the Committed to Care: Towards Zero Harm programme and Save Surgery, Save Lives ("SSSL"), to reduce adverse and sentinel events across KPJ hospitals.

Opportunities

- Enhance patient confidence, retention and long-term brand credibility through consistent clinical quality and patient safety.
- adverse events, medico-legal exposure and operational disruptions through strengthened governance, reporting and clinical oversight.
- Position KPJ as a preferred private healthcare provider by delivering high clinical standards and strong patient safety outcomes.

Outlook

Maintaining consistent clinical standards remains critical amid heightened patient expectations and regulatory scrutiny. Continued focus on governance, accreditation and patient safety is expected to strengthen care quality, support patient trust and enhance long-term resilience.

Accreditation, compliance and patient safety are the foundation that binds our pillars together delivering consistent excellence in every moment of care.

Strategic Pillars

Sustainability Pillar

Material Matter

Stakeholders

Capitals

Regulatory and Accreditation Compliance

Risk Trend
Increase

Risk Impact
High

DESCRIPTION

The risk of non-compliance with applicable laws, regulations and accreditation standards governing private healthcare operations, resulting in potential legal, regulatory and reputational consequences.

Value Implications

Non-compliance with laws, regulations and accreditation requirements can result in penalties, enforcement actions and loss of licenses or accreditations, disrupting operations and patient care. This may lead to reduced revenue, higher costs and delays in strategic initiatives, while eroding patient trust, weakening stakeholder relationships and affecting competitive positioning. Prolonged gaps may also impact investor confidence, access to capital and overall valuation.

Mitigation Actions

Regulatory, Financial and Operational Impact

- Strengthened regulatory risk management through an enhanced enterprise risk management framework, continuous engagement with the Ministry of Health ("MoH") and other regulatory bodies and robust clinical governance overseen by Group Medical Advisory Clinical Governance Committee ("GMACGC") and Clinical Safety Risk Management Committee ("CSRMC").
- Implemented centralised licence monitoring, regular compliance reporting via the Governance, Risk Management and Compliance ("GRC") system, CURA and ongoing compliance training to support operational continuity and regulatory adherence.

Reputation and Market Impact

- Mitigated reputational risks through hospital accreditation programmes, with hospitals accredited by Malaysian Society for Quality in Health ("MSQH") and Joint Commission International ("JCI"), supported by regular self-assessments and external peer reviews.
- Maintained consistent quality standards and patient safety to support stakeholder trust.

Governance and Investor Confidence

- Strengthened governance through Board and Management oversight, supported by the implementation of the ISO 9001:2015 Quality Management System ("QMS").
- Maintained proactive engagement with regulators and authorities to support transparency, accountability and investor confidence.

Opportunities

- Strengthen and standardise policies, procedures and internal controls to address regulatory and accreditation gaps, improving consistency and reducing non-compliances.
- Enhance staff capabilities through targeted training, awareness programmes and clearer role accountability to embed a stronger compliance culture and improve first-line ownership.
- Refine governance structures, escalation mechanisms and monitoring frameworks to strengthen oversight, enhance transparency to the Board and improve anticipation of evolving regulatory expectations.

Outlook

Regulatory and accreditation requirements remain dynamic, with continued scrutiny and evolving expectations. Ongoing enhancements in governance, training and compliance capabilities are expected to strengthen operational discipline and resilience over time.

An initiative under the Consultant Recruitment Unit, Medical Affairs, supporting newly appointed consultants in integrating, understanding and leading effectively within KPJ, reinforcing the Academic Health System through continuous learning and collaborative practice to deliver better care every day.

Strategic Pillars

Sustainability Pillar

Material Matters

Stakeholders

Capitals

Financial

Risk Trend
Increase

Risk Impact
High

DESCRIPTION

The risk of adverse impact on financial performance due to rising healthcare costs and increasing pressure from insurance payors on pricing structures.

Value Implications

Rising healthcare costs and pricing pressures from insurance payors can compress margins, reduce profitability and constrain the Group's ability to sustain operational and strategic investments.

Mitigation Actions

Pricing and cost optimisation

- Monitored market conditions and pricing trends, and implemented cost optimisation initiatives through operational efficiency, productivity improvements and supply chain optimisation across affected markets.
- Applied inflation-linked price adjustments where appropriate to support profitability while maintaining affordability and continued patient access to care.

Opportunities

- Accelerate the adoption of value-based healthcare models by aligning cost optimisation, market expansion and service innovation to improve patient outcomes and operational efficiency.
- Improve cost structures and uncover efficiencies through tighter budgeting, cost control and productivity enhancements.
- Develop new revenue streams and service offerings, including bundled healthcare packages and insurance-linked solutions, in response to evolving pricing pressures.

Outlook

Rising healthcare costs and pricing pressures are expected to persist, placing continued pressure on margins. Ongoing cost optimisation, pricing adjustments and targeted investments are expected to support profitability and strengthen long-term competitiveness.

Strategic Pillars

Sustainability Pillar

Material Matter

Stakeholders

Capitals

Our nurses are at the heart of what we do, delivering compassion, clinical excellence and unwavering dedication across every patient journey. Their role reflects our commitment to Care for Life, where quality care is sustained through expertise, trust and continuous improvement.

Incident Management & Business Continuity

Risk Trend
No change

Risk Impact
Medium

DESCRIPTION

The risk of inability to effectively respond to and recover from significant internal or external incidents, resulting in disruption to business operations.

Value Implications

Ineffective response to and recovery from significant incidents can result in prolonged operational disruptions, compromise patient and employee safety and lead to financial losses and reputational damage.

Mitigation Actions

Emergency preparedness and business continuity

- Established structured frameworks and plans, including the Emergency Response Plan (“ERP”), Business Continuity Management (“BCM”) framework and Crisis Management Plan (“CMP”), to guide responses to emergencies, crises and disasters.
- Implemented Business Continuity Plans (“BCP”) across the Group to support identification and activation of critical functions and enable business resumption during disruptions.
- Conducted regular simulation exercises to assess effectiveness and reinforce organisational readiness.

Incident management and continuous improvement

- Implemented incident management and reporting processes to support timely communication, escalation and corrective actions and to prevent incidents from escalating into major events.
- Captured lessons learned to reduce recurrence across operations and strengthened the Group’s ability to detect, assess and respond to incidents while safeguarding patients, staff and operational continuity.

Opportunities

- Strengthen resilience through well-defined emergency and crisis response strategies and streamlined processes to minimise operational disruptions.
- Enhance response and recovery capabilities by embedding resilience practices across operations to support continuity during disruptions.
- Expand collaboration beyond KPJ’s network through strategic partnerships to strengthen crisis response and recovery capabilities.
- Strengthen incident reporting and root cause analysis to improve mitigation measures, prevent recurrence and embed organisational learning.

Outlook

Cybersecurity exposure is expected to increase with ongoing digitalisation and business growth, as higher volumes of sensitive data heighten vulnerability to ransomware and data breaches, reinforcing the need for stronger risk assessment, resilience testing and response protocols.

Supply chain volatility is likely to persist amid geopolitical developments and policy shifts, particularly for pharmaceuticals, medical consumables and critical equipment, requiring continued focus on sourcing, diversification and contract management.

Climate-related risks are expected to intensify progressively with more frequent and severe extreme weather events, requiring strengthened resilience strategies and integration of climate considerations into operations.

The Cytotoxic Drug Reconstitution (CDR) machine at Kuching Specialist Hospital Daycare Oncology Services enables the safe and sterile preparation of chemotherapy medications, supporting clinical excellence, patient safety and a value-based care approach through standardised and reliable treatment delivery.

Strategic Pillars

Sustainability Pillars

Material Matters

Stakeholders

Capitals

Cybersecurity & Technology

Risk Trend
No Change

Risk Impact
High

DESCRIPTION

The risk of cybersecurity breaches and technology-related failures, resulting in disruption to operations and exposure to regulatory, legal and reputational consequences.

Value Implications

Cybersecurity breaches and technology failures can disrupt hospital services and delay patient care, resulting in financial losses from remediation costs, downtime and potential regulatory fines. Such incidents may also lead to non-compliance with data protection and healthcare regulations (e.g. PDPA) and erode trust among patients, partners and stakeholders where sensitive data is compromised.

Mitigation Actions

Cyber risk management and monitoring

- Oversaw cyber risk management through Group Technology Services (“GTS”), including continuous monitoring of networks and systems for threat detection, as well as conducting vulnerability assessments and penetration testing to identify and respond to cybersecurity incidents.
- Maintained cybersecurity insurance to mitigate financial exposure and support business recovery.

Opportunities

- Operational reliability through investments in cybersecurity, incident response and backup systems to minimise disruption to hospital services.
- Build trust with patients, partners and insurers by demonstrating strong cybersecurity and business continuity practices, reinforcing KPJ’s positioning as a reliable healthcare provider.
- Improve system efficiency and recovery time by reviewing response procedures and addressing operational gaps.
- Enable adoption of digital health technologies, including electronic medical records, telemedicine and automated workflows, to support innovation in patient care.
- Strengthen staff awareness of cyber risks and incident management through regular training, embedding a culture of vigilance, accountability and proactive response.

Outlook

Operational risks are expected to remain interconnected, with increasing exposure to cybersecurity threats, supply chain volatility and climate-related disruptions. Continued strengthening of preparedness, response protocols and resilience planning will be critical to maintaining service continuity and safeguarding patient care.

Strategic Pillars

Sustainability Pillar

Material Matters

Stakeholders

Capitals

The launch of AiNNOVATION 2025 at 1 Utama Shopping Centre marks another step in KPJ’s commitment to embedding AI into smarter, people-focused solutions. Officiated by YB Jamaliah Jamaluddin, Selangor Public Health and Environment Committee Chairman, together with KPJ’s President and Managing Director Mr Chin Keat Chyuan and Chief Digital Officer Shahril Mizani Ariffin, the showcase reflects KPJ’s vision of harnessing innovation to deliver better outcomes for patients, clinicians and communities.

Environmental, Social and Governance (“ESG”)

Risk Trend
No Change

Risk Impact
High

DESCRIPTION

The risk of financial, operational and reputational impacts arising from exposure to ESG factors.

Value Implications

Exposure to ESG factors can increase compliance and operating costs, disrupt hospital operations and continuity of care, and heighten regulatory, reputational and supply chain risks, affecting stakeholder confidence and the availability and cost of critical medical supplies and services.

Mitigation Actions

ESG governance and oversight
- Strengthened governance and accountability through Risk, Sustainability and Governance Committee (“RSGC”) oversight, supported by the Sustainability Policy and Green Healthcare Sustainability Framework to ensure ESG priorities were consistently monitored and addressed.

Decarbonisation and energy transition
- Advanced decarbonisation and energy transition initiatives, including Supply Agreement for Renewable Energy (“SARE”) Phase 2, Green Electricity Tariff (“GET”) participation and energy efficiency measures such as audits and targeted upgrades, to manage cost and transition risks.

Data quality and disclosure
- Improved ESG data quality, monitoring and disclosure discipline, including enhanced emissions and energy tracking and assurance readiness, to reduce inconsistencies and greenwashing exposure.

Regulatory compliance and operational controls
- Reinforced compliance in high-risk operational areas, particularly clinical and hazardous waste management, through audits, legal registers, refresher training and strengthened process controls.

Supply chain integration
- Embedded ESG considerations into supply chain management through supplier engagement and assessment, diversification, and integration of ESG clauses and emissions traceability.

Opportunities

- Improve operational efficiency, strengthen ESG credibility and enhance long-term asset value through green building upgrades aligned with recognised standards (e.g. GBI, MyCREST, LEED).
- Reduce long-term tariff exposure and improve emissions performance by scaling solar and renewable energy adoption.
- Strengthen operational reliability and continuity of care through proactive climate resilience planning, including site risk assessments and integration with business continuity management.
- Enhance supply continuity, reduce Scope 3 exposure and strengthen market positioning through early supplier engagement on ESG practices.

Outlook

Near-term priorities will focus on strengthening reporting maturity, governance oversight and alignment with NSRF and IFRS S1/S2 disclosures, alongside continued execution of energy and waste compliance measures. Over time, ESG risks are expected to become more structural, driven by climate impacts, carbon-related cost pressures and rising expectations for resilient, low-carbon healthcare operations.

KPJ Healthcare formalises its commitment to ethical practices, sustainability and governance through its induction into the UN Global Compact (“UNGC”), with Chin Keat Chyuan, KPJ’s President and Managing Director receiving the certificate from Faroze Nadar, UNGCMYB’s Executive Director

Strategic Pillars

Sustainability Pillars

Material Matters

Stakeholders

Capitals

Stories of Excellence

When Patients Travel for Care

Alfred Cheung came to Ipoh Specialist Hospital (ISH) following a recommendation. The 70-year-old film director from Hong Kong had learned of Platelet-Rich Plasma (PRP) therapy at the hospital and sought further assessment for his condition.

PRP is available across many centres in the region. At ISH, its use is supported by clinical evaluation, case selection and continuity of care. Under the care of Resident Consultant Orthopaedic Surgeon Dr T. Vishvanathan, Alfred underwent treatment as part of a broader management plan and continues to return for follow-up in Ipoh.

Steve Chong, also from Hong Kong, sought treatment after experiencing persistent knee discomfort that affected his daily activities. He underwent PRP therapy and continues to be reviewed as part of his care plan. Like many patients, he returns for ongoing assessment and management.

These cases reflect a broader pattern of care. Patients who travel for treatment often do so based on referrals and prior patient experience, supported by consistent clinical practice over time.

The development of PRP services at ISH spans nearly two decades. Dr Vishvanathan was among the early clinicians in Malaysia to introduce the technique after training overseas. The hospital has continued to refine its protocols over the years.

As of December 2025, more than 22,000 PRP injections have been administered at the hospital. This reflects accumulated clinical experience across a wide range of cases, supported by ongoing evaluation and follow-up.

Today, patients travel to Ipoh from within Malaysia and the region, including Singapore, Taiwan, Japan, Korea and Hong Kong. This reflects patient confidence in the consistency of care, continuity of follow-up and clinical experience available.

Within the KPJ Health System, practice is strengthened through experience, structured protocols and the consistent application of clinical judgement. At ISH, that approach continues to guide care delivery across each patient journey.

International patient journey at Ipoh Specialist Hospital reflect sustained orthopaedic capability built on experience, clinical judgement and continuity of care. Through the long-term application of Platelet-Rich Plasma therapy under Resident Consultant Orthopaedic Surgeon Dr T. Vishvanathan, the hospital demonstrates how consistent practice, structured protocols and follow-up support patient confidence and outcomes across borders within the KPJ Health System.

4 Operational Highlights

HOSPITAL OPERATIONS REVIEW

We are responsible for ensuring that hospitals across KPJ's network operate reliably, safely and consistently in support of patient care.

WHO WE ARE AND WHAT WE DO

This responsibility spans both clinical and non-clinical operations, enabling hospitals to deliver acute, secondary and tertiary care to expected standards while meeting operational, regulatory, financial and service delivery requirements.

Rather than operating as a central control function, our role is to support hospitals in running well day to day. This involves strengthening how services are delivered, how resources are managed and how risks are addressed across the network, while maintaining clear accountability for performance and compliance.

Our remit covers two key operational functions that directly shape the experience of patients, clinicians and staff.

Biomedical Engineering

Reliability, safety and lifecycle management of medical equipment, supporting service continuity and regulatory compliance.

Patient Experience

Service quality, patient journey management and responsiveness across the hospital network.

Through this approach, hospital operations are governed with clarity and discipline, while remaining closely connected to the realities of care delivery on the ground.

WHAT WE DID IN 2025

2025 unfolded within a more demanding operating environment, with greater complexity across healthcare delivery, cost structures and regulatory expectations. In response, we focused on maintaining operational performance and financial discipline, sharpening how capacity is utilised across our hospital network and reinforcing governance, risk oversight, quality and patient safety.

These priorities informed day-to-day decisions across the Group, shaping how resources were allocated, partnerships engaged and initiatives executed during the year.

Focus Area 1: Operational Performance and Financial Discipline

Stakeholder Expectations

Shareholder and Investors:
Sustainable financial performance, disciplined cost management and strong operational governance.

Business Partners:
Predictable and commercially viable operating arrangements that support continuity of services.

Suppliers:
Clear processes and timely execution that support efficient service delivery and ongoing collaboration.

Initiatives	Progress
Revenue Cycle Management: Strengthened processes across the hospital network to improve billing accuracy and collection efficiency.	**RM100.9 million** revenue uplift recorded.
e-Billing: Expanded the use of e-billing by onboarding an additional five payors to reduce manual processing and on time bill submission.	**On time bill submission** post implementation with PMCare, Tenaga Nasional Berhad, Great Eastern insurance, MiCare and Allianz.

Strategic Pillar

Focus Area 2: Capacity Optimisation and Operational Efficiency

Stakeholder Expectations

Employees:
Reliable facilities, systems and operational support that enable efficient and consistent day-to-day service delivery.

Consultants:
Access to appropriate infrastructure, equipment and operational readiness to support effective clinical practice.

Suppliers:
Coordinated workflows and demand planning that support operational continuity.

Initiatives	Progress
Lead and Enquiry Management: Established a unified system to streamline workflows and improve conversion tracking across channels.	Platform deployed with standardised standard operating procedures, achieving a **19%** lead-to-conversion rate.
KPJ Cares App Intensified engagement across the Group to support digital transformation, customer engagement and long-term loyalty.	**156,000 KPJ Cares members** onboarded and more than 10 features launched.

Strategic Pillars

Focus Area 3: Quality, Safety and Service Delivery

Stakeholder Expectations

Patients:
Safe, high-quality care, clear communication and reliable service delivery across the patient journey.

Local Communities:
Accessible and reliable healthcare services delivered responsibly across KPJ's hospital footprint.

Accreditation Bodies and Industry Associations:
Consistent adherence to recognised clinical quality and patient safety standards across hospitals.

Initiatives	Progress
Robotic-Assisted Surgery: Introduced a second da Vinci Surgical System in Johor Specialist Hospital to expand surgical capacity.	Higher revenue intensity, supported by shorter recovery periods and reduced surgical scarring.
Network-Wide Robotic-Assisted Surgery Expansion: Expanded robotic-assisted surgical capabilities to six additional hospitals.	Revenue uplift from increased adoption of robotic-assisted surgical procedures.

Strategic Pillar

Focus Area 4: Operational Governance and Risk Management

Stakeholder Expectations

Government and Regulators:
Compliance with healthcare regulations, licensing requirements and patient safety obligations, supported by operational controls and oversight.

Investors and Shareholders:
Clear governance, risk visibility and accountability that support operational resilience and long-term value protection.

Initiatives	Progress
Centralised Licensing & Compliance: Established a centralised licensing and compliance function to strengthen governance and ensure consistent management of licensing requirements across KPJ hospitals, with a clear point of coordination with regulators.	Ongoing monitoring of licence renewals, supported by regular self-audits, coordination with regulatory authorities and reporting to Management on compliance status, gaps and key risks.

Strategic Pillars

Practice
Education
Research & Innovation

OUTLOOK

In 2026, we will focus on strengthening specialised care delivery, digital connectivity and operational capability across our hospital network to support consistent, high-quality patient care.

Centres of Excellence (“CoE”)	Hub-and-Spoke Care Model	Smart Ward Implementation
Establish a comprehensive CoE that is fully operational and delivers a complete range of specialised services across four priority disciplines including Heart and Lung, Orthopaedic, Neuroscience and Stroke and Oncology.	Establish a digital ecosystem that connects hospitals, specialists, patients and specialist centres through a seamless flow of information, data and care.	Commence the rollout of smart wards in selected hospitals, with Damansara Specialist Hospital 2 serving as the pilot site, with learnings applied to subsequent rollouts.

Customer Journey and Experience

Unified Enquiry Management (Phase 2): Scale the solution across hospitals to improve responsiveness and coordination.	**Standardised admission onboarding and health screening:** Deliver a consistent and seamless experience from arrival through admission and screening.	**Customer experience and service excellence playbook:** Develop and implement the CARE Excellence Programme Playbook, guiding consistent, patient-centric service.
“At Your Service” digital concierge (inpatient pilot): Support proactive inpatient engagement during hospital stays.	**Automated post-discharge survey:** Systematically capture feedback to assess and improve post-care experiences.	**KPJ Cares App enhancements:** Strengthen engagement and segmentation across junior and senior user groups.

EDUCATION AND TALENT DEVELOPMENT

WHO WE ARE AND WHAT WE DO

The KPJU Group brings together KPJ Healthcare University ("KPJU"), KPJ Healthcare College Johor Bahru and KPJ Healthcare College Penang as our education and talent development arm.

As a core pillar of our Academic Health System ("AHS"), it integrates education and research with clinical practice to strengthen workforce capability and sustain excellence across our hospitals.

Our mandate centres on four interconnected areas:

1. Healthcare Education

Delivering accredited undergraduate and postgraduate programmes in medicine, nursing, allied health sciences, pharmacy and related disciplines, sustaining a continuous pipeline of competent, compassionate and industry-ready professionals.

2. Clinical Integration

Embedding structured training, internships and experiential learning across our nationwide network of 30 hospitals to ensure graduates are academically grounded and practice ready.

3. Research and Professional Development

Advancing applied research, translational innovation and continuous professional development that strengthen specialist competencies and support evidence-based practice.

4. System and Community Impact

Enabling cross-learning between academia and hospital operations, reinforcing a resilient talent pipeline, enhancing patient outcomes and contributing to accessible, people-centred care through outreach and public health initiatives.

WHAT WE DID IN 2025

In 2025, we continued to advance education and research as core components of the KPJ Health System, strengthening how learning, clinical practice and service come together across our hospitals. Through our academic programmes, leadership development initiatives and research activities, we supported the development of competent healthcare professionals equipped to serve within the KPJ network and beyond.

By embedding education more closely within real clinical environments and reinforcing research linked to patient care, we contributed to capability development across the system while upholding our commitment to clinical excellence and workforce sustainability.

Celebrating the next generation of healthcare professionals, reflecting KPJ's commitment to education, training and the continuous development of talent across the KPJ Health System.

Focus Area 1: Advancing Academic Education

STAKEHOLDER EXPECTATIONS

Local Communities

Accessible, accredited healthcare education pathways that contribute to community health needs and professional employability.

Accreditation Bodies and Industry Associations

Compliance with national education, professional and healthcare standards, supported by robust governance and quality assurance.

Government and Regulators

Alignment with national healthcare and education priorities, supporting workforce development, policy implementation and system-level outcomes.

INITIATIVES	PROGRESS
Academic Programme Expansion Expanded undergraduate and postgraduate offerings across healthcare disciplines and introduced short courses, including micro-credentials, to broaden access and flexibility. Launched the Master of Business Administration in Healthcare Management (ODL) to expand our academic offerings while enhancing accessibility for working professionals through flexible, online learning pathways. Additionally, introduced six micro-credentials designed to provide targeted, industry-relevant skills, enabling learners to upskill efficiently and supporting workforce agility and career advancement.	14 new undergraduate and postgraduate programmes launched. 18 new short courses introduced.

Strategic Pillars:

Focus Area 2: Strengthening Clinical Training & Talent Pipeline

STAKEHOLDER EXPECTATIONS

Consultants

Structured clinical placements, internships and talent development pathways that strengthen service delivery and specialist capability.

Employees

Opportunities for clinical supervision, leadership development and professional progression within the AHS.

Business Partners

Collaborative leadership and training initiatives that enhance workforce capability and succession planning.

INITIATIVES	PROGRESS
Strengthening the Talent Pipeline Enhancing the talent pipeline through the development of highly skilled and professional graduates	**Total number of graduates** 5 medical specialists 586 nurses 471 allied health professionals Employability rate of 88.5%

Strategic Pillars:

Focus Area 3: Driving Research, Innovation & Translational Development

STAKEHOLDER EXPECTATIONS

Patients

Evidence-based care and translational innovation that enhance clinical outcomes and patient safety.

Business Partners

Strategic research collaborations and joint innovation initiatives that advance translational capability and clinical impact.

INITIATIVES	PROGRESS
Research Collaboration and Translational Advancement Strengthened global research partnerships and advanced translational research activities aligned with clinical priorities across the AHS.	3 active global research partnerships established or maintained. At least RM160k secured in external grant funding.

Strategic Pillars:

Focus Area 4: Expanding Executive Education, Continuing Professional Development (“CPD”) & Industry Partnerships

STAKEHOLDER EXPECTATIONS

Employees

CPD opportunities that support leadership growth and lifelong learning.

Consultants

Industry-aligned certifications and executive programmes that strengthen specialist capability and professional advancement.

Business Partners

Collaborative executive education and certification initiatives that enhance workforce readiness and industry relevance.

INITIATIVES	PROGRESS
Leadership Ascendancy Programme (“LEAP”) and Leadership Excellence Programme (“LEP”) Launched two executive leadership programmes for senior healthcare leaders, delivered in collaboration with Melbourne Business School and Singapore Management University.	40 senior leaders enrolled.

Strategic Pillars:

OUTLOOK

Looking ahead to 2026 and beyond, the KPJU Group will continue to advance its role as the education and research pillar of KPJ's AHS, guided by the dual imperatives of talent sustainability and clinical excellence in response to evolving healthcare and technological demands.

Future-Ready Academic and Clinical Education

Expand competency-based education models, reinforce clinical training pathways and introduce new academic and professional programmes in emerging healthcare specialisations such as artificial intelligence ("AI"), digital health, genomics, advanced nursing practice and value-based care.

Applied and Translational Research Integration

Intensify applied research, translational innovation and system-based studies, integrating research more closely with clinical practice to enhance patient care, clinical outcomes and operational effectiveness.

Lifelong Learning and Global Collaboration

Scale executive education, upskilling and reskilling programmes while pursuing strategic international collaborations to broaden experiential learning, enable exchanges and facilitate joint research and training initiatives.

ALLIED AND RETAIL HEALTH OPERATIONS

Group Allied and Retail Health Operations ("GARHO") extends KPJ's care beyond hospital wards.

WHO WE ARE AND WHAT WE DO

We oversee a portfolio of businesses that support operations and healthcare services through ambulatory, specialist, pharmaceutical diagnostics and retail health channels beyond inpatient care, broadening the Group's customer base.

Our portfolio is organised around the following service areas.

Ambulatory and Specialist Healthcare Services

Delivered through Ambulatory Care Centres ("ACC"), including Specialist Healthcare Centre Kinrara and Centre for Sight, which operates four branches, expanding access to outpatient and specialist care.

KPJ Kinrara Specialist & Healthcare Centre

KPJ Centre for Sight Pusat Pakar Mata

Diagnostic Services

Provided through Laboratory-Lablink Sdn Bhd, delivering laboratory testing services.

LABLINK Diagnostics

Pharmaceutical Distribution and Warehousing

Managed through Pharmaserv Sdn Bhd, which supports pharmaceutical procurement, distribution and warehousing across KPJ's network and selected external healthcare providers, including cold chain–dependent products.

PHARMASERV ALLIANCES

Pharmaceutical Retail and E-Commerce

Delivered through Healthshoppe, extending KPJ's presence into consumer retail and online channels.

Healthshoppe

Hospital Support Services

Including food and beverage services delivered through Total Meal Solution ("TMS"), healthcare technical consultancy services delivered through Healthcare Technical Services ("HTS") and centralised sterile processing services delivered through Sterile Services Sdn Bhd ("SSSB"), supporting hospital operations.

TOTAL MEAL SOLUTION

HTS HEALTHCARE TECHNICAL SERVICES

Sterile Services

WHAT WE DID IN 2025

In 2025, GARHO strengthened how patients access care beyond inpatient settings, while reinforcing the operational backbone that allows hospitals to function safely and reliably.

As healthcare journeys become more distributed, outpatient, retail and diagnostic services play a growing role in delivering continuity of care.

Alongside this shift, pharmaceutical, retail and hospital support services continued to ensure hospitals ran smoothly, maintaining supply reliability, service quality and operational continuity.

Focus Area 1: Expanding the External Footprint

STAKEHOLDER EXPECTATIONS

Patients

Accessible, reliable and high-quality healthcare services, supported by timely diagnostics, safe pharmaceuticals, service convenience, and continuity of care.

INITIATIVES	PROGRESS
Digital Commerce Strengthened KPJ's consumer-facing digital channel to extend access to pharmaceutical products beyond hospital settings.	2x revenue growth since 2024, ranking among Lazada's Top 20 Healthcare Sellers.
• **Expanded Lab, Pharma and HSS footprint** Deepened partnerships with government agencies and private healthcare providers to grow external service delivery.	↑14% growth in external business, reflecting broader access to allied and retail health services beyond KPJ hospitals.
• **Accelerated Pharma and Retail Pharmacy growth** Expanded distribution channels and digital platforms to strengthen nationwide access to pharmaceuticals	
• **SHC Kinrara operating model enhancement** Refined the operating model to increase day surgery capacity.	

Strategic Pillars:

Focus Area 2: Integration and Operational Efficiency Within KPJ Hospitals

STAKEHOLDER EXPECTATIONS

Accreditation bodies and industry

Consistent adherence to recognised accreditation, clinical quality and patient safety standards across hospitals.

INITIATIVES	PROGRESS
Standardised quality management systems Standardised quality management processes across support services to align with accreditation and regulatory requirements.	ISO 9001:2015 certification achieved across support services (TMS and SSSB).
Centralised procurement and contracting Strengthened processes to reinforce quality standards, safety controls and cost efficiency across KPJ Group of Hospitals.	Delivered RM 43 million in cost savings through centralised procurement (Tender and Contract and Price Advantage).

Strategic Pillars:

CAFMS: THE SYSTEM BEHIND SEAMLESS CARE

CAFMS dashboard tracking yearly work orders by region with monthly breakdowns, highlighting trends and anomalies for closer review.

Tawakkal Specialist Hospital's maintenance dashboard shows strong corrective outcomes while flagging preventive maintenance as the month's key focus.

In a hospital environment where equipment availability directly affects clinical outcomes, we use the Computerised Asset Facilities Management System ("CAFMS") to move from reactive maintenance to predictive, data-driven asset management. CAFMS provides a system-wide approach to managing medical equipment across our hospital network.

Developed to address fragmented manual processes such as paper logs, spreadsheets and delayed reporting, CAFMS provides us with a centralised, real-time platform that enables us to:

Monitor asset performance across our hospital network, supported by complete equipment histories, locations and performance records.

Manage maintenance activities digitally, replacing manual logs and spreadsheets.

Log and track issues in real time, with automated alerts supporting timely intervention and follow-up.

Schedule preventive maintenance systematically, including calibration deadlines, licence renewals and contract expiries.

VALUE CREATED THROUGH CAFMS

Up to 99.9 per cent equipment uptime across 30 KPJ hospitals, strengthening the reliability of critical medical equipment and continuity of care.

Faster response times for equipment-related issues, reducing disruption to clinical services.

Network-wide operational oversight, enabled by centralised, real-time visibility of asset performance and maintenance status.

Better-informed capital and resource planning, using performance analytics aligned with clinical demand.

Stronger compliance and audit readiness, supported by standardised maintenance protocols, automated alerts and improved data integrity.

Greater confidence for patients and clinicians, ensuring essential equipment is available when it matters most.

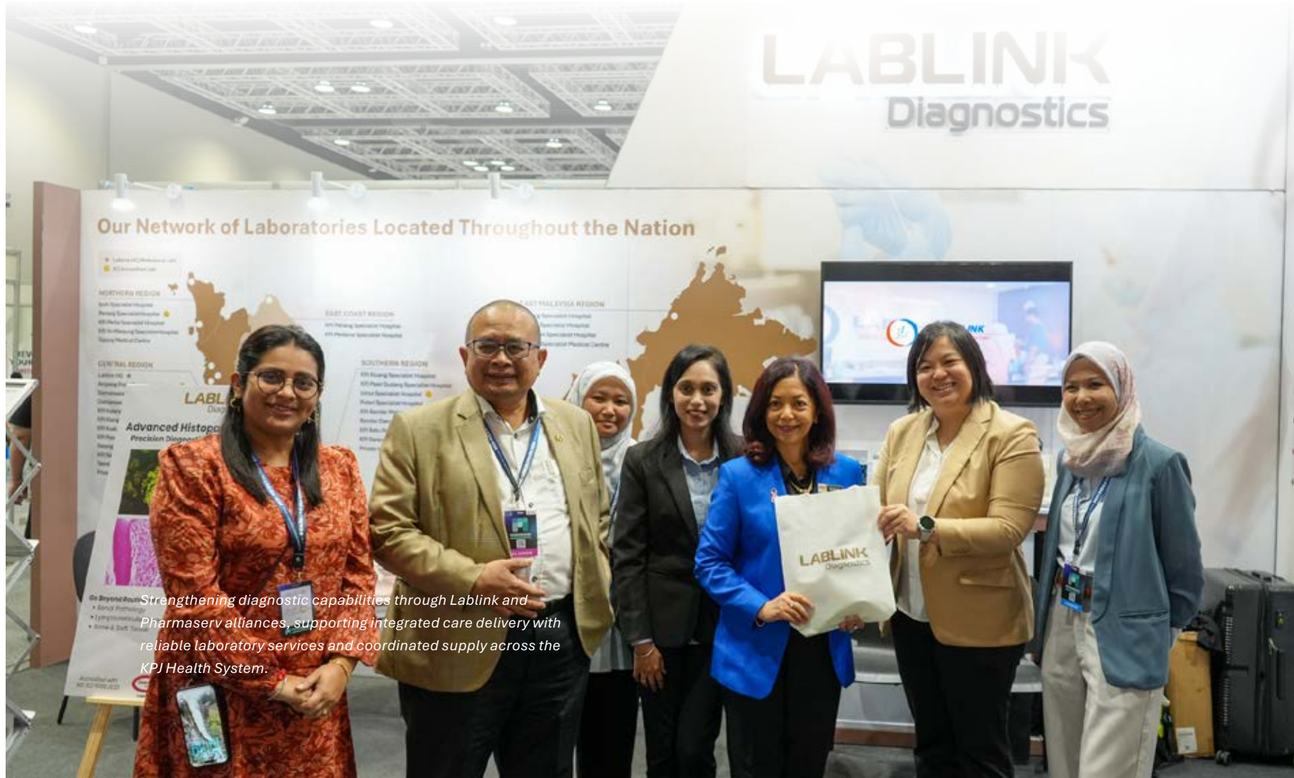
Beyond day-to-day operations, CAFMS consolidates asset data and performance insights at group level, enabling a more structured approach to planning, prioritisation and long-term service sustainability.

By embedding CAFMS across our hospital network, we ensure equipment management is consistent, transparent and aligned with our operational priorities, supporting safe and reliable care delivery.

OUTLOOK

Looking ahead to 2026 and beyond, growth across the division will be shaped by the continued expansion of the Pharma business, value creation through strategic partnerships and the scaling of the ACC business through new centres.

Business diversification	Partnership-led value creation	ACC network expansion
Expand the product offering and customer base across the Pharma business.	Drive continuous value creation projects through strategic partnerships to support business expansion.	Scale the ACC business through the establishment of new centres.



Strengthening diagnostic capabilities through Lablink and Pharmaserv alliances, supporting integrated care delivery with reliable laboratory services and coordinated supply across the KPJ Health System.

Stories of Excellence

The Morning That Changed Everything

It began with something as ordinary as drying his feet after a shower. As Akramul Yahya stood up, a sharp pain struck through his lower back and he was unable to stand. In a matter of moments, an ordinary morning became a medical emergency. He was brought to KPJ Batu Pahat Specialist Hospital for assessment.

He was attended to by Orthopaedic Surgeon Dr Ezat Samadi, who conducted a clinical evaluation supported by imaging. Akramul was diagnosed with a slipped disc between L2 to L5, and treatment options, including radiofrequency and laser procedures, were explained as part of his management plan.

Following treatment and a course of physiotherapy, Akramul gradually resumed his daily activities. His recovery was supported by ongoing care, monitoring and rehabilitation over time.

Beyond the clinical aspects, his experience reflects the coordination of care across the hospital. From nursing support to ward management and patient services, each stage of the care journey contributes to continuity and consistency in delivery.

Today, Akramul continues with his daily routine, supported by follow-up care as needed. His case reflects how timely assessment, appropriate intervention and continuity of care support patient management.

Within the KPJ Health System, practice is guided by clinical expertise, structured pathways and the consistent application of care across each patient journey. At KPJ Batu Pahat Specialist Hospital, this approach continues to shape how care is delivered.

Akramul Yahya with Orthopaedic Surgeon Dr Ezat Samadi following his recovery at KPJ Batu Pahat Specialist Hospital, reflecting the coordinated care and clinical expertise that support each patient's journey towards better outcomes.

5 Our Sustainability Ecosystem

Our Sustainability Ecosystem

SUSTAINABILITY FRAMEWORK AND ROADMAP

Here at KPJ, we define sustainability as the responsibility to provide safe, trusted and accessible care over the long term.

As global healthcare faces increasing clinical and environmental pressures, we are committed to integrating resource efficiency, workforce support and robust governance into our core delivery model.

Within the KPJ Health System ("KPJHS"), our model for delivering holistic healthcare, the **Green Healthcare Sustainability Framework** serves as the operational roadmap for integrating environmental, social and governance ("ESG") considerations into strategy, operations and decision-making. Aligned with our purpose of Advancing Human and Planetary Health, the Framework acknowledges the vital link between clinical excellence, social wellbeing and environmental stewardship, ensuring that care delivery today does not compromise the ability to care for future generations.

GREEN HEALTHCARE SUSTAINABILITY FRAMEWORK

Advancing human and planetary health by delivering, responsible, innovative and climate-resilient healthcare

SUSTAINABILITY VISION

To be a leader in green healthcare by delivering innovative and environmentally friendly responsible care that ensures a sustainable future for our patients, staff and communities.

SUSTAINABILITY PILLARS	Protecting Our Environment	Uplifting Our Patients & Communities	Fostering Our People	Upholding Good Governance
SUSTAINABILITY THEMES	• Transition to Renewable Energy • Obtaining Green Certification • Advancing Circular Economy	• Diverse and Inclusive Workforce • Patient-centred Care ("KPJHS") • Community Engagement		• Enhanced ESG Disclosure • Ethical Practices and Compliance • Sustainable Procurement
RELATED SDGS				
TARGETS	• Reduce 30% of total absolute GHG emissions by 2030 • Transition to 30% renewable energy by 2030 • Attain fully green certified hospitals by 2030	• Integrated, human-centred and digitally enabled patient experience	• Achieve an Employee Engagement Index of >85% • Achieve 100% succession coverage for all identified critical roles	• Achieve Group-wide adoption of AI-driven healthcare technologies • Achieve zero patient data security incidents • Strengthen supply chain management practices through enhanced profiling and structured engagement

5-YEAR SUSTAINABILITY ROADMAP

Building on the Framework, KPJ's 5-Year Sustainability Roadmap translates long-term responsibility into practical, phased action across the KPJHS. The roadmap outlines how sustainability is systematically integrated into KPJHS, guiding decision-making and execution across hospitals and shared services, from infrastructure planning and procurement to workforce development and governance practices

.

This enables consistent implementation, progressive capability-building and measurable performance improvement over time. As initiatives mature, this approach supports more resilient healthcare operations, better patient and community outcomes and sustained value creation for stakeholders who depend on KPJ's healthcare services.

2026

2027

2028

2029

2030

2026
SCALE

1. Initiate Phase 2 Electric Vehicle ("EV") Charger Installation
2. Roll out development of GHG data digitalisation
3. Improve recycling activities and initiate nature-based projects
4. Roll out targeted initiatives to improve efficiency in clinical service delivery
5. Advance sustainability capacity building, underpinned by transparent performance indicators
6. Initiate phased supplier ESG maturity assessment

2027
INTEGRATE

1. Deploy a digitalised energy command centre
2. Implement emissions and resource reduction measures (e.g. refrigerants and clinical gases) where feasible
3. Embed ESG governance for procurement exercise involving expansion projects
4. Adopt digital solutions to reduce travel and improve efficiency
5. Strengthen safety programmes and align contractor health & safety standards
6. Enhance disclosures with International Sustainability Standards Board (S1/S2) and NSRF, supported by external assurance

2028
OPTIMISE

1. Enhance chiller optimisation programmes
2. Expand water reuse initiatives to improve water intensity levels
3. Digitalise waste management using Internet of Things ("IoT"), where applicable
4. Scale up digital healthcare solutions with AI functionality for analytics and predictive maintenance
5. Drive phased supplier ESG improvement in line with United Nations Global Compact ("UNGC") principles including enhancement of Human rights principles in accordance to 5 core ILO Fundamental Principles and Rights at Work

2029
EXTEND

1. Scale circularity and low-emissions technologies, where volumes justify
2. Advance energy resilience and decarbonisation
3. Leverage predictive analytics for climate and health risks
4. Institutionalise assurance and access to sustainable financing frameworks

2030
CONSOLIDATE

1. Increase renewable energy adoption to ≥30% and advance green building certification across all hospitals
2. Implement long-term decarbonisation pathway (2030–2040) targeting ≥50% reduction in Scope 1–2 emissions vs baseline, with high-integrity offsets for residual emissions
3. Demonstrate measurable health and environmental co-benefits, including reduced avoidable admissions and expanded telehealth access
4. Embed sustainability into core strategy and capital planning, aligned with International Sustainability Standards Board frameworks
5. Drive supply chain decarbonisation, including supplier transition roadmaps and collaborative financing mechanisms

KPJ health system

- **Practice:** Green OT protocol, low-carbon and equitable care.
- **Education:** ESG-integrated learning and leadership development.
- **Research and Innovation:** Evidence-based ESG data and innovation for sustainable health outcomes.

OUR NET-ZERO GAME PLAN

From Insight to Execution

We are here

PHASE 1
2023 – 2024

Laying the Foundation

- Established GHG baseline and verification approach
- Strengthened ESG governance and internal capabilities
- Initiated energy optimisation and renewable energy adoption
- Introduced early sustainability initiatives across operations

PHASE 2
2025 – 2027

Scaling for Impact

- Expand renewable energy and energy efficiency initiatives
- Strengthen waste, water and circular economy practices
- Enhance sustainability data, monitoring and reporting systems
- Deepen social impact and stakeholder engagement programmes
- Improve ESG ratings, disclosures and governance practices

PHASE 3
2028 – 2030

Integration

- Integrate sustainability into core business and operations
- Advance renewable energy, green buildings and low-carbon solutions
- Strengthen climate resilience and supply chain engagement
- Leverage data, technology and innovation to improve ESG performance

PHASE 4
2031 – 2050

Long Term Vision

- Decarbonise operations towards net zero emissions
- Strengthen climate resilience across the healthcare network
- Advance responsible procurement and value chain sustainability
- Enhance assurance, transparency and long-term stakeholder trust

COMMITMENT TO NET ZERO

For healthcare providers, climate action is fundamentally about safeguarding people. Climate change is already affecting health outcomes through heat stress, poor air quality, extreme weather and disruptions to care delivery, while rising energy costs and infrastructure risks place added pressure on healthcare systems. For KPJ, reducing environmental impact goes beyond emissions, it is about ensuring access to care, maintaining safe environments and protecting the communities we serve.

In 2025, we completed the foundational phase of our Net Zero journey, strengthening the systems, governance and capabilities needed for a credible transition. Aligned with Malaysia's National Energy Transition Roadmap ("NETR") and the Group's Net Zero ambition, this pathway is supported by clear interim targets to 2050, providing a structured basis to scale impact while reinforcing patient trust and long-term system resilience.

Net Zero Emissions By 2050

Scope 1 + 2 and high-impact Scope 3 categories

Reduce 30% of Total Absolute GHG Emissions BY 2030

Fully Green Certified Hospitals BY 2030

Transition to 30% Renewable Energy BY 2030

GOVERNANCE MECHANISM AND RISK MANAGEMENT

Strong sustainability governance ensures ESG considerations are embedded into decision-making, risk management and long-term value creation across the Group.

KPJ'S SUSTAINABILITY GOVERNANCE

Since 2023, we have strengthened our governance structure with clear oversight, accountability and management processes to support its sustainability strategy. The Board of Directors ("the Board") provides overall oversight of sustainability and climate-related matters, supported by the Risk, Sustainability and Governance Committee ("RSGC"), which integrates sustainability and climate considerations into strategy, risk and performance monitoring.

ⓘ For more information on our sustainability governance, refer to the Sustainability Report 2025.

This year, we strengthened our alignment with the International Financial Reporting Standards ("IFRS") requirements through the establishment of an International Sustainability Standards Board ("ISSB") Reporting Steering Committee, co-led by the Chief Financial Officer ("CFO") and Head of Group Sustainability. Comprising cross-functional representatives, the Committee oversees the coordination, validation and governance of sustainability disclosures, ensuring alignment with enterprise risk management, financial reporting and strategic decision-making, while enhancing the quality and consistency of disclosures.

ⓘ For more information on our ISSB Steering Committee, refer to the Sustainability Report 2025.

MANAGING OUR RISK

Our sustainability and climate-related risks are managed through a structured, forward-looking approach embedded within our Group-wide Risk Management Guideline and strategic planning cycle. A consistent process is applied to identify, assess, monitor and mitigate risks, ensuring exposures are effectively managed.

These risks are categorised into four primary groups to ensure comprehensive coverage, with climate-related risks integrated as a cross-cutting element across these categories. This approach enables early identification of emerging risks, informed prioritisation and timely escalation to Management and Board-level committees.

ⓘ For more information on risk management process and approach, refer to the Sustainability Report 2025.

OUR KEY SUSTAINABILITY PILLARS

Our Sustainability Framework is anchored on four key pillars: **Protecting Our Environment, Uplifting our Patients and Communities, Fostering our People and Upholding Good Governance**, which guide how we address stakeholder expectations while advancing the Group's business priorities.

Throughout the year, we have made meaningful progress across each of these pillars through our identified material matters, reflecting our continued efforts to embed sustainability into KPJ's operations and decision-making.

PROTECTING OUR ENVIRONMENT

Capital | Related SDGs

Climate Change Resilience

We focus on strengthening hospital infrastructure and operations to better withstand climate-related risks, while continuing to advance sustainable healthcare practices that support resilient and reliable care delivery.

2025 Key Initiatives and Value Created

- Achieved **19.46% reduction** of total absolute GHG emissions against 2024 baseline
- Conducted our **first climate-related scenario analysis** assessment, strengthening our understanding of potential risks and informing future planning
- Certified an **additional four hospitals** with **green building certification,** with a total of seven green-certified hospitals since 2024
- **78,589** tCO2e **emissions avoided from rooftop solar panels and Green Energy Tariffs subscription,** showcasing a 62.4% increase from 2024

ⓘ To learn more about our efforts in tackling climate change, refer to the Sustainability Report 2025.

Capital | Related SDGs

Resource and Waste Management

Effective water use and waste management are essential to protecting public health, reducing environmental impact and supporting operational efficiency across our hospitals.

2025 Key Initiatives and Value Created

- Diverted **1,896 Mt of clinical waste** to scheduled waste-to-energy (“SWTE”) treatment, supporting safe disposal while optimising energy recovery
- Implemented rainwater harvesting systems across **7** hospitals
- Initiated **dialysis wastewater recycling** initiatives at KPJ Selangor Specialist Hospital, improving water efficiency through recovery and reuse

ⓘ To learn more about our efforts in managing our waste and water resources, refer to the Sustainability Report 2025.

UPLIFTING OUR PATIENTS AND COMMUNITIES

Capitals | Related SDGs

Service Quality and Safety

High standards of patient care and safety remain central to enhancing clinical outcomes, building patient confidence and ensuring full compliance with regulatory requirements.

2025 Key Initiatives and Value Created

- Conducted a network-wide **Patient Safety Culture** survey across 29 hospitals, with a strong participation from 8,311 clinical staff (86.8%), providing valuable insights to strengthen safety practices
- Established KPJ's **first Centre of Excellence ("CoE")** at the Heart & Lung Centre of Excellence (Johor Specialist Hospital)
- Implemented the **Computerised Asset & Facilities Management System ("CAFMS") across all 30 KPJ hospitals,** shifting from reactive repairs to proactive, data-driven asset management with real-time oversight and standardised practices
- Expanded digital engagement through the **KPJ Cares App with over ten new features,** reaching a total of **156,000 members,** improving access and patient experience

ⓘ To learn more about our efforts in enhancing service quality and safety, refer to the Sustainability Report 2025.

Capitals | Related SDGs

Community Outreach

Our aim is to expand healthcare access and strengthen community wellbeing through strategic outreach and partnerships, prioritising low-income, underserved and differently-abled communities.

2025 Key Initiatives and Value Created

- Invested a total of **RM12.9 million** in **community outreach** initiatives in 2025
- **Developed a Malaysian Sign Language guide** for health settings in collaboration with the Malaysian Federation of the Deaf ("MFD") and conducted **sign language training** for healthcare staff
- **Waqf-based Primary Care via KWAN** strengthened compliance and service delivery through operational rationalisation, serving **7,097 mobile clinic patients and 55,371 patients** at KWAN clinics
- Strengthened our involvement in **mStar Baek 2.0**, expanding access to essential healthcare and welfare support for **500 vulnerable urban beneficiaries**

ⓘ To learn more about our efforts in promoting community work, refer to the Sustainability Report 2025.

FOSTERING OUR PEOPLE

Capitals | Related SDGs

Diversity, Inclusion and Human Rights

A focus to build an inclusive, equitable and safe workplace where all individuals are respected, valued and protected, underpinned by strong DEI practices and the upholding of human rights.

2025 Key Initiatives and Value Created

- Maintained **Baby-Friendly Hospital Initiative ("BFHI")** accreditation across 20 hospitals, providing a supportive environment for breastfeeding employees
- Introduced **eFarma, a long-term medication delivery service** exclusive for KPJ employees, extending their annual medical benefits and improving access to essential medication
- Achieved over **85% employee participation in occupational safety and health training,** reinforcing a strong safety culture across the Group

ⓘ To learn more about our employee-related efforts, refer to the Sustainability Report 2025.

Capitals | Related SDGs

Employee Engagement and Development

Stronger talent retention and organisational performance through investment in employee growth, wellbeing and work-life balance.

2025 Key Initiatives and Value Created

- Achieved an **employee engagement index ("EEI") score of 91%** through the Group-wide People Happiness Survey.
- Launched **The Weave at Menara KPJ,** a collaborative workspace to improve workplace experience and cross-functional interaction for all employees
- Strengthened nursing governance and capability by **establishing two dedicated Group-level committees** to enhance specialty oversight and drive consistent standards across hospitals
- Continued investment in talent development through **KPJ Healthcare University ("KPJU"),** producing **878 graduates** in 2025 with an **employability rate of 87.6%**

ⓘ To learn more about our employee-related efforts, refer to the Sustainability Report 2025.

UPHOLDING GOOD GOVERNANCE

Capital | Related SDGs

Governance, Ethics and Integrity

Greater accountability and trust is achieved through consistent application of governance standards and ethical business practices across our operations and value chain.

2025 Key Initiatives and Value Created

- Achieved **99% employee participation in integrity-related training,** reinforcing awareness of anti-corruption policies and ethical conduct
- Strengthened integrity awareness across the Group through **structured onboarding and ongoing** engagement with Integrity Ambassadors across the Group
- Recognised with the **Anugerah Perak (Silver Award) in the Private Sector category** at the Anugerah Integriti, Governans dan Antirasuah (AIGA) 2025
- Maintained an effective whistleblowing framework, with **zero whistleblowing reports** received

To learn more about our efforts in maintaining strong governance practices, refer to the Sustainability Report 2025.

Capital | Related SDGs

Technology, Innovation and Collaboration

A digitally enabled healthcare ecosystem that leverages robotics and AI to improve patient outcomes and operational efficiency, underpinned by electronic medical records and innovative partnerships.

2025 Key Initiatives and Value Created

- The Managed Private Cloud (“MPC”) is a modernised data centre infrastructure to support next-generation digital applications. This enhances system scalability, performance and resilience, improving uptime, strengthening disaster recovery and business continuity, reinforcing cybersecurity through advanced controls, real-time monitoring and improved data protection.
- Launched new solutions under the **Year of Innovation campaign,** including **the KPJ AI Chatbot and enhancements to the KPJ Cares App,** to drive greater efficiency and improved outcomes
- Entered a **multi-year partnership with Philips and LAC Medical Supplies** to establish an Enterprise Picture Archiving and Communication System (“PACS”) with **implementation completed across 13 KPJ hospitals** in 2025, strengthening diagnostic capabilities and system integration

To learn more about how we promote digitalisation and close collaboration, refer to the Sustainability Report 2025.

Capital | Related SDGs

Data Privacy and Security

Greater confidence in data integrity and privacy through effective cybersecurity frameworks and governance structures.

2025 Key Initiatives and Value Created

- Established a structured **Data & AI Management and Governance Framework** to guide the responsible use of data and emerging technologies
- Implemented **Privileged Access Management (“PAM”)** to strengthen controls over high-level system access, helping ensure that sensitive systems and data are closely monitored and protected
- Deployed **Managed Endpoint Detection and Response (“MDR”)** using Microsoft Defender to enhance monitoring of endpoint devices and enable faster identification and response to potential cyber threats
- Strengthened our cyber defence through the **establishment of a 24/7 Security Operations Centre (“SOC”),** powered by Microsoft Sentinel, enabling continuous monitoring of systems and helping maintain zero material cybersecurity incidents.

ⓘ To learn more about how we ensure efficient data privacy and security practices, refer to the Sustainability Report 2025.

Capital | Related SDGs

Supply Chain Management

Strengthened supplier governance and sustainability practices to promote ethical sourcing and enhance operational efficiency across the value chain

2025 Key Initiatives and Value Created

- Advanced procurement digitalisation through the **Requisition-to-Invoice process** and **piloted the Lapasar digital marketplace** across four hospitals
- Assessed **881 suppliers through an ESG-integrated questionnaires** and screened 100% of new suppliers against both environmental and social requirements
- **Recognised with the Procurement Rising Star Award by SAP Ariba/SAP,** highlighting our progress in digital transformation and structured procurement adoption
- Integrated **sustainability requirements,** guided by ISO 20400:2017 Sustainable Procurement – Guidance, into tender specifications **for hospital development and expansion projects, strengthening the integration of ESG considerations in procurement decisions.**

ⓘ To learn more about how we manage our supply chain, refer to the Sustainability Report 2025.

CENTRALISED SUSTAINABILITY INTELLIGENCE (CSI) PRESCRIBED TABLE

KPJ Healthcare berhad
BMLR Transition Period

Date & Time: 2026-04-28_17:16:37
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	Percentage of employees completed anti-corruption training (%)	Percentage (%)	99	-	External (Limited)	
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage (%)	100	-	External (Limited)	
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	-	External (Limited)	
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM (million)	* 14.7	-	No assurance	
Footnote 2025	Updated as per the Financial Statement in the Integrated Annual Report 2025.					
Community/ Society	Total number of beneficiaries of the investment in communities	Number	74197	-	No assurance	
Diversity	Percentage of employees - Senior Management - Male	Percentage %	51.28	-	External (Limited)	
Diversity	Percentage of employees - Senior Management - Female	%	48.72	-	External (Limited)	
Diversity	Percentage of employees - Management - Male	%	30.52	-	External (Limited)	
Diversity	Percentage of employees - Management - Female	%	69.48	-	External (Limited)	
Diversity	Percentage of employees - Non-Management - Male	%	20.28	-	External (Limited)	
Diversity	Percentage of employees - Non-Management - Female	%	79.72	-	External (Limited)	

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KPJ Healthcare berhad
BMLR Transition Period

Date & Time: 2026-04-28_17:16:37
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employees - Senior Management - <30 years old	%	0	-	External (Limited)	
Diversity	Percentage of employees - Senior Management - 30-50 years old	%	46.15	-	External (Limited)	
Diversity	Percentage of employees - Senior Management - >50 years old	%	53.85	-	External (Limited)	
Diversity	Percentage of employees - Management - <30 years old	%	0.58	-	External (Limited)	
Diversity	Percentage of employees - Management - 30-50 years old	%	79.46	-	External (Limited)	
Diversity	Percentage of employees - Management - >50 years old	%	19.96	-	External (Limited)	
Diversity	Percentage of employees - Non-Management - <30 years old	%	36.81	-	External (Limited)	
Diversity	Percentage of employees - Non-Management - 30-50 years old	%	58.13	-	External (Limited)	
Diversity	Percentage of employees - Non-Management - >50 years old	%	5.06	-	External (Limited)	
Diversity	Percentage of directors - Male	%	80	-	External (Limited)	
Diversity	Percentage of directors - Female	%	20	-	External (Limited)	
Diversity	Percentage of directors - 40-50 years old	%	0	-	External (Limited)	

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KPJ Healthcare berhad

BMLR Transition Period

Date & Time: 2026-04-28_17:16:37

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of directors - 51-55 years old	%	30	-	External (Limited)	
Diversity	Percentage of directors - 56-60 years old	%	10	-	External (Limited)	
Diversity	Percentage of directors - 61-65 years old	%	40	-	External (Limited)	
Diversity	Percentage of directors - 66-70 years old	%	10	-	External (Limited)	
Diversity	Percentage of directors - 71 years old and above	%	10	-	External (Limited)	
Energy Management	Total Energy Consumption	GJ	785,815.21	-	External (Limited)	
Health and Safety	Number of work-related fatalities	Number	0	-	No assurance	
Health and Safety	Lost time incident rate	Rate	0.4	-	No assurance	
Health and Safety	Number of employees trained on health and safety standards	Number	15,810	-	No assurance	
Labour practices and standards	Total hours of training by employee category	Hours	690,963	-	External (Limited)	
Labour practices and standards	Percentage of employees that are contractors or temporary staff	%	2.43	-	No assurance	
Labour practices and standards	Total number of employee turnover	Number	1,844	-	External (Limited)	
Labour practices and standards	Total number of employee turnover - Male	Number	444	-	External (Limited)	

KPJ Healthcare berhad

BMLR Transition Period

Date & Time: 2026-04-28_17:16:37

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour practices and standards	Total number of employee turnover - Female	Number	1,400	-	External (Limited)	
Labour practices and standards	Total number of employee turnover - <30 years old	Number	956	-	External (Limited)	
Labour practices and standards	Total number of employee turnover - 30-50 years old	Number	742	-	External (Limited)	
Labour practices and standards	Total number of employee turnover - >50 years old	Number	146	-	External (Limited)	
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	
Supply Chain Management	Proportion of spending on local suppliers	%	99.73	-	External (Limited)	
Water	Total volume of water used	m^3	1,984,003	-	External (Limited)	
Waste management	Total waste generated	Tonnes	9,741.36	-	No assurance	
Waste management	Total waste diverted from disposal	Tonnes	600.75	-	No assurance	
Waste management	Total waste directed to disposal	Tonnes	2029.59	-	No assurance	
Emissions management	Scope 1 emissions	tCO_2e	17611.97	Reduce 30% of total absolute GHG emissions by 2030 (against 2024 baseline)	No assurance	

KPJ Healthcare berhad

BMLR Transition Period

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Emissions management	Scope 2 emissions	tCO_2e	150,142.13	Reduce 30% of total absolute GHG emissions by 2030 (against 2024 baseline)	No assurance	
Emissions management	Scope 3 emissions (at least for the categories of business travel and employee commuting)	tCO_2e	11,418.13	Reduce 30% of total absolute GHG emissions by 2030 (against 2024 baseline)	No assurance	In 2025, employee commuting data was collected from 3,738 respondents, resulting in estimated emissions of 95.33 tCO2e. While coverage has significantly expanded from the prior year, emissions have not been extrapolated as the dataset is still being refined for representativeness. The data is therefore disclosed separately from total Scope 3 emissions in the Sustainability Report.

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KPJ Healthcare berhad

IFRS S1

Date & Time: 2026-04-28_17:16:37

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Service Quality and Safety	Customer Satisfaction Index for services and facilities, staff care and inpatient treatment	Percentage (%)	95.6	-	No assurance	
Service Quality and Safety	Customer Satisfaction Index for doctors' care	Percentage (%)	96.4	-	No assurance	
Service Quality and Safety	Net Promoter Score (NPS)	Score	972	-	No assurance	
Service Quality and Safety	Percentage of complaints resolved	Percentage (%)	972	-	No assurance	
Community Outreach	Total investment in community outreach programmes	RM (million)	* 14.7	-	No assurance	
Footnote 2025	Updated as per the Financial Statement in the Integrated Annual Report 2025.					
Community Outreach	Total number of beneficiaries of the investment in communities	Number	74197	-	No assurance	
Diversity, Inclusion and Human Rights	Employee breakdown by gender - Male	Number	3,721	-	External (Limited)	
Diversity, Inclusion and Human Rights	Employee breakdown by gender - Female	Number	13,788	-	External (Limited)	
Diversity, Inclusion and Human Rights	Retention rate for those who utilised parental leave	Percentage (%)	99.6	-	External (Limited)	
Diversity, Inclusion and Human Rights	Total number of employee turnover	Number	1,844	-	External (Limited)	
Diversity, Inclusion and Human Rights	Employee retention rate	Percentage (%)	91	-	No assurance	
Diversity, Inclusion and Human Rights	Rate of fatalities as a result of work-related injury (employees)	Rate	0.00	-	No assurance	

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KPJ Healthcare berhad
IFRS S1

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity, Inclusion and Human Rights	Rate of recordable work-related injuries (employees)	Rate	3.6	-	No assurance	
Diversity, Inclusion and Human Rights	Lost time incident rate (LTIR)	Rate	0.4	-	No assurance	
Employee Engagement and Development	Total training hours	Hours	690,963	-	External (Limited)	
Employee Engagement and Development	Average training hours per employee	Hours	39.5	-	External (Limited)	
Employee Engagement and Development	Employee Engagement Survey results	Percentage (%)	91	-	External (Limited)	
Governance, Ethics and Integrity	Number of whistleblowing cases	Number	0	-	External (Limited)	
Governance, Ethics and Integrity	Number of corruption incidents	Number	0	-	External (Limited)	
Governance, Ethics and Integrity	Percentage of employees completed Anti-Corruption training (%)	Percentage (%)	99	-	External (Limited)	
Data Privacy and Security	Total number of identified leaks, thefts, or losses of customer data	Number	0	-	No assurance	
Data Privacy and Security	Percentage of patient records that are (EHR) that meet meaningful use requirements	Percentage (%)	100	-	No assurance	
Supply Chain Management	Percentage of spending on local suppliers	Percentage (%)	99.73	-	External (Limited)	
Supply Chain Management	Percentage of new suppliers that were screened using environmental social criteria (%)	Percentage (%)	100	-	External (Limited)	

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KPJ Healthcare berhad
IFRS S2

Date & Time: 2026-04-28_17:16:37
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate Change Resilience	Total reduction of absolute GHG emissions (against 2024 baseline)	Percentage (%)	19.48	Reduce 30% of total absolute GHG emissions by 2030 (against 2024 baseline)	No assurance	
Climate Change Resilience	Amount of energy sourced from renewables	Percentage (%)	10.07	Transition to 30% renewable energy by 2030	External (Limited)	
Climate Change Resilience	Number of green-certified hospitals	Number	7	Achieve fully green-certified hospitals by 2030	External (Limited)	
Climate Change Resilience	Scope 1 emissions	tCO_2e	13811.97	-	No assurance	
Climate Change Resilience	Scope 2 emissions	tCO_2e	110042.13	-	No assurance	
Climate Change Resilience	Scope 3 emissions	tCO_2e	15,419.13	-	No assurance	In 2025, employee commuting data was collected from 3,338 respondents, resulting in estimated emissions of 95.30 tCO_2e. While coverage has significantly expanded from the prior year, emissions have not been extrapolated as the dataset is still being refined for representativeness. The data is therefore disclosed separately from total Scope 3 emissions in the Sustainability Report.
Resource and Waste Management	Total waste generated	Tonnes	9,741.36	-	No assurance	
Resource and Waste Management	Total non-hazardous waste generated	Tonnes	7,677.34	-	No assurance	
Resource and Waste Management	Total waste diverted from disposal	Tonnes	800.75	-	No assurance	
Resource and Waste Management	Recycling	Tonnes	383.93	-	No assurance	

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KPJ Healthcare berhad
IFRS S2

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Resource and Waste Management	Other recovery operations (total)	Tonnes	216.82	-	No assurance	
Resource and Waste Management	Total waste Directed to Disposal	Tonnes	7,936.59	-	No assurance	
Resource and Waste Management	Total hazardous waste generated	Tonnes	2,114.02	-	No assurance	
Resource and Waste Management	Clinical waste	Tonnes	2,053.88	-	No assurance	
Resource and Waste Management	Scheduled waste	Tonnes	100.19	-	No assurance	
Resource and Waste Management	Clinical waste per gross floor area	kg/m^2	2.00	-	No assurance	
Resource and Waste Management	Clinical waste per patient	kg/patient	0.58	-	No assurance	
Resource and Waste Management	Water Withdrawal	m^3	1,964,003.00	-	External (Limited)	
Resource and Waste Management	Water Withdrawal per gross floor area	m^3/m^2	1.97	-	No assurance	
Resource and Waste Management	Water Consumption	m^3	1,964,003.00	-	No assurance	

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Stories of Excellence

Standing Again, At Seventy-Nine

At 79, Ibu Otty Dewiyanti Budiarto was still doing the things that made her feel alive. On a paddle court in Jakarta, mid-swing, she fell. She could not stand. Scans confirmed what her body already knew: a fractured hip, and a difficult choice ahead.

Where to be operated on is rarely just a clinical question. It is a question of trust. Ibu Otty had been treated successfully in Kuching once before, and she chose to return. Her children arranged an air ambulance, and within hours she was in the hands of Dr Lee.

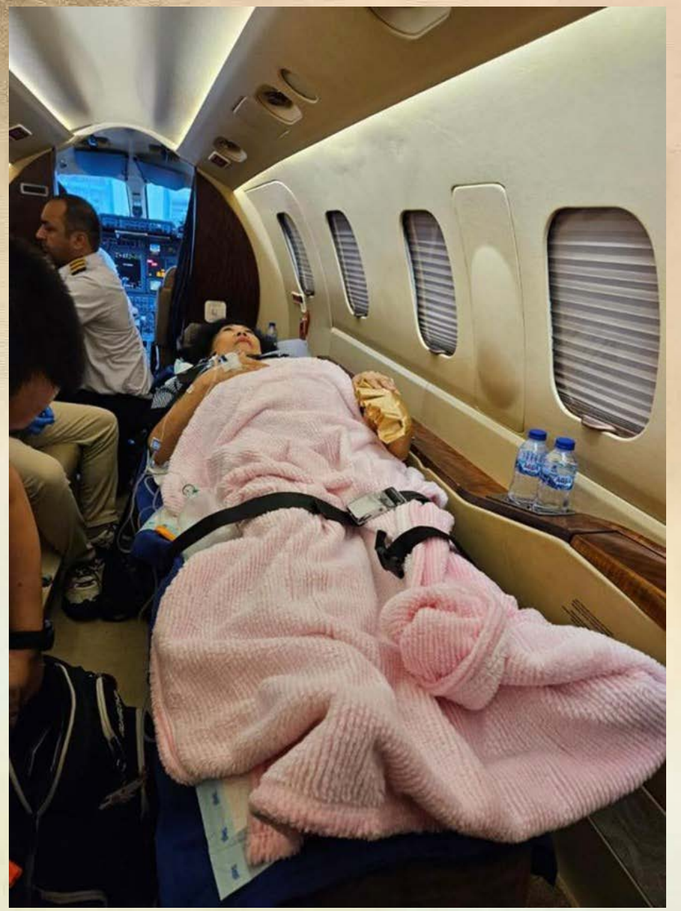
What followed reshaped her sense of what recovery could be.

The surgery was scheduled without delay. Dr Lee Woo Guan, Consultant Orthopaedic Surgeon, took the time to explain what would happen and why, with the calm professionalism that turns anxious patients into trusting ones. The operation went smoothly. Then came the moment Ibu Otty still speaks about with wonder: the morning after surgery, Dr Lee encouraged her to stand. Less than 24 hours after a hip fracture repair, at 79, she was on her feet.

Within three days she had regained strength and stability. The surgical approach used, performed from the front rather than the side, had made it possible for her to walk sooner and to leave hospital earlier than she had imagined. Behind that single decision sat years of refinement, evidence and clinical judgement. This is what research and innovation look like when they reach a patient's bedside: not as a headline, but as the simple act of standing again.

What stays with her, beyond the surgery itself, is the people. Nurses who were attentive without being intrusive. A team that moved with quiet efficiency. Care that felt unhurried even when it was fast.
Today, she walks with independence. Her gratitude is simple and complete. As she puts it, from the bottom of her heart she thanks Dr Lee for giving her back her strength.

This is what excellence in healthcare looks like. A life, restored.



6 Our Financial Story

CHIEF FINANCIAL OFFICER'S REVIEW

Dear Stakeholders,

2025 was a challenging year for the healthcare sector. We continued to see pressure from payers, rising costs across the system and a more complex operating environment overall. These pressures were real and had a direct impact on how we operated throughout the year.

In this environment, KPJ delivered a record-breaking performance and achieved several important milestones. We remained focused on execution, strengthened our performance in Malaysia and continued to build on the trust that patients place in us. Ultimately, these outcomes reflect the effort of our people and the resilience of the business.

While there is still more that we can unlock, the progress we made in 2025 puts us in a stronger position to continue executing and building on this momentum.

MOHD KHAIRUL IZZAD B. MOHAMMED SHAMSUDIN

Chief Financial Officer of KPJ Healthcare Berhad

STRONG FINANCIAL OUTCOMES

Despite the challenging landscape, the Group delivered a strong set of results. Performance was driven by continued demand for our services, supported by higher inpatient and outpatient volumes.

GROUP REVENUE

RM4.26 billion

+9% YoY
First time exceeding RM4.0 billion

GROUP EBITDA

RM1.05 billion

+6% YoY
First-ever RM1.0 billion EBITDA

GROUP PBT

RM563.36 million

+6% YoY

CASH FROM OPS

RM893.40 million

+6% YoY
Year-end cash and bank balances above RM1.0 billion

The **Malaysia segment** remained the core contributor to Group performance, accounting for 99% of Group revenue at RM4,203.3 million, a 9% increase from RM3,853.9 million in the preceding year. Segment EBITDA grew 4% to RM1,018.6 million and profit before tax increased 2% to RM552.6 million.

The **Others segment** recorded a turnaround, with revenue growing 21% to RM58.5 million and profit before tax improving to RM10.9 million from a loss of RM7.6 million in the preceding year. This reflects a more focused and rationalised portfolio following prior-year restructuring.

These results are meaningful given the operating environment. At the same time, they were achieved under constraint. Without the level of cost pressure and external challenges we faced, there was further upside.

PERFORMANCE DRIVERS

A key focus during the year was execution, particularly in improving how we utilise our existing assets. We strengthened utilisation and throughput across the network by making better use of bed capacity, increasing surgical volumes and managing case mix more effectively. Rather than relying solely on expansion, we focused on getting more out of what we already have. As a result, revenue per inpatient increased from approximately RM7,000 to over RM8,000, reflecting stronger throughput and higher-value cases. Surgical volumes also grew meaningfully during the year.

At the same time, we expanded capacity in a measured way, adding approximately 160 to 170 beds across the network. The opening of KPJ Kuala Selangor in the first half of 2025 further strengthened our presence within Malaysia.

ADDRESSING COST PRESSURES

While performance remained strong, cost pressures continued to impact profitability. Healthcare inflation affected key cost components, including medical supplies, manpower and overall operations. As a result, EBITDA grew at a slower pace than revenue, with margin moderating to 24.6% from 25.3% in the previous year.

The most significant cost driver remained our workforce. Employee benefits increased to RM1,288.5 million, reflecting both wage inflation and deliberate investment in attracting, retaining and developing talent in a competitive environment.

We also continued to see pressure from payers, particularly insurers, in relation to pricing and hospital billing. In responding to this, we remained focused on balancing fair and transparent pricing with the need to reflect the true cost of care and support the sustainability of the broader healthcare ecosystem.

To manage these pressures, we implemented tighter cost monitoring and optimisation measures across the Group.

REINVESTING IN LONG-TERM GROWTH

During the year, we took deliberate steps to sharpen our focus. In June 2025, we completed the divestment of our interest in KPJ Dhaka (Pte) Ltd. This allows us to concentrate our resources on Malaysia, where we have stronger operational control, brand presence and clinical capabilities. We also injected two of our recent hospital blocks in KPJ Ampang Puteri Specialist Hospital and KPJ Penang Specialist Hospital into Al-Aqar Healthcare REIT under a sale and leaseback arrangement during the year, further supporting capital recycling and balance sheet optimisation. Following this, net cash from investing activities turned positive at RM12.7 million, compared to a net outflow of RM227.2 million in 2024.

At the same time, we continued to reinvest into the business to support long-term growth. Capital expenditure for the year amounted to RM339.0 million, marking the second consecutive year of elevated investment, supported by operating cashflows and proceeds unlocked through portfolio optimisation initiatives during the year. These investments were directed towards strengthening our clinical capabilities, upgrading infrastructure and improving operational efficiency.

Key areas of investment included:

Technology, including automation, revenue cycle optimisation and AI-enabled solution

Clinical infrastructure and medical technologies, including continued investment in robotics and robotic-assisted surgery

Hospital refresh and operational improvements across our network

The **KPJ Care app,** introduced during the year to enhance the patient digital experience

These investments are part of how we are strengthening the KPJ Health System over time. As we bring clinical care, education and research closer together, we are building a more integrated ecosystem that creates value more effectively across the Group. This supports better and more coordinated care for patients, provides stronger opportunities for learning, development and specialisation for our people and clinicians, and strengthens the Group's long-term clinical capability and platform for future growth.

FINANCIAL POSITION

The Group maintained a strong financial position throughout the year, supported by consistent operating performance and disciplined capital management. Total assets stood at RM8,045.2 million, supported by shareholders' funds of RM2,758.1 million and total equity of RM3,005.0 million.

We also strengthened our balance sheet during the year. Total borrowings declined to RM1,628.2 million and the debt-to-equity ratio improved to 0.34, with gearing at 0.51. This reflects a continued reduction from previous years and strengthens our financial resilience.

This provides the Group with the flexibility to continue investing in growth while maintaining financial discipline.

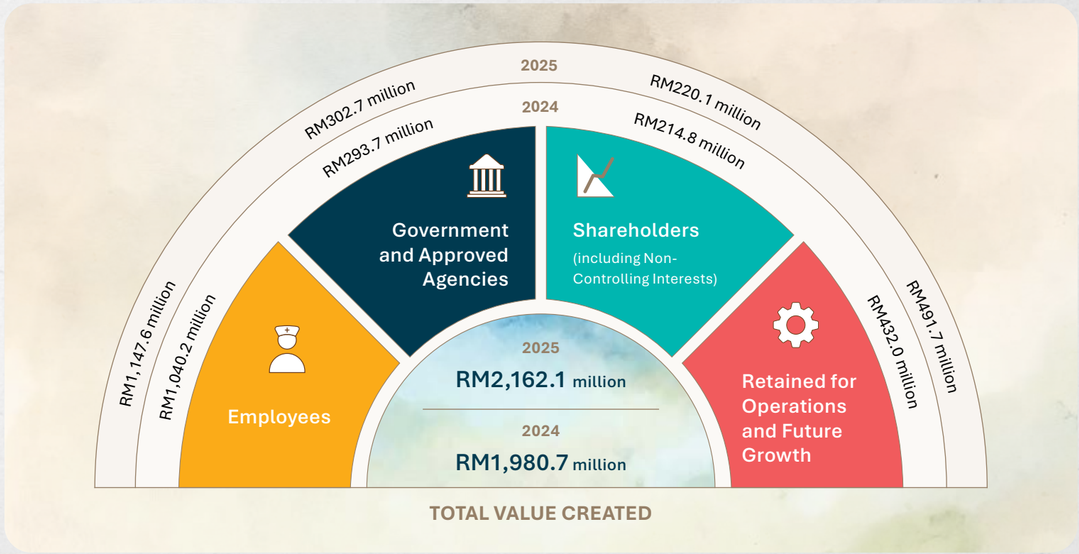
We maintained our MARC AAIS(CG) credit rating on the Sukuk Wakalah Programme, with an outstanding balance of RM1,205.0 million as at 31 December 2025, reflecting continued confidence in the Group's financial governance and long-term sustainability.

Capital expenditure of RM339.0 million and operating cash flows of RM893.4 million provide a strong foundation to support ongoing reinvestment and future growth.

VALUE CREATION AND DISTRIBUTION

Our role as a Group is not only to generate financial returns, but also to ensure that the value we create is allocated appropriately across our stakeholders. This includes not only financial capital, but also how we deploy our people, capabilities and resources across the system. It is part of how we operate as a healthcare provider.

In 2025, the Group generated RM2,244.1 million in value added from operations. After accounting for finance costs and income from associates, the total value available for distribution was approximately RM2,162.2 million, compared to approximately RM1,980.7 million in the preceding year.



Employees remained the largest recipient of the value created by the Group, receiving RM1,147.6 million in compensation and benefits. This reflects both the scale of our workforce, which grew to 16,936 employees, and our continued investment in their development and wellbeing.

Our contributions to Government and approved agencies amounted to RM302.7 million, including RM6.0 million in Zakat. Beyond statutory contributions, we continue to channel resources into community initiatives, including waqaf-based healthcare services and outreach programmes that extend care to underserved communities.

For shareholders, dividends distributed in 2025 amounted to RM184.6 million or 4.23 sen per share, while earnings per share increased to 8.37 sen. Share price appreciation during the year brought market capitalisation to RM12.2 billion. The Group was also recognised for delivering the highest total shareholder return over the preceding three years.

At the same time, RM491.7 million was retained within the business to support reinvestment and future growth. This is directed towards strengthening our capabilities, infrastructure and talent, ensuring that we are able to continue delivering quality healthcare over the long term.

OUTLOOK

Looking ahead, we expect the operating environment to remain challenging. Demand for quality healthcare is expected to stay strong, but cost escalation will continue, particularly in relation to workforce and medical supplies.

At the same time, the industry is entering a period of structural change. The introduction of the Diagnosis-Related Group ("DRG") mechanism will reshape how healthcare is priced and delivered. We are preparing for this transition by strengthening our costing capabilities and clinical data infrastructure, and we see this as an opportunity to improve how we manage and deliver care.

We also remain mindful of broader uncertainties, including geopolitical developments, which continue to create volatility and "noise" in the market. While difficult to quantify at this stage, these are factors we are monitoring closely.

Therefore, we are cautiously optimistic for the year ahead. Our focus in 2026 is to continue strengthening our core in Malaysia, improve utilisation across the network and ensure that we are getting the most out of our existing assets, while continuing to invest where it matters.

Our priorities for 2026 are to:

- Advance our Academic Health System by further integrating clinical care, education and research
- Strengthen costing capability and clinical data infrastructure in preparation for the DRG-based mechanism being introduced by the Government
- Improve operational efficiency across the Group
- Progress towards a more asset-light model, reducing reliance on capital-intensive assets

The performance in 2025 provides a strong foundation for the year ahead. We are entering a phase of more deliberate investment to strengthen the business, and these investments are necessary to support our long-term growth. We will continue to focus on execution, manage our costs carefully and ensure that we get the most out of our existing assets. What we have achieved so far reflects the effort of our people, and that will remain the foundation of how we move forward.

MOHD KHAIRUL IZZAD B. MOHAMMED SHAMSUDIN

Chief Financial Officer,KPJ Healthcare Berhad

GROUP QUARTERLY PERFORMANCE

2025 (RM'000)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year End 2025
Revenue	966,990	1,023,684	1,116,197	1,151,552	4,258,423
Gross profit	415,441	451,883	493,137	537,649	1,898,110
Operating profit	136,049	159,809	179,034	212,947	687,839
Finance income	4,685	4,002	4,711	7,731	21,129
Finance costs					
- Borrowings	(19,080)	(19,319)	(20,007)	(20,920)	(79,326)
- Lease liabilities	(27,361)	(27,826)	(28,024)	(31,824)	(115,035)
Finance costs - net	(41,756)	(43,143)	(43,320)	(45,013)	(173,232)
Share of results of associates, net of tax	3,447	13,983	16,216	15,109	48,755
Profit before tax	97,740	130,649	151,930	183,043	563,362
Tax	(32,118)	(39,083)	(46,235)	(44,382)	(161,818)
Profit for the financial year from continuing operations	65,622	91,566	105,695	138,661	401,544
Loss for the financial year from discontinued operations	(131)	37	-	-	(94)
Net profit for the financial year	65,491	91,603	105,695	138,661	401,450
Profit for the financial year attributable to:					
Owners of the Company from					
- continuing operations	57,191	82,021	93,912	132,899	366,023
- discontinued operations	(131)	37	-	-	(94)
Non-controlling interests from					
- continuing operations	8,431	9,545	11,783	5,762	35,521
- discontinued operations	-	-	-	-	-
	65,491	**91,603**	**105,695**	**138,661**	**401,450**
Basic EPS (sen)					
- continuing operations	1.31	1.88	2.15	3.03	8.37
- discontinued operations	-	-	-	-	-

2024 (RM'000)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year End 2025
Revenue	902,308	924,838	1,027,590	1,044,481	3,899,217
Gross profit	387,677	401,015	467,360	492,504	1,748,556
Operating profit	125,986	150,297	168,975	212,102	657,360
Finance income	5,817	6,395	5,181	4,704	22,097
Finance costs					
- Borrowings	(22,686)	(22,054)	(21,362)	(21,813)	(87,915)
- Lease liabilities	(27,157)	(26,992)	(26,679)	(28,278)	(109,106)
Finance costs - net	(44,026)	(42,651)	(42,860)	(45,387)	(174,924)
Share of results of associates, net of tax	9,359	10,994	13,604	15,405	49,362
Profit before tax	91,319	118,640	139,719	182,120	531,798
Tax	(31,068)	(32,058)	(43,529)	(59,269)	(165,924)
Profit for the financial year from continuing operations	60,251	86,582	96,190	122,851	365,874
Loss for the financial year from discontinued operations	35,507	(3,136)	(268)	9,266	41,369
Net profit for the financial year	95,758	83,446	95,922	132,117	407,243
Profit for the financial year attributable to:					
Owners of the Company from					
- continuing operations	51,138	77,741	86,296	117,013	332,188
- discontinued operations	20,258	(1,863)	(270)	3,504	21,629
Non-controlling interests from					
- continuing operations	9,113	8,839	9,896	5,838	33,686
- discontinued operations	15,249	(1,271)	-	5,762	19,740
	95,758	**83,446**	**95,922**	**132,117**	**407,243**
Basic EPS (sen)					
- continuing operations	1.17	1.78	1.98	2.68	7.61
- discontinued operations	0.46	(0.04)	-	0.08	0.50

5-YEAR FINANCIAL PERFORMANCE

STATEMENTS OF COMPREHENSIVE INCOME

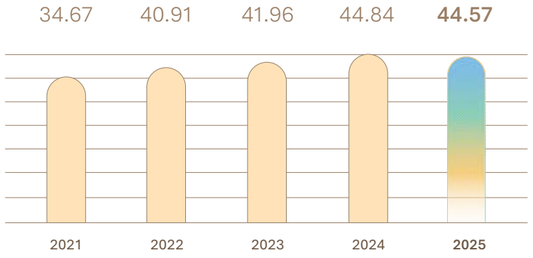
GROUP (RM'000)	2021*	2022*	2023*	2024*	2025
Revenue	2,517,305	2,850,915	3,394,821	3,899,217	4,258,423
Gross profit	872,763	1,166,186	1,424,376	1,748,556	**1,898,110**
Operating profit	254,167	412,818	514,353	657,360	687,839
Finance income	8,511	12,134	20,144	22,097	21,129
Finance costs					
- Borrowings	(89,843)	(91,853)	(97,190)	(87,915)	(79,326)
- Lease liabilities	(76,737)	(102,482)	(107,701)	(109,106)	(115,035)
Share of results of associates, net of tax	25,856	47,764	46,757	49,362	48,755
Profit before tax	121,954	278,381	376,363	531,798	563,362
Tax	(47,836)	(71,978)	(75,045)	(165,924)	(161,818)
Profit for the financial year from continuing operations	74,118	206,403	301,318	365,874	401,544
Profit/(loss) for the financial year from discontinued operations	(8,467)	(23,750)	(30,912)	41,369	(94)
Profit for the financial year	**65,651**	**182,653**	**270,406**	**407,243**	**401,450**
Profit for the financial year attributable to:					
Owners of the Company from					
- continuing operations	55,469	183,079	280,013	332,188	366,023
- discontinued operations	(4,436)	(16,098)	(16,605)	21,629	(94)
Non-controlling interests from					
- continuing operations	18,649	23,324	21,305	33,686	35,521
- discontinued operations	(4,031)	(7,652)	(14,307)	19,740	-
	65,651	**182,653**	**270,406**	**407,243**	**401,450**

* Restated performance for 2021, 2022, 2023 and 2024

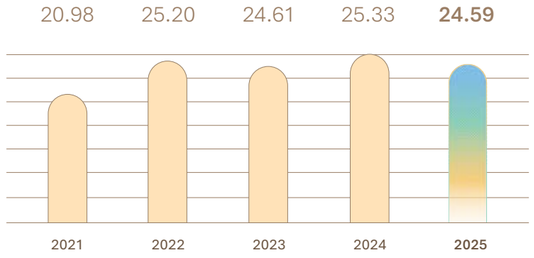
STATEMENTS OF FINANCIAL POSITION

GROUP (RM'000)	2021	2022	2023	2024	2025
Non-current assets	4,968,903	5,522,669	5,577,246	5,798,963	6,048,615
Current assets	968,575	1,313,942	1,633,765	1,604,278	1,996,610
Non-current assets held for sale	250,163	157,455	35,151	-	-
Current liabilities	(1,580,146)	(1,660,321)	(1,347,206)	(1,296,819)	(1,316,394)
Liabilities associated with assets held for sale	-	(13,163)	(54,349)	-	-
Non-current liabilities	(2,356,987)	(2,966,364)	(3,316,455)	(3,368,824)	(3,723,815)
TOTAL	**2,250,508**	**2,354,218**	**2,528,152**	**2,737,598**	**3,005,016**
Share capital	959,521	976,329	999,190	999,190	999,190
Less: Treasury shares	(155,310)	(155,310)	(155,310)	(155,310)	(146,172)
Reserve	1,331,219	1,406,241	1,539,284	1,692,781	1,905,099
Shareholders' funds	2,135,430	2,227,260	2,383,164	2,536,661	2,758,117
Non-controlling interests	115,078	126,958	144,988	200,937	246,899
TOTAL	**2,250,508**	**2,354,218**	**2,528,152**	**2,737,598**	**3,005,016**

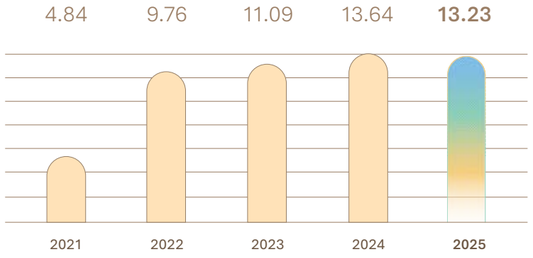
Gross Profit Margin (%)



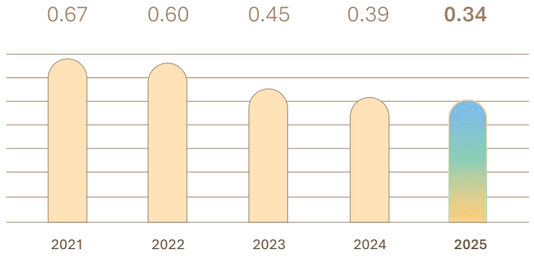
EBITDA Margin (%)



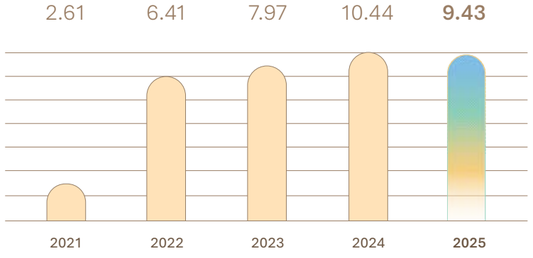
PBT Margin (%)



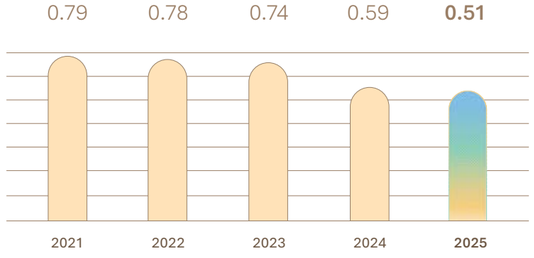
Debt Equity Ratio



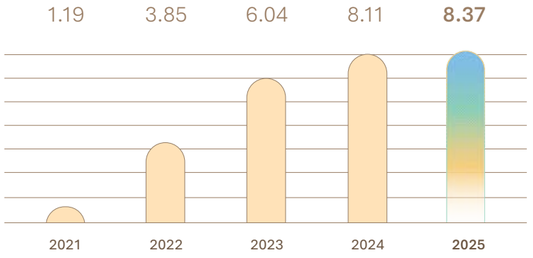
Net Profit Margin (%)



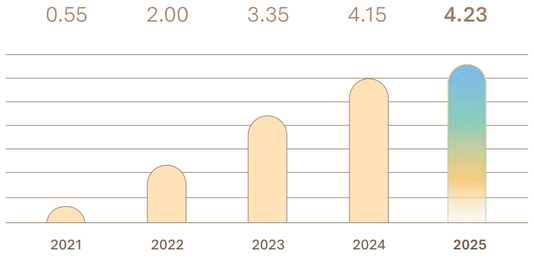
Gearing Ratio



Earnings Per Share (Sen)



Dividend Per Share (Sen)



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. The financial value in the statement is based on the profit before finance costs, community investment expenses, zakat and tax, depreciation, impairment and amortisation and staff costs.

	2025 RM'000	2024 RM'000
Revenue	4,258,423	3,899,217
Purchase of goods and services	(2,014,310)	(1,820,261)
Value added by the Group	2,244,113	2,078,956
Other income	42,532	27,310
Finance income	21,129	22,097
Finance costs		
- Borrowings	(79,326)	(87,915)
- Lease Liabilities	(115,035)	(109,106)
Share of results of associates, net of tax	48,755	49,362
Value added available for distribution	**2,162,168**	**1,980,704**
Distribution		
To Employees:	1,147,582	1,040,171
To Government/Approved agencies:	302,698	293,677
To Shareholders:		
Dividend	184,610	181,119
Non-controlling interest	35,521	33,686
Corporate responsibility	14,689	14,939
Retained for re-investment	308,048	282,205
Retained for future growth	169,020	134,907
Total distribution	**2,162,168**	**1,980,704**

	2025	2024
No of employees at the year end	16,936	16,782
Value added per employee (RM'000)	133	124
Wealth created per employee (RM'000)	128	118
No of shares at year end ('000 units)	4,526,608	4,526,608
Value added per share (RM)	0.50	0.46
Wealth created per share (RM)	0.48	0.44

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 2025.

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 CORPORATIONS

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.

DIRECTORS' REPORT
(CONTINUED)

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before tax	563,362	233,129
Tax	(161,818)	(2,498)
Profit for the financial year from continuing operations	401,544	230,631
Loss for the financial year from discontinued operations	(94)	-
Net profit for the financial year	401,450	230,631
Profit for the financial year attributable to:		
Owners of the Company		
- continuing operations		
- discontinued operations	366,023	230,631
Non-controlling interests	(94)	-
- continuing operations		
- discontinued operations	35,251	-
Net profit for the financial year	401,450	230,631

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the statements.

DIRECTORS' REPORT
(CONTINUED)

FINANCIAL RESULTS (CONTINUED)

The dividends paid or declared by the Company since 31 December 2024 were as follows:

	RM'000
In respect of the financial year ended 31 December 2025:	
First interim single tier dividend of 1.05 sen per share on 4,364,301,366 ordinary shares, declared on 28 February 2025 and paid on 18 April 2025.	45,825
Special interim single tier dividend of 0.10 sen per share on 4,364,301,366 ordinary shares, declared on 28 February 2025 and paid on 18 April 2025.	4,364
Second interim single tier dividend of 0.80 sen per share on 4,364,301,366 ordinary shares, declared on 29 May 2025 and paid on 11 July 2025.	34,915
Third interim single tier dividend of 1.05 sen per share on 4,364,301,366 ordinary shares, declared on 28 August 2025 and paid on 10 October 2025.	45,825
Fourth interim single tier dividend of 1.23 sen per share on 4,364,301,366 ordinary shares, declared on 21 November 2025 and paid on 23 December 2025.	53,681
	184,610

The Directors did not recommend the payment of a final dividend in respect of the financial year ended 31 December 2025.

TREASURY SHARES

On 26 June 2025, at the Annual General Meeting ("AGM"), 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.

During the financial year, the Company reissued a total of 9,550,000 treasury shares with a total consideration received, after deducting transaction costs, was RM24,838,882.

DIRECTORS' REPORT
(CONTINUED)

TREASURY SHARES (CONTINUED)

As at 31 December 2025, the Company held a total of 152,756,700 of its 4,526,608,066 issued ordinary share as treasury shares. Such treasury shares are held at a carrying amount of RM146,172,000 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.

EMPLOYEE SHARE SCHEME - LONG TERM INCENTIVE PLAN ("LTIP")

On 16 January 2025, the Company established an LTIP for eligible persons of the Group. The LTIP is effective beginning 8 May 2025 and is enforceable over a period of 10 years.

During the financial year, the Company granted shares under the LTIP to eligible persons of the Group as detailed below:

Description	Grant Date	Vesting Date	Total Shares Granted	Reference Price Per Unit^ (RM)
Restricted Shares (RS) - Tranche 1	8-May-25	8-May-26	479,600	2.93
Restricted Shares (RS) - Tranche 2	8-May-25	8-May-27	479,600	2.93
Restricted Shares (RS) - Tranche 3	8-May-25	8-May-28	477,600	2.93
Preference Shares (PS)	8-May-25	8-May-28	2,487,600	2.93

^ Refers to the share price at grant date

The main features and details of the number of grants over the shares of the Company are set out in Note 36 to the financial statements.

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 Haji Bakar	(Chairman)
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	
Nina Sapura Binti Rahmat	(Appointed on 14 May 2025)
(Alternate director to Shamsul Anuar Bin Abdul Majid)	
Siti Hajar Binti Marhani	(Appointed on 14 May 2025)
(Alternate director to Rozaini Bin Mohd Sani)	

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 Emeritus Dato' Dr Lokman bin Saim*
Prof Datuk Dr. Zulkifli Bin Ismail
Prof Datuk Syed Mohamed Bin Syed Ibrahim
Prof Dr. Fauziah Binti Sh Ahmad
Assoc Prof (C) Dato' Dr. Azlin Bin Azizan
Assoc Prof (C) Dr. Mohd Daud Bin Sulaiman
Datuk Hasmi Bin Hasnan
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
Datin Marsita binti Mashhor*
Dr. Abdul Hakim bin Abdul Rashid*
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. Kenny Yeap Kim Pey*
Dr. Luis Chen Shian Liang
Dr. Mahadhir Alhady Bin Sulaiman
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
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
Afifah binti Rasmi*
Ahmad Adli Bin Kamaruzaman
Ahmad Farhan bin Azini*
Ahmad Firdaus Bin Mohd Nor

DIRECTORS' REPORT
(CONTINUED)

LIST OF DIRECTORS OF SUBSIDIARIES (CONTINUED)

Ainul Hasnizam bin Abu Hassan*
Aliyah Hanim binti Abd Halim*
Asmadi Bin Mohd Bakri
Azan Mukminah Binti Saffin
Basar Bin Juraimi
Christopher Ting Yew Ping
Chua Pei Ling*
Emily Hii San San
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
Kamal Azmi Bin Zainuddin
Khairul Hasanain Bin Abdul Hamid
Liew Chai Sen
Lim Su Ying
Lim Tsuey Tyng*
Maisarah Binti Omar
Md Zin Bin Md Yasin
Mohamad Faizal Bin Mohamed
Mohamad Sofian Bin Ismail
Mohd Helmi Bin Daud
Mohd Khairul Izzad B Mohammed Shamsudin
Mohd Nabil Fawzi Bin Ab Rani
Mohd Nuri Bin Abd Aziz
Nik Farzimar Binti Nik Omar*
Nor Aidil Ikram Bin Muhamad
Nor Azlina Binti Jemain @ Jemangin
Nur Syahira binti Mahmud*
Peter John Hourigan
Rajkumar S/O Rengaraju
(Alternate Director to Christopher Ting Yew Ping)
Renuga A/P Muniandy
Ros Maliya Binti Mamat*
Russell Teo Kwang Ming*
Siti Sara binti Abd Aziz*
Thomas Ho Yee Jong
Wan Nur Amira Binti Wan Ariffin
Yusmah Binti Salleh
Zahidah binti Ishak*
Zalina Binti Osman
Zamri Bin Yusof
Zarihasyum Binti Wan Zein @ Md Zain
Zulkifli Bin Abdullah
Dr. Mawaddah Binti Ghazali ^
Badrul Hisham Bin Abdullah^
Faizuddin Bin Yusof^
Hafiz Bin Mohamed^
Johari Shukri Bin Jamil^
Mahazan Bin Kamis @ Maharan^
Michael James Leddin^
Mohd Azhar Bin Abdullah^
Mohd Taufik Bin Ismail^
Muhamad Amin Bin Othman^
Muhammad Iqbal Bin Ibrahim^
Muhammad Samson Mikail Bin Abdullah^
Nazmul Hassan Papon#
Noor Haslina Binti Harun^
Nor Arfah Binti Arshad^
Raja Syahiran Bin Raja Ahmad Supian^
Tiong Kia Hung^
Woo Yann Fong^
Zabidi Bin Abdul Razak^

* Appointed during the financial year and up to date of this report
^ Resigned during the financial year and up to date of this report
# Ceased to become a subsidiary during the financial year

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' REPORT
(CONTINUED)

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 1.1.2025	Acquired / LTIP Vested	Disposed	At 31.12.2025
KPJ Healthcare Berhad				
Prof Emeritus Dato' Dr. Azizi Bin Haji Omar	330,000	-	-	330,000
Chin Keat Chyuan	700,000	50,000	-	750,000
Johor Plantations Group Berhad (Subsidiary of Johor Corporation)				
Tan Sri Dato' Sri Dr. Ismail Bin Haji Bakar	416,000	-	-	416,000
Chin Keat Chyuan	300,000	60,000	-	360,000
Dato' Mohd Redza Shah Bin Abdul Wahid	7,000	-	(7,000)	-
Rozaini Bin Mohd Sani	300,000	1,602,791	(300,000)	1,602,791
Shamsul Anuar Bin Abdul Majid	1,282,300	1,717,791	-	3,000,091

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

None of the Directors who held office at the end of the financial year have been granted any units of shares under the LTIP of the Group and the Company as described in note 36 to the financial statements except for the following:

	Number of ordinary shares			
	Granted	Vested	Forfeited	At 31.12.2025
Chin Keat Chyuan				
Restricted Share ("RS") Plan				
Grant 1 - Tranche 1	131,500	-	-	131,500
Grant 1 - Tranche 2	131,500	-	-	131,500
Grant 1 - Tranche 3	131,400	-	-	131,400
Performance Share ("PS") Plan				
Grant 1	657,300	-	-	657,300

Other than as those disclosed above, none of the Directors in office at the end of the financial year held any other interest in shares or debentures of the Company and its related corporations.

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' REMUNERATION

Directors' remuneration for current year are as follow:

	Group RM'000	Company RM'000
Fees	2,389	2,233
Salaries, allowances and bonuses	6,285	6,243
Contributions to defined contribution plan	802	802
Benefits-in-kind	177	177
Long-term incentive plan ("LTIP")	699	699
	10,352	10,154

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

The total amount of insurance costs effected for Directors and Officers of the Group during the financial year is RM210,228.

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

DIRECTORS' REPORT
(CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

(b) At the date of this report, the Directors are not aware of any circumstances (continued):

(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

(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.

DIRECTORS' REPORT
(CONTINUED)

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	2,219	370
- Non-EY	734	-
- Other services		
- EY Malaysia	4,513	4,244
- PwC	2,382	1,294
- Other than EY & PwC	2,381	1,484
	12,229	7,392

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 PL T, 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 PL T for the financial year ended 31 December 2025.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 February 2026

TAN SRI DATO' SRI DR. ISMAIL BIN HAJI 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 Haji 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 213 to 365 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 2025 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 26 February 2026.

TAN SRI DATO' SRI DR. ISMAIL BIN HAJI 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 lzzad 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 213 to 365 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 lzzad
B Mohammed Shamsudin at Kuala Lumpur
in the Federal Territory on 26 February 2026

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 2025 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 17 to 146.

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 2025, 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 Bylaws 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPJ HEALTHCARE BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D.)

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 2025 which amounted to approximately RM4,032 million, represented about 95% 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.

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 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPJ HEALTHCARE BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D.)

Information other than the financial statements and auditors' report thereon (cont'd.)

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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPJ HEALTHCARE BERHAD
(INCORPORATED IN MALAYSIA) (CONT'D.)

Information other than the financial statements and auditors' report thereon (cont'd.)

- 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) (CONT'D.)

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
26 February 2026

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Continuing operations					
Revenue	7	4,258,423	3,899,217	441,362	390,114
Cost of sales		(2,360,313)	(2,150,661)	-	-
Gross profit		1,898,110	1,748,556	441,362	390,114
Administrative expenses		(1,246,805)	(1,112,917)	(182,989)	(155,041)
Other income		42,532	27,310	2,727	3,664
Zakat	8	(5,998)	(5,589)	(50)	(300)
Operating profit		687,839	657,360	261,050	238,437
Finance income	9	21,129	22,097	-	-
Finance costs	9				
- Borrowings		(79,326)	(87,915)	(27,921)	(26,702)
- Lease liabilities		(115,035)	(109,106)	-	-
Finance costs - net		(173,232)	(174,924)	(27,921)	(26,702)
Share of results of associates, net of tax		48,755	49,362	-	-
Profit before tax	10	563,362	531,798	233,129	211,735
Tax	13	(161,818)	(165,924)	(2,498)	(6,758)
Profit for the financial year from continuing operations		401,544	365,874	230,631	204,977
Discontinued operations					
(Loss)/Profit for the financial year from discontinued operations	14	(94)	41,369	-	-
Net profit for the financial year		401,450	407,243	230,631	204,977

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Other comprehensive income:					
Continuing operations					
Item that may be subsequently reclassified to profit or loss:					
- Currency translation differences		(2,225)	(9,750)	-	-
Items that will not be reclassified to profit or loss:					
- Net gains on revaluation of land and buildings		51,179	22	-	-
- Deferred tax on net revaluation surplus		(12,052)	-	-	-
- Fair value (loss)/gain on equity instruments classified as fair value through other comprehensive income		(359)	765	(2,070)	3,335
Other comprehensive income/(loss) for the financial year, net of tax from continuing operations		36,543	(8,963)	(2,070)	3,335
Discontinued operations					
Other comprehensive (loss)/income from discontinued operations		(5,876)	1,945	-	-
Total comprehensive income for the financial year		432,117	400,225	228,561	208,312

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Profit for the financial year attributable to:					
Owners of the Company					
- continuing operations		366,023	332,188	230,631	204,977
- discontinued operations	14	(94)	21,629	-	-
Non-controlling interests					
- continuing operations		35,521	33,686	-	-
- discontinued operations	14	-	19,740	-	-
		401,450	407,243	230,631	204,977
Total comprehensive income for the financial year attributable to:					
Owners of the Company					
- continuing operations		384,885	323,767	228,561	208,312
- discontinued operations	14	(5,970)	23,574	-	-
Non-controlling interests					
- continuing operations		53,202	33,144	-	-
- discontinued operations	14	-	19,740	-	-
		432,117	400,225	228,561	208,312
Earnings per share attributable to Owners of the Company:					
Basic (sen)	16 (a)				
- continuing operations		8.37	7.61		
- discontinued operations		-	0.50		
Diluted (sen)	16 (b)				
- continuing operations		8.36	7.61		
- discontinued operations		-	0.50		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	17	2,792,269	2,949,155	5,669	4,855
Right-of-use assets	18	1,993,514	1,640,014	-	-
Investment properties	19	366,588	357,453	-	-
Intangible assets	20	201,654	195,428	3,125	3,126
Investments in subsidiaries	22	-	-	974,458	974,458
Investments in associates	23	558,265	530,062	-	-
Equity Instruments classified as FVOCI	24	1,639	1,450	37,812	39,882
Deferred tax assets	25	101,482	105,938	-	-
Trade and other receivables	26	33,204	19,463	-	-
Amounts due from subsidiaries	26	-	-	156,996	-
		6,048,615	5,798,963	1,178,060	1,022,321
Current assets					
Inventories	27	99,946	80,001	-	-
Trade and other receivables	26	785,695	781,514	4,971	5,903
Amounts due from subsidiaries	26	-	-	524,998	646,507
Tax recoverable		101,273	121,756	-	1,614
Deposits, bank and cash balances	28	1,006,290	613,976	43,715	2,274
Dividend receivable		3,406	7,031	29,320	88,860
		1,996,610	1,604,278	603,004	745,158
Total assets		8,045,225	7,403,241	1,781,064	1,767,479

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	29	899,708	828,026	58,624	59,906
Amounts due to subsidiaries	29	-	-	66,190	108,493
Contract liabilities	30	85,277	83,196	-	-
Current tax liabilities		10,280	6,993	1,029	-
Borrowings	31	268,587	328,992	172,125	222,133
Lease liabilities	32	46,902	46,412	-	-
Dividend payable		5,640	3,200	-	-
		1,316,394	1,296,819	297,968	390,532
Net current assets		680,216	307,459	305,036	354,626
Non-current liabilities					
Amounts due to subsidiaries	29	-	-	286,657	251,494
Borrowings	31	1,359,628	1,347,266	402	328
Lease liabilities	32	2,289,468	1,949,135	-	-
Deferred tax liabilities	25	61,631	58,906	-	190
Provision for retirement benefits	33	2,182	2,179	-	-
Deposits	34	10,906	11,338	-	-
		3,723,815	3,368,824	287,059	252,012
Total liabilities		5,040,209	4,665,643	585,027	642,544
Net assets		3,005,016	2,737,598	1,196,037	1,124,935

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONTINUED)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES (continued)					
Equity attributable to Owners of the Company					
Share capital	35	999,190	999,190	999,190	999,190
Less: Treasury shares		(146,172)	(155,310)	(146,172)	(155,310)
Reserves		1,905,099	1,692,781	343,019	281,055
		2,758,117	2,536,661	1,196,037	1,124,935
Non-controlling interests		246,899	200,937	-	-
Total equity		3,005,016	2,737,598	1,196,037	1,124,935
Total equity and liabilities		8,045,225	7,403,241	1,781,064	1,767,479

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

			Non-Distributable	Distributable			
	Ordinary share capital (Note 35) RM'000	Treasury shares RM'000	Other reserves (Note 37) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Group							
At 1 January 2025	999,190	(155,310)	229,454	1,463,327	2,536,661	200,937	2,737,598
Comprehensive income:							
Profit for the financial year	-	-	-	365,929	365,929	35,521	401,450
Other comprehensive income ("OCI"):							
Group OCI							
- Currency translation differences of foreign subsidiaries	-	-	(4,946)	-	(4,946)	202	(4,744)
- Revaluation surplus	-	-	21,648	-	21,648	17,479	39,127
- Fair value gain on equity instrument classified as FVOCI	-	-	189	-	189	-	189
Total Group's OCI	-	-	16,891	-	16,891	17,681	34,572
Share of OCI from associates:							
- Currency translation differences	-	-	(3,357)	-	(3,357)	-	(3,357)
- Fair value loss on equity instrument classified as FVOCI	-	-	(548)	-	(548)	-	(548)
Total share of associates' OCI	-	-	(3,905)	-	(3,905)	-	(3,905)
Total OCI	-	-	12,986	-	12,986	17,681	30,667
Total comprehensive income	-	-	12,986	365,929	378,915	53,202	432,117

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Ordinary share capital (Note 35) RM'000	Treasury shares RM'000	Non-Distributable Other reserves (Note 37) RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Group (continued)							
Transactions with Owners:							
Reissuance of treasury shares, net of transaction costs	-	9,138	-	15,701	24,839	-	24,839
LTIP expenses during the financial year	-	-	2,312	-	2,312	-	2,312
Dividends on ordinary shares (Note 15)	-	-	-	(184,610)	(184,610)	-	(184,610)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(7,240)	(7,240)
Total transactions with Owners	-	9,138	2,312	(168,909)	(157,459)	(7,240)	(164,699)
At 31 December 2025	999,190	(146,172)	244,752	1,660,347	2,758,117	246,899	3,005,016
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 Goup's OCI" - please refer to page 24 of Audited FS 2025

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Ordinary share capital (Note 35) RM'000	Treasury shares RM'000	Non-Distributable Other reserves (Note 37) RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Group (continued)							
Total of 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 loss 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

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Ordinary share capital (Note 35) RM'000	Treasury reserves RM'000	LTIP* reserves RM'000	Non-Distributable FVOCI reserves RM'000	Distributable Retained earnings RM'000	Total Equity RM'000
Group						
At 1 January 2025	999,190	(155,310)	-	3,700	277,355	1,124,935
Total comprehensive income:						
Profit for the financial year	-	-	-	-	230,631	230,631
Other comprehensive income:						
Loss on fair value of equity instrument classified as FVOCI	-	-	-	(2,070)	-	(2,070)
Transactions with Owners:						
Reissuance of treasury shares, net of transaction costs	-	9,138	-	-	15,701	24,839
LTIP expenses during the financial year	-	-	2,312	-	-	2 ,312
Dividends on ordinary shares (Note 15)	-	-	-	-	(184,610)	(184,610)
At 31 December 2025	999,190	(146,172)	2,312	1,630	339,077	1,196,037

* "LTIP" refers to long-term incentive plan

COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Ordinary share capital (Note 35) RM'000	Treasury reserves RM'000	Non-Distributable FVOCI reserves RM'000	Distributable Retained earnings RM'000	Total Equity RM'000
Group (continued)					
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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Operating activities					
Profit/(Loss) before tax					
- Continuing operations		563,362	531,798	233,129	211,735
- Discontinued operations		170	41,635	-	-
		563,532	573,433	233,129	211,735
Adjustments for:					
Share of results of associates		(48,755)	(49,362)	-	-
Finance income		(21,129)	(23,102)	(31,999)	(31,781)
Finance costs:					
- Borrowings		79,326	88,286	27,921	26,702
- Lease liabilities		115,035	110,051	-	-
Long-term incentive plan		2,312	-	2,312	-
Dividend income from subsidiaries	7	-	-	(267,491)	(257,878)
Dividend income from equity instrument classified as FVOCI	7	(25)	(6)	(1,934)	(2,182)
Allowance for ECL:					
- Trade receivables	26	3,487	8,648	-	-
Gain on disposal of shares in subsidiaries	10	(3,211)	(242)	-	-
Property, plant and equipment ("PPE"):					
- Depreciation		232,596	208,375	1,321	1,120
- Written-off	10	3,272	6,284	-	-
- Loss on disposal	10	2,825	463	(4)	-
- Net impairment loss		10,021	8,091	-	-
Right-of-use assets ("ROU"):					
- Depreciation		77,568	70,603	-	-
- Gain on lease modification		(4,269)	(4,891)	-	-
- Impairment loss	10	3,044	-	-	-
Investment properties:					
- Net gain on fair value	19	(7,203)	(2,190)	-	-

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Operating activities (continued)					
Adjustments for (continued):					
Intangible assets:					
- Amortisation of software development expenditure	20	642	3,181	135	-
Inventories written-off	10	679	484	-	-
Provision for retirement benefits	33	180	180	-	-
Assets held for sale:					
- Net gain on extinguishment of net liabilities from disposal of aged care business	14	-	(43,472)	-	-
Operating cash flows before working capital changes		1,009,927	954,814	(36,610)	(52,284)
Changes in working capital:					
Inventories		(21,393)	(7,572)	-	-
Receivables		(26,663)	(89,696)	930	(535)
Payables		69,773	164,273	(1,239)	35,071
Contract liabilities		3,034	204	-	-
Related companies:					
- Amounts due from subsidiaries		-	-	(35,488)	(32,095)
- Amounts due to subsidiaries		-	-	(4,491)	(68,051)
Cash flows generated from/(used in) operations		1,034,678	1,022,023	(76,898)	(117,894)
Income tax refund		24,558	105	-	-
Income tax paid		(165,655)	(182,527)	(86)	(6,576)
Retirement benefits paid	33	(177)	(70)	-	-
Net cash generated from/(used in) operating activities		893,404	839,531	(76,984)	(124,470)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Investing activities					
Additions to property, plant and equipment*		(270,483)	(376,908)	(2,063)	(1,312)
Additions to intangible assets	20	(6,868)	(139)	-	(116)
Proceeds from disposal of property, plant and equipment		241,096	1,828	5	-
Net cash flows from disposal of a subsidiary	22	(1,765)	3,676	-	-
Settlement on disposal of assets held for sale		-	(2,184)	-	-
Interest received		21,129	22,106	31,999	31,781
Decrease in deposits with licensed banks with maturity of more than 3 months	28	31	99,960	-	-
Dividends received from associates/subsidiaries		29,592	24,484	328,966	254,123
Net cash generated from/(used in) investing activities		12,732	(227,177)	358,907	284,476
Financing activites					
Acquisition of non-controlling interests	22	-	(8,940)	-	-
Additional investment in a subsidiary		-	-	-	(3,734)
Dividends paid to non-controlling interests		(4,800)	(960)	-	-
Proceeds from reissuance of treasury shares, net of transaction costs		24,839	-	24,839	-
Borrowings:					
- Drawdown		82,639	108,370	50,000	100,000
- Repayments		(192,637)	(364,684)	(100,141)	(49,665)
- Repayments to subsidiaries		-	-	(2,649)	(413)
Payment of lease liabilities		(151,913)	(143,381)	-	-
Interest paid		(79,326)	(87,915)	(27,921)	(26,702)
Dividends paid to shareholders		(184,610)	(181,119)	(184,610)	(181,119)
Designated account	28	1,985	108,895	-	-
Net cash used in financing activities		(503,823)	(569,734)	(240,482)	(161,633)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		402,313	42,620	41,441	(1,627)
CURRENCY TRANSLATION DIFFERENCES		(1,382)	(819)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		594,304	552,503	2,274	3,901
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28	995,235	594,304	43,715	2,274

* During the financial year, the Group acquired assets under hire purchase amounting to RM68,556,000 (2024: RM28,906,000) resulting to addition to property, plant and equipment totalling RM339,039,000 (2024: RM405,814,000).

During the financial year, the Company acquired assets under hire purchase amounting to RM207,000 (2024: RM Nil) resulting to addition to property, plant and equipment totalling RM2,270,000 (2024: RM1,312,000).

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 RM'000	Leases RM'000	At 31 Dec RM'000
2025										
Group										
Borrowings (exclude overdraft)	1,662,049	82,639	(192,637)	(79,326)	79,326	-	-	68,556	-	1,620,607
Lease liabilities	1,995,547	-	(151,913)	-	115,035	-	(332)	-	378,033	2,336,370
Company										
Borrowings	222,461	50,000	(100,141)	(10,062)	10,062	-	-	207	-	172,527
Amount due to subsidiaries	359,987	-	(2,649)	(17,859)	17,859	(4,491)	-	-	-	352,847
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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 26 February 2026.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Amendments to standards that are effective and applicable to the Group and Company beginning on 1 January 2025

The amendments to standards that are effective and applicable to the Group and the Company are as follows:

Amendments to MFRS121: Lack of Exchangeability

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.

2.3 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 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contract Referencing Nature-Dependent Electricity	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 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Business combinations (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in associates (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (continued)

(a) Goodwill (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (continued)

(b) Other intangible assets (continued)

Software development expenditure

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.

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").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets (continued)

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 2025 (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(c) Measurement (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(d) Subsequent measurement - Impairment (continued)

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. Further information on the Group's impairment methodology, credit risk assessment and measurement of ECL is disclosed in Note 3(a)(i).

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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(d) Subsequent measurement - Impairment (continued)

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.

Qualitative criteria:
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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(d) Subsequent measurement - Impairment (continued)

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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Financial guarantee contracts

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 2025 (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.

Leasehold lands presented within ROU assets are subsequently stated at fair value less subsequent depreciation and impairment losses. The policy for subsequent measurement is in accordance with that applies to land and buildings presented within property, plant and equipment in Note 2.8.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (continued)

(a) Accounting by lessee (continued)

iii) Lease liabilities (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Non-current assets (or disposal groups) classified as assets held for sale and discontinued operations (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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.

2.21 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Borrowings and borrowing costs

(b) Borrowing costs

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Current and deferred income taxes (continued)

(b) Deferred tax (continued)

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

A 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (continued)

(c) Defined benefit plans (continued)

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.

2.24 Share-based payments - Long-Term Incentive Plan ("LTIP")

The Company operates a LTIP for certain employees and key management personnel of the Group. Under the LTIP, eligible employees and key management personnel are granted rights to receive shares of the Company contingent on meeting specified service and performance conditions over the vesting period.

The LTIP is measured at fair value of the equity instruments granted at the grant date. The fair value of the awards is recognised as an employee benefit expense over the vesting period, with a corresponding increase in equity. The expense is based on the best estimate of the number of awards expected to vest, taking into account service conditions and non-market performance conditions. Market performance conditions are reflected in the fair value at grant date and are not subsequently adjusted. At the end of each reporting period, the Group revises its estimates of the number of awards expected to vest. Any adjustment arising from a change in the estimate is recognised in profit or loss, with a corresponding adjustment to equity.

Upon vesting, the Company settles the LTIP by transferring treasury shares to eligible participants. No cash flows arise from the vesting of the LTIP other than the reissuance of treasury shares. If the LTIP is forfeited before vesting, the related equity recognised will be reversed.

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 2025 (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Current versus non-current classification (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 contracts with customers

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 2025 (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.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.31 Foreign currencies (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.32 Fair value measurement (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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

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:

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Maximum exposure 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 2025 is RM4,663,000 (2024: RM6,959,000).

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Maximum exposure credit risk (continued)

(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 1 Lifetime ECL RM'000	Stage 3 Lifetime ECL RM'000	Total RM'000
2025				
Company's internal credit rating				
Performing	1,285,901	-	-	1,285,901
Underperforming	-	-	-	-
Non-performing	-	-	-	-
Total amount guaranteed	1,285,901	-	-	1,285,901
Loss allowance	-	-	-	-
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	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

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
2025				
Group				
Trade and other payables	899,708	-	-	899,708
Borrowings	279,095	848,734	598,518	1,726,347
Lease liabilities	162,855	773,985	3,291,668	4,228,508
Deposits	-	-	10,906	10,906
Total undiscounted financial liabilities	1,341,658	1,622,719	3,901,092	6,865,469
Company				
Trade and other payables	58,624	-	-	58,624
Amounts due to subsidiaries	66,190	312,883	-	379,073
Borrowings	172,145	425	-	172,570
Financial guarantee contracts*	-	705,390	580,511	1,285,901
Total undiscounted financial liabilities	296,959	1,018,698	296,959	1,896,168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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				
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
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	997,553	1,301,201
Total undiscounted financial liabilities	399,684	584,003	997,533	1,981,220

* Related to Islamic Medium Term Notes (Note 31)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 (2024: 25 basis points) lower/higher, with all other variables held constant, the Group's profit before tax for the financial year would have been RM819,213 (2024: RM1,033,257) 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 2025 (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 2025 and 2024 were as follows:

	Group	
	2025 RM'000	2024 RM'000
Current borrowings	268,587	328,992
Non-current borrowings	1,359,628	1,347,266
Total borrowings (Note 31) - [A]	1,628,215	1,676,258
Current hire purchase	25,968	19,379
Non-current hire purchase	69,562	38,575
Total hire purchase (Note 31) - [B]	95,530	57,954
Total equity [C]	3,005,016	2,737,598
Gros gearing ratio (%) - [A - B] / C	0.51	0.59

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 31.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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	29
Borrowings	31
Deposits	34

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-termnature 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 31.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Group				
Equity instruments classified as FVOCI (Note 24)	1,639	1,450	-	-
Property, plant and equipment (Note 17):				
- Freehold lands	-	-	193,743	246,661
- Buildings	-	-	1,274,010	1,495,904
Investment properties (Note 19)	-	-	366,588	357,453
	1,639	1,450	1,834,341	2,100,018
Company				
Equity instruments classified as FVOCI (Note 24)	37,812	39,882	-	-

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 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 RM1,363,800,000 (2024: RM1,122,000,000) as at 31 December 2025.

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 11.0% (2024: 10.0% to 11.5%) and average growth rates during the gestation period ranging from 14% to 31% (2024: 19% to 23%).

Sensitivity analysis on average growth rate used

As at 31 December 2025, no reasonable change in the key assumptions used in estimating the value of use of the cash-generating unit would result in potential impairment loss on these property, plant and equipment and righ-of-use assets.

As at 31 December 2024, 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 remained constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

7. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 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	4,032,140	3,681,887	-	-
- Management fees from consultants	113,557	115,080	-	-
- Wellness packages	3,620	3,660	-	-
	4,149,317	3,800,627	-	-
Recognised over time:				
- Received from retirement village	2,745	2,543	-	-
	4,152,062	3,803,170	-	-
Revenue from other sources				
Recognised at a point in time:				
- Dividend income	25	6	269,425	260,060
- Interest income	-	-	31,999	31,781
- Other revenue	162	108	-	-
	187	114	301,424	291,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

7. REVENUE (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Recognised over time:				
- Tuition fees	52,321	45,278	-	-
- Rental income	44,748	43,801	-	-
- Management fees	9,105	6,854	139,938	98,273
	106,174	95,933	139,938	98,273
	106,361	96,047	441,362	390,114
	4,258,423	3,899,217	441,362	390,114

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

7. REVENUE (CONTINUED)

Segment*	Hospital and healthcare charges		Others		Total
	Malaysia RM'000	Others RM'000	Malaysia RM'000	Others RM'000	RM'000
2025					
Segment revenue	4,924,647	2,745	869,808	55,798	5,852,998
Intersegment revenue	(775,330)	-	(815,765)	(3,480)	(1,594,757)
Revenue from external customers	4,149,317	2,745	54,043	52,318	4,258,423
2024 (Restated)					
Segment revenue	4,513,759	2,543	652,871	45,844	5,215,017
Intersegment revenue	(713,132)	-	(602,102)	(566)	(1,315,800)
Revenue from external customers	3,800,627	2,543	50,769	45,278	3,899,217

* The classification of the reportable segments is disclosed in Note 41.

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 2025 (CONTINUED)

9. FINANCE INCOME AND COSTS

Finance costs	Group		Company	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Borrowings				
Profit distribution from Islamic financing:				
- Islamic Medium Term Notes	55,776	64,205	-	-
- Term Financing-i	6,460	10,881	-	-
- Revolving credit-i	11,444	9,501	10,041	8,653
- Hire purchase-i	3,130	1,819	21	12
- Cash line-i	2,361	1,504	-	-
Internal expense on conventional borrowings:				
- Hire purchase creditors	156	5	-	-
- Advances from subsidiaries	-	-	17,859	18,037
	79,327	87,915	27,921	26,702
Less: Interest expense capitalised in:				
- Property, plant and equipment (Note 17)	(1)	-	-	-
	79,326	87,915	27,921	26,702
Lease liabilities	115,035	109,106	-	-
	194,361	197,021	27,921	26,702
Finance income				
Profit sharing from deposits with licensed banks	(21,129)	(22,097)	-	-
Net finance costs	173,232	174,924	27,921	26,702

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 4.71% (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

10. PROFIT BEFORE TAX

Finance costs	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Auditors' remuneration					
- Statutory audits					
- EY Malaysia		2,219	2,156	370	353
- Non-EY		734	757	-	-
- Other services					
- EY Malaysia		4,513	2,778	4,244	1,141
- PwC		2,382	3,770	1,294	3,288
- Other than EY & PwC		2,381	711	1,484	328
Allowance for ECL:					
- Trade receivables	26	3,487	8,648	-	-
Contribution to Klinik Waqaf An-Nur	38	3,097	3,120	-	19
Directors' remuneration	12	10,175	6,889	9,977	6,700
Cost of medical supplies		1,192,795	1,055,769	-	-
Inventories written-off		679	484	-	-
Professional fees		18,483	16,805	17,289	14,529
Repair and maintenance		184,625	169,014	8,143	4,664
Gain on disposal of shares in subsidiaries		(3,211)	(242)	-	-
Investment properties:					
- Rental income		(16,096)	(15,824)	-	-
- Direct operating expenses		12,988	14,924	-	-
- Net gain on fair value	19	(7,203)	(2,190)	-	-
Property, plant and equipment:					
- Depreciation	17	232,134	207,427	1,321	1,120
- Written-off		3,272	6,284	-	-
- Loss on disposal		2,825	463	(4)	-
- Loss on impairment		10,021	8,091	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

10. PROFIT BEFORE TAX (CONTINUED)

Finance costs	Note	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Right-of-use assets:					
- Depreciation	18	77,568	70, 374	-	-
- Gain on lease modification		(4,269)	(4,891)	-	-
- Loss on impairment	18	3,044	-	-	-
Rental expense of land and buildings	18	14,193	9,129	4,482	4,181
Rental of equipment and vehicles	18	12,862	15,068	34	122
Employees benefits cost	11	1,288,462	1,167,924	102,567	86,613
Intangible assets:					
- Amortisation of software expenditure	20	642	3,181	135	-

11. EMPLOYEE BENEFITS COST

	Group 2025 RM'000	Group 2024 RM'000 Restated	Company 2025 RM'000	Company 2024 RM'000
Staff costs (excluding Directors' remuneration):				
- Salaries, allowances and bonuses	1,162,070	1,054,024	87,340	74,135
- Contributions to defined contribution plan	124,599	113,720	13,614	12,478
- Long-term incentive plan ("LTIP")	1,613	-	1,613	-
- Provision for retirement benefits (Note 33)	180	180	-	-
	1,288,462	1,167,924	102,567	86,613

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

12. DIRECTORS REMUNERATION

	Group		Company	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Managing and Executive Director				
- Salaries, allowances and bonuses	5,351	2,610	5,351	2,610
- Contributions to defined contribution plan	802	391	802	391
- Benefits-in-kind	78	56	78	56
- Long-term incentive plan ("LTIP")	699	-	699	-
	6,930	3,057	6,930	3,057
Non-Independant and Non-Executive Directors				
- Fees	1,276	1,085	1,236	1,045
- Allowances	555	866	545	853
- Benefits-in-kind	69	37	69	37
	1,900	1,988	1,850	1,935
Independant and Non-Executive Directors				
- Fees	1,113	1,141	997	1,041
- Allowances	379	796	347	760
- Benefits-in-kind	30	-	30	-
	1,522	1,937	1,374	1,801
	10,352	6,982	10,154	6,793

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

12. DIRECTORS REMUNERATION

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	
	2025 RM'000	2024 RM'000
Managing and Executive Director		
RM3,000,001 - RM3,500,000	-	1
RM6,500,001 - RM7,000,000	1	-
Non-Independant Non-Executive Directors		
RM100,001 - RM200,000	-	1
RM200,001- RM300,000	2	1
RM300,001- RM400,000	1	3
RM400,001- RM500,000	1	-
RM600,001 - RM700,000	1	1
Independant Non-Executive Directors		
RM1 - RM100,000	1	-
RM200,001- RM300,000	1	-
RM300,001- RM400,000	1	3
RM400,001- RM500,000	2	2
	11	12*

* Including a Director who resigned during the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

13. TAX

	Group		Company	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Continuing operations				
Malaysian income tax:				
- In respect of current financial year	164,741	145,583	2,688	-
- Under provision of prior years income tax	1,948	8,765	-	6,332
Foreign income tax				
- In respect of current financial year	-	403	-	-
	166,689	154,751	2,688	6,332
Deferred tax (Note 25)	(4,871)	11,173	(190)	426
Income tax expense recognised in the profit or loss	161,818	165,924	2,498	6,758
Discontinued operations				
Foreign income tax:				
- In respect of current financial year	264	(144)	-	-
	264	(144)	-	-
Deferred tax (Note 25)	-	410	-	-
Income tax expense attributable to a discontinued operation (Note 14)	264	266	-	-
Total income tax expense recognised in the profit or loss	162,082	166,190	2,498	6,758
Deferred tax related to other comprehensive income (Note 25)	12,052	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Profit before tax				
- continuing operations	563,362	531,798	233,129	211,735
- discontinued operations (Note 14)	170	41,635	-	-
	563,532	573,433	233,129	211,735
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	135,248	137,624	55,951	50,816
Tax effects of				
- Different tax rates	(907)	1,328	-	-
- Income not subject to tax	(4,484)	(21,595)	(64,662)	(62,227)
- Expenses non-deductible for tax purposes	33,554	37,280	7,698	5,210
- Share of results of associates	(11,701)	(11,847)	-	-
- Under provision of prior years income tax	1,948	8,765	-	6,332
- Under/(Over) provision of prior years deferred tax	4,787	8,171	(190)	(254)
- Deductible temporary differences not recognised	9,324	22,717	3,701	6,881
- Utilisation/Recognition of deductible temporary differences previously not recognised	(5,323)	(16,253)	-	-
Income tax expense	162,082	166,190	2,498	6,758

14. DISCONTINUED OPERATIONS

On 19 June 2025, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ Healthcare Berhad completed the disposal of its entire 100% equity interest in KPJ Dhaka (Pte) Ltd. As the operation was not a discontinued operation nor was it classified as held for sale as at 31 December 2024, the comparative consolidated statement of comprehensive income for the financial year ended 2024 has been re-presented to show the discontinued operation separately from continuing operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. DISCONTINUED OPERATIONS (CONTINUED)

(a) Statement of comprehensive income of the discontinued operations is as follows:

	Group	
	2025 RM'000	2024 RM'000 Restated
Revenue	9,937	29,135
Cost of sales	(6,589)	(21,388)
Gross profit	3,348	7,747
Administrative expenses	(3,227)	(10,351)
Other income	49	44,550
Operating profit	170	41,946
Finance income	-	1,005
Finance costs	-	(1,316)
Finance costs - net	-	(311)
Profit before tax (Note 13)	170	41,635
Tax (Note 13)	(264)	(266)
Net (loss)/profit for the financial year from discontinued operations	(94)	41,369
Other comprehensive (loss)/income	(5,876)	1,945
Total comprehensive (loss)/income from discontinued operations	(5,970)	43,314
(Loss)/Profit for the financial year attributable to:		
Owners of the company	(94)	21,629
Non-controlling interests	-	19,740
	(94)	41,369

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. DISCONTINUED OPERATIONS (CONTINUED)

(a) Statement of comprehensive income of the discontinued operations is as follows (continued):

	Group	
	2025 RM'000	2024 RM'000 Restated
Total comprehensive (loss)/profit for the financial year attributable to:		
Owners of the company	(5,970)	23,574
Non-controlling interests	-	19,740
	(5,970)	43,314

(b) Statement of cash flows of the discontinued operation is as follows:

	Group	
	2025 RM'000	2024 RM'000 Restated
Net cash generated from/(used in) operating activities	300	(2,812)
Net cash used in investing activities	(2,210)	(4,393)
Net changes in cash and cash equivalents	(1,910)	(7,205)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. DISCONTINUED OPERATIONS (CONTINUED)

(c) Included in the profit or loss are the following items:

	Group	
	2025 RM'000	2024 RM'000 Restated
Auditors' remuneration:		
- Statutory audits	20	14
Cost of medical supplies	3,592	7,903
Directors' remuneration	59	127
Professional fees	5	87
Repair and maintenance	72	1,818
Depreciation:		
- Property, plant and equipment	462	948
- Right-of-use	-	229
Employee benefits costs	2,837	11,489
Gain on disposal of assets held for sale	-	(43,742)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

15. DIVIDENDS

	Group/Company RM'000
Declared in 2025 in respect of:	
Financial year ended 31 December 2025	
First interim single tier dividend of 1.05 sen per ordinary share paid on 18 April 2025	45,825
Special interim single tier dividend of 0.10 sen per ordinary share paid on 18 April 2025	4,364
Second interim single tier dividend of 0.80 sen per ordinary share paid on 11 July 2025	34,915
Third interim single tier dividend of 1.05 sen per ordinary share paid on 10 October 2025	45,825
Fourth interim single tier dividend of 1.23 sen per ordinary share paid on 23 December 2025	53,681
	184,610
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 share paid on 5 July 2024	43,643
Third interim single tier dividend of 1.00 sen per ordinary share paid on 4 October 2024	43,643
Fourth interim single tier dividend of 1.15 sen per ordinary share paid on 27 December 2024	50,190
	181,119

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 2025.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16. EARNINGS PER SHARE

(a) 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	
	2025	2024 Restated
Continuing operations		
Profit attributable to Owners of the Company (RM'000)	366,023	332,188
Weighted average number of ordinary shares in issue ('000)	4,373,851	4,364,301
Basic earnings per share (sen)	8.37	7.61
Discontinued operations		
(Loss)/Profit attributable to Owners of the Company (RM'000)	(94)	21,629
Weighted average number of ordinary shares in issue ('000)	4,373,851	4,364,301
Basic earnings per share (sen)	-	0.50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

Diluted earnings per share for the current financial year was calculated by dividing the Profit attributable to Owners of the Company by the weighted average number of ordinary shares in issue adjusted for conversion of all dilutive potential ordinary shares granted to employees under a LTIP (Note 36) that is an employee share scheme which will vest subject to certain performance conditions being met.

	Group	
	2025	2024 Restated
Continuing operations		
Profit attributable to Owners of the Company (RM'000)	366,023	332,188
Weighted average number of ordinary shares in issue ('000)	4,373,851	4,364,301
Adjustment for dilutive effect of LTIP ('000)	3,500	-
Weighted average number of ordinary shares in issue ('000)	4,377,351	4,364,301
Diluted earnings per share (sen)	8.36	7.61
Discontinued operations		
(Loss)/Profit attributable to Owners of the Company (RM'000)	(94)	21,629
Weighted average number of ordinary shares in issue ('000)	4,373,851	4,364,301
Adjustment for dilutive effect of LTIP ('000)	3,500	-
Weighted average number of ordinary shares in issue ('000)	4,377,351	4,364,301
Diluted earnings per share (sen)	-	0.50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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							
2025							
At 1 January							
- 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
Exchange differences	-	-	(3)	(1)	(84)	-	(88)
Additions	-	952	32,070	141,541	61,876	102,600	339,039
Disposals	-	(247,988)	(116)	(24,999)	(18,085)	-	(291,188)
Disposals of subsidiary	-	-	(791)	(4,604)	(2,234)	-	(7,629)
Written-off	-	-	(1,577)	(7,336)	(4,648)	(43)	(13,604)
Reclassifications	1,880	12,022	66,243	5	11,355	(91,505)	-
Transfer to right-of-use assets (Note 18)	(59,850)	-	-	-	-	-	(59,850)
Revaluation surplus	4,822	35,114	-	-	-	-	39,936
Reversal/(Impairment) loss (Note 10)	230	(1,070)	-	-	-	(9,181)	(10,021)
Elimination of accumulated depreciation on revaluation	-	(113,712)	-	-	-	-	(113,712)
	(52,918)	(314,682)	95,826	104,606	48,180	1,871	(117,117)
At 31 January							
- Cost	-	-	701,141	1,527,102	705,517	154,730	3,088,490
- Valuation	193,743	1,274,593	-	-	-	-	1,468,336
	193,743	1,274,593	701,141	1,527,102	705,517	154,730	4,556,826

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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)							
2025							
Accumulated depreciation							
At 1 January	-	(93,371)	(352,057)	(800,409)	(478,951)	-	(1,724,788)
Exchange differences	-	-	-	1	22	-	23
Charge for the financial year (Note 10)	-	(38,656)	(48,473)	(102,390)	(43,077)	-	(232,596)
Disposals	-	22,049	15	24,122	17,837	-	64,023
Disposals of subsidiary	-	-	635	2,316	1,786	-	4,737
Written-off	-	-	878	7,021	2,433	-	10,332
Reclassifications	-	(4,317)	4,317	-	-	-	-
Elimination of accumulated depreciation on revaluation	-	113,712	-	-	-	-	113,712
At 31 December	-	(583)	(394,685)	(869,339)	(499,950)	-	(1,764,557)
Net carrying amount							
- Cost	-	-	306,456	657,763	205,567	154,730	1,324,516
- Valuation	193,743	1,274,010	-	-	-	-	1,467,753
At 31 December	193,743	1,274,010	306,456	657,763	205,567	154,730	2,792,269

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 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
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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							
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 amount							
- 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Furniture fittings and computers RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Company					
2025					
Cost					
At 1 January	1,246	3,381	2,677	-	7,304
Additions	234	313	172	1,551	2,270
Disposal	-	(6)	-	-	(6)
Transfer to intangible assets (Note 20)	-	(174)	-	-	(174)
Reclassifications	-	267	(267)	-	-
At 31 December	1,480	3,781	2,582	1,551	9,394
Accumulated depreciation					
At 1 January	(533)	(1,519)	(397)	-	(2,449)
Charge for the financial year (Note 10)	(219)	(598)	(504)	-	(1,321)
Transfer to intangible assets (Note 20)	-	40	-	-	40
Disposal	-	5	-	-	5
At 31 December	(752)	(2,072)	(901)	-	(3,725)
Net carrying amounts					
At 31 December	728	1,709	1,681	1,551	5,669
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Furniture fittings and computers RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Company (continued)					
2024					
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

Revaluation of land and buildings

All the Group's land and buildings were revalued as at 31 December 2025. As at year end, the Group assesses 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 lands 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 lands, 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 lands 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

Revaluation of land and buildings (continued)

In the current financial year, certain freehold lands and buildings were written down to their recoverable amounts as a result of valuations carried out during the year, and certain capital work-in-progress (2024: certain assets mainly relating to capital work-in-progress) were also written down to their recoverable amounts. The write-downs were recognised in the statement of comprehensive income ("SOCI") of the Group as administrative expenses and revaluation deficit, amounting to RM10,021,000 and RM2,845,000 respectively (2024: RM8,091,000 recognised in SOCI).

The revaluations were made with reference to valuations carried out by an independent firm of professional valuers, Hartamas Valuation & Consultancy Sdn. Bhd. (2024: Messrs Raine & Horne International Zaki + Partners Sdn. Bhd.) ("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	
	2025 RM'000	2024 RM'000
Cost		
Freehold lands	55,073	97,073
Buildings	1,194,619	1,442,380
	1,249,692	1,539,453
Accumulated depreciation		
Buildings	(190,513)	(179,552)
Net carrying amounts	1,059,179	1,359,901

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. PROPERTY PLANT AND EQUIPMENT (CONTINUED)

The net book value of assets under hire purchase creditors as at 31 December 2025 is RM169,371,000 (2024: RM80,416,000). During the financial year, the Group acquired assets under hire purchase amounting to RM68,556,000 (2024: RM28,906,000).

The net book value of assets under hire purchase creditors as at 31 December 2025 is RM218,423 (2024: RM Nil). During the financial year, the Company acquired assets under hire purchase amounting to RM207,000 (2024: RM Nil).

The net book value of property, plant and equipment pledged for borrowing facilities as at 31 December 2025 is RM147,400,000 (2024: RM152,702,000) as disclosed in Note 31.

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 RM1,000 (2024: RM Nil) as disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. RIGHT-OF-USE ASSETS

The majority of the Group's leasing activities are leases 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 lessors, 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		
	Leaseholds lands RM'000	Lands and buildings RM'000	Total RM'000
2025			
At 1 January	101,232	1,538,782	1,640,014
Additions	-	254,734	254,734
Net revaluation surplus	11,243	-	11,243
Impairment loss	(3,044)	-	(3,044)
Modifications	-	110,811	110,811
Reclassifications	(17,006)	17,006	-
Depreciation (Note 10)	(1,428)	(76,140)	(77,568)
Exchange difference	-	(389)	(389)
Transfer from property, plant and equipment (Note 17)	59,850	-	59,850
Transfer to investment properties (Note 19)	(2,137)	-	(2,137)
At 31 December	148,710	1,844,804	1,993,514
2024			
At 1 January	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	101,232	1,538,782	1,640,014

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. RIGHT-OF-USE ASSETS (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000 Restated	2025 RM'000	2024 RM'000
Expenses related to short-term leases (included in cost of sales and administrative expenses) (Note 10)	(14,193)	(9,129)	(4,482)	(4,181)
Expenses relating to lease of low-value assets (included in cost of sales and administrative expenses) (Note 10)	(12,862)	(15,068)	(34)	(122)

The net book value of right-of-use pledged for borrowing facilities as at 31 December 2025 is RM8,200,000 (2024: RM5,947,000) as disclosed in Note 31.

19. INVESTMENT PROPERTIES

	Group	
	2025 RM'000	2024 Restated RM'000
At fair value:		
At 1 January	357,453	358,166
Exchange differences	(205)	(1,033)
Net gain on fair value recognised during the year (Note 10)	7,203	2,190
Transfer to property, plant and equipment (Note 17)	-	(1,870)
Transfer from right-of-use assets (Note 18)	2,137	-
At 31 December	366,588	357,453

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

19. INVESTMENT PROPERTIES (CONTINUED)

The valuations were carried out by third party valuers, Hartamas Valuation & Consultancy 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 Knight Frank Valuation & Advisory Queensland.

The fair value of investment property pledged for borrowing facilities as at 31 December 2025 is RM Nil (2024: RM255,000,000).

The fair value of the properties was estimated at RM366,588,000 (2024: RM357,453,000) 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.

Description of valuation techniques used and key inputs to valuation on investment properties:

			Range	
	Valuation technique	Significant unobservable inputs	2025	2024
Land and buildings	Comparison method	Location, visibility, size and tenure		
		Estimated value per sq ft	RM30-RM935	RM30-RM854
(Carrying value as at 31 December 2025 of RM106,588,000 (2024: RM102,453,000)).				
Office properties	Investment method	Location, visibility, size and tenure		
		Estimated rental value per sq ft per month	RM4.25-RM9.00	RM3.00-RM7.50
		Outgoings per sq ft per month	RM1.50	RM1.80
		Void rate	5%	8%
		Term yield rate	4%-5%	6%
		Reversion yield rate	6.00%	6.25%

(Carrying value as at 31 December 2025 of RM260,000,000 (2024: RM255,000,000)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

19. INVESTMENT PROPERTIES (CONTINUED)

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 RM8.8 million (2024: 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 RM10 million/RM10 million (2024: RM9.9 million/RM10.7 million), while an increase in void rate to 7% (2024: 10%) would result in a lower fair value change by RM7.5 million (2024: RM4.6 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. INTANGIBLE ASSETS

	Goodwill RM'000	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
Group				
2025				
Cost				
At 1 January	211,455	70,082	3,126	284,663
Additions	-	58	6,810	6,868
At 31 December	211,455	70,140	9,936	291,531
Accumulated amortisation				
At 1 January	-	(67,241)	-	(67,241)
Amortisation charge for the year (Note 10)	-	(642)	-	(642)
At 31 December	-	(67,883)	-	(67,883)
Accumulated impairment				
At 1 January / At 31 December	(21,994)	-	-	(21,994)
Net carrying amount				
At 31 December	189,461	2,257	9,936	201,654
2024				
Cost				
At 1 January	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	211,455	70,082	3,126	284,663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. INTANGIBLE ASSETS (CONTINUED)

	Goodwill RM'000	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
Group				
2024 (continued)				
Accumulated amortisation				
At 1 January	-	(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	-	(67,241)	-	67,241
Accumulated impairment				
At 1 January / At 31 December	(21,994)	-	-	(21,994)
Net carrying amount				
At 31 December	189,461	2,841	3,126	195,428

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. INTANGIBLE ASSETS (CONTINUED)

	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
Company			
2025			
Cost			
At 1 January	-	3,126	3,126
Additions	-	-	-
Reclassifications	3,126	(3,126)	-
Transfer from property, plant and equipment (Note 17)	174	-	174
At 31 December	3,300	-	3,300
Accumulated amortisation			
At 1 January	-	-	-
Amortisation charge for the year (Note 10)	(135)	-	(135)
Transfer from property, plant and equipment (Note 17)	(40)	-	(40)
At 31 December	(175)	-	(175)
Net carrying amount			
At 31 December	3 ,125	-	3 ,125
2024			
Cost			
At 1 January		3,010	3,010
Additions		116	116
At 31 December		3 ,126	3 ,126
Net carrying amount			
At 31 December		3 ,126	3 ,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. IMPAIRMENT OF INTANGIBLE ASSETS

Impairment tests for goodwill

	Group	
	2025 RM'000	2024 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.

Recoverable amount based on value-in-use

The key assumptions used are as follows:

	2025 %	2024 %
Revenue growth rate[a]	8 - 13	8 - 24
EBITDA margin[b]	23.4 - 24.0	24.5 - 26.0
Discount rate[c]	12	12
Terminal growth rate[d]	2	2

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. IMPAIRMENT OF INTANGIBLE ASSETS (CONTINUED)

Recoverable amount based on value-in-use (continued)

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	
	2025 RM'000	2024 RM'000
Cost	970,424	970,424
Preference shares	300	300
Capital contribution reserve relating to grant	3,734	3,734
	974,458	974,458

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

22. INVESTMENTS IN SUBSIDIARIES

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation/ Place of Business	Group's effective interest 2025 %	Group's effective interest 2024 %	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	Previously 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
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
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
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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
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
Perlis Specialist Hospital Sdn. Bhd.	Malaysia	100	100	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
Kota Kinabalu Wellness Sdn. Bhd. *	Malaysia	100	100	Previously operating as an assisted living care and after birth care centre
KPJ Ambulatory Care Centre Sdn. Bhd. *	Malaysia	100	100	Management and operation of ambulatory care centre
KPJ Dhaka (Pte) Ltd *	Bangladesh	-	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
KPJ MedikTV Sdn. Bhd. *	Malaysia	100	100	Previously operated as medical service provider
Kuantan Wellness Center Sdn. Bhd. *	Malaysia	100	100	Previously operating as a dialysis centre
Massive Hybrid Sdn. Bhd. *	Malaysia	100	100	Intended to provide specialist medical services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
PharmaCARE Sdn. 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	Previously operating and managing an aged care and nursing centre
Sterile Services Sdn. Bhd. *	Malaysia	100	100	Providing sterile 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
Pride Outlet Sdn. Bhd. *	Malaysia	100	100	Previously providing maintenance services for medical equipment
Total Meal Solution Sdn. Bhd. *	Malaysia	100	100	Providing central kitchen services
Jeta Gardens (Qld) Pty Ltd *	Australia	57	57	Providing retirement village and aged care facilities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
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
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
Pharmacare Surgical Technologies (M) Sdn. Bhd. *	Malaysia	100	100	Previously manufactured medical equipment

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)				
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
Subsidiaries of Ipoh Specialist Hospital Sdn. Bhd.				
Sri Manjung Specialist Centre Sdn. Bhd. *	Malaysia	100	100	Operating as a specialist hospital

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
Subsidiary of Selangor Specialist Hospital Sdn. Bhd.				
Pusrawi SMC Sdn. Bhd. *	Malaysia	52	52	Previously operating as a polyclinic
Subsidiary of SMC Healthcare Sdn. Bhd.				
Amity Development Sdn. Bhd. *	Malaysia	100	100	Operating as a property holding company
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 College Sdn. Bhd.				
KPJ Education (M) Sdn. Bhd. *	Malaysia	100	100	Previously Operating as a college and training centre

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 2025 %	Group's effective interest 2024 %	Principal activities
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 an aged care facility and retirement village

Direct equity holding by the Company is 84% (2024: 84%)
^ Direct equity holding by the Company is 68% (2024: 68%)
* Audited by firms other than EY PLT, Malaysia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Disposal of interest in subsidiaries in 2025:

(i) On 19 June 2025, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ Healthcare Berhad, completed the disposal of its entire 100% equity interest in KPJ Dhaka (Pte) Ltd for cash consideration totalling BDT1 million (equivalent to RM0.034 million).

	RM'000
Sales proceeds	34
Less: Carrying amount of equity interest disposed	3,177
Gain on disposals	3,211
Purchase consideration settled in cash	34
Less: Cash and cash disposed	(1,799)
Cash outflow of the Group on disposal	(1,765)

Acquisition of additional interest in subsidiaries in 2024:

(i) On 21 August 2024, 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 2025 (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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-controlling interest percentage of ownership interest and voting interest	39%	39%	40%	40%	49%	49%	43%	43%		
Non-current assets	135,380	137,494	217,461	214,240	51,626	23,599	9,132	10,270	413,599	385,603
Current assets	53,569	41,707	116,300	110,646	307,350	276,457	53,142	56,333	530,361	485,143
Current liabilities	(41,645)	(41,120)	(46,363)	(49,000)	(24,665)	(18,314)	(173,071)	(170,559)	(285,744)	(278,993)
Non-current liabilities	(63,346)	(67,808)	(83,313)	(84,810)	(8,743)	(193)	(527)	(1,902)	(155,929)	(154,713)
Net assets/(liabilities)	83,958	70,273	204,085	191,076	325,568	281,549	(111,324)	(105,858)	502,287	437,040
Net equity attributable	83,958	70,273	204,085	191,076	325,568	281,549	(111,324)	(105,858)	502,287	437,040
Equity attributable to:										
Owners of the Company	51,214	42,867	122,451	114,646	166,040	143,590	(63,455)	(60,339)	276,250	240,764
Non-controlling interests	32,744	27,406	81,634	76,430	159,528	137,959	(47,869)	(45,519)	226,037	196,276

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	140,970	121,565	197,920	187,450	167,861	156,335	2,745	8,320	509,496	473,670
Profit/(Loss) for the year	16,507	14,071	31,809	33,012	41,722	41,252	(8,157)	22,594	81,881	110,929
Profit/(Loss) attributable to:										
Owners of the Company	10,069	8,583	19,085	19,807	21,278	21,039	(4,649)	12,879	45,783	62,308
Non-controlling interests	6,438	5,488	12,724	13,205	20,444	20,213	(3,508)	9,715	36,098	48,621
Total net profit/(loss)	16,507	14,071	31,809	33,012	41,722	41,252	(8,157)	22,594	81,881	110,929
Total comprehensive income/(loss) attributable to:										
Owners of the Company	9,648	9,446	17,405	22,327	22,449	21,039	(3,115)	24,588	46,387	77,400
Non-controlling interests	6,168	6,040	11,604	14,885	21,569	20,213	(2,350)	18,549	36,991	59,687
Total comprehensive income/(loss)*	15,816	15,486	29,009	37,212	44,018	41,252	(5,465)	43,137	83,378	137,087
Dividends paid to Non-controlling interests	830	-	6,400	4,160	-	-	-	-	7,230	4,160

* Inclusive in the summary are AFS reserve from investment in Al Aqar (company level), revaluation reserve and foreign exchange.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net cash generated from/(used in) operating activities	39,620	22,262	38,154	39,354	49,785	3,464	(1,502)	(14,173)	126,057	50,907
Net cash (used in)/generated from investing activities	(6,562)	(16,183)	52,799	(31,872)	(48,840)	(3,285)	(512)	(6,780)	(3,115)	(58,120)
Net cash (used in)/generated from financing activities	(8,628)	(6,295)	(16,908)	(8,719)	(768)	(133)	435	13,022	(25,869)	(2,125)
Net changes in cash and cash equivalents	24,430	(216)	74,045	(1,237)	177	46	(1,579)	(7,931)	97,073	(9,338)
Cash and cash equivalents at the beginning of the year	542	758	2,026	3,263	312	266	4,309	13,237	7,189	17,524
Currency translation differences	-	-	-	-	-	-	(87)	(997)	(87)	(997)
Cash and cash equivalents at the end of the year	24,972	542	76,071	2,026	489	312	2,643	4,309	104,175	7,189

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

23. INVESTMENT IN ASSOCIATES

	Group	
	2025 RM'000	2024 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	242,695	214,492
	558,265	530,062
Market value of quoted ordinary shares in Al-`Aqar, Healthcare REIT	370,657	393,823

The associates of the Group are as follows:

	Country of Incorporation/ Place of Business	Group's effective interest 2025 %	Group's effective interest 2024 %	Principal activities
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 2025 (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) Summarised statements of financial position

	Al-Aqar Healthcare REIT	
	2025 RM'000	2024 RM'000
Non-current assets	1,879,245	1,654,401
Current assets	208,522	181,536
Total assets	2,087,767	1,835,937
Current liabilities	645,991	115,618
Non-current liabilities	391,973	666,776
Total liabilities	1,037,964	782,394
Net assets	1,049,803	1,053,543

(ii) Summarised statements of comprehensive income

	Al-Aqar Healthcare REIT	
	2025 RM'000	2024 RM'000
Revenue	119,957	117,720
Profit before tax	55,747	58,075
Total comprehensive income for the financial year	53,101	45,961
Dividends received and receivables from associates	19,604	22,297

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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. (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	
	2025 RM'000	2024 RM'000
Net assets at 1 January	1,053,543	1,072,231
Profit for the financial year	53,101	45,961
Dividend paid during the year	(56,841)	(64,649)
Net assets at 31 December	1,049,803	1,053,543
Interest in associates	34%	34%
Carrying value of group's interest	362,077	363,367

(iv) Aggregate information of associates that are not individually material

	2025 RM'000	2024 RM'000
The Group's share of profit before tax	38,209	36,086
The Group's share of profit after tax	29,462	28,428
The Group's share of total comprehensive income	27,017	26,339

(iv) 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 2025 (CONTINUED)

24. EQUITY INSTRUMENTS CLASSIFIED AS FVOCI

Equity investments at FVOCI comprise of the following individual investments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Quoted shares:				
Al-Salam Real Estate Investment Trust	980	750	980	750
Al-'Aqar Healthcare REIT	-	-	36,173	38,433
Unquoted shares:				
PMB-An-Nur Waqf Income Fund	659	700	659	699
Intrapreneur Value Creation Sdn. Bhd.	-	-	-	-
AHCS Advanced HealthCare Solutions AG	-	-	-	-
	1,639	1,450	37,812	39,882

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

25. DEFERRED TAX

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	101,482	105,938	-	-
Deferred tax liabilities	(61,631)	(58,906)	-	(190)
At 31 December	39,851	47,032	-	(190)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	47,032	58,615	(190)	236
(Charged)/credit to profit or loss (Note 13):				
- Property, plant and equipment	(12,924)	(15,065)	190	(5)
- Investment properties	(3,017)	610	-	-
- Trade and other receivables	3,483	212	-	-
- Unutilised tax losses	3,138	1,314	-	-
- Unabsorbed capital allowances	4,175	182	-	-
- Contract liabilities	(2,334)	(1,263)	-	-
- Leases	8,427	2,126	-	-
- Trade and other payables	3,923	301	-	(421)
	4,871	(11,583)	190	(426)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

25. DEFERRED TAX (CONTINUED)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Charged to other comprehensive income (Note 13):				
- Deferred tax on revaluation surplus during the year	(12,052)	-	-	-
At 31 December	39,851	47,032	-	(190)
Subject to income tax:				
Deferred tax assets (before offsetting):				
- Unutilised tax losses	40,633	37,495	-	-
- Unabsorbed capital allowances	46,212	42,037	-	-
- Contract liabilities	5,793	8,127	-	-
- Leases	97,979	89,552	-	-
- Trade and other receivables	4,682	1,199	-	-
- Trade and other payables	35,339	31,416	-	-
	230,638	209,826	-	-
Offsetting	(129,156)	(103,888)	-	-
Deferred tax assets (after offsetting)	101,482	105,938	-	-
Deferred tax liabilities (before offsetting):				
- Property, plant and equipment	(172,847)	(147,871)	-	(190)
- Investment properties	(17,940)	(14,923)	-	-
	(190,787)	(162,794)	-	(190)
Offsetting	129,156	103,888	-	-
Deferred tax liabilities (after offsetting)	(61,631)	(58,906)	-	(190)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unabsorbed capital allowances	36,033	36,659	5,567	3,759
Unutilised tax losses:				
- expiring YA2028	91,726	101,634	3,445	3,445
- expiring YA2029	14,496	14,496	-	-
- expiring YA2030	20,687	20,687	-	-
- expiring YA2031	17,644	22,559	4,915	4,915
- expiring YA2032	18,012	18,520	508	508
- expiring YA2033	27,545	37,773	10,229	10,229
- expiring YA2034	93,580	96,275	3,892	7,916
- expiring YA2035	37,733	-	25,950	22,490
Unutilised ITA	217,603	230,145	-	-
Other temporary differences	56,051	35,689	28,452	14,275

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 2025 (CONTINUED)

26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Other receivables	148	237	-	-
Deposits	33,056	19,226	-	-
	33,204	19,463	-	-
Amounts due from subsidiaries	-	-	161,155	-
Less: Allowance for ECL	-	-	(4,159)	-
	-	-	156,996	-
Current				
Trade receivables	600,221	581,717	-	-
Less: Allowance for ECL	(4,663)	(6,959)	-	-
Trade receivables (net)	595,558	574,758	-	-
Amount due from ultimate holding corporation	858	1,088	360	356
Amounts due from related companies	2,059	5,819	1	1
Amounts due from associates	5,348	5,162	2,329	3,278
Other receivables	114,467	116,197	1,872	1,941
Deposits	37,099	45,885	219	213
Prepayments	30,306	32,605	190	114
	785,695	781,514	4,971	5,903
Amounts due from subsidiaries	-	-	525,414	651,082
Less: Allowance for ECL	-	-	(416)	(4,575)
	-	-	524,998	646,507
Total	818,899	800,977	686,965	652,410

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

Credit terms of trade receivables range from 30 to 60 days (2024: 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 4.87% (2024: 5.30%) per annum and repayable on demand.

The movement in allowance for ECL on trade receivables is as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	6,959	5,736
Allowance for ECL for the year (Note 10)	3,487	8,648
Written-off	(5,783)	(7,425)
At 31 December	4,663	6,959

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
2025			
1-30 days	280,433	(298)	280,135
31-60 days	161,669	(138)	161,531
61-90 days	61,030	(136)	60,894
91-120 days	31,109	(178)	30,931
121 - 150 days	20,749	(120)	20,629
151 - 180 days	13,904	(659)	13,245
181-365 days	24,342	(42)	24,300
>365 days	6,985	(3,092)	3,893
	600,221	(4,663)	595,558

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

	Total gross carrying amount at default RM'000	Allowance for expected credit loss RM'000	Total RM'000
2024			
1-30 days	225,484	(285)	225,199
31-60 days	149,703	(247)	149,456
61-90 days	70,742	(437)	70,305
91-120 days	39,213	(219)	38,994
121 - 150 days	27,298	(791)	26,507
151 - 180 days	12,868	(650)	12,218
181-365 days	35,691	(1,471)	34,220
>365 days	20,718	(2,859)	17,859
	581,717	(6,959)	574,758

The currency exposure profile of the receivables and deposits (excluding prepayments) are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	757,737	739,227	686,775	652,296
Bangladesh Taka	-	632	-	-
Australian Dollar	30,856	28,513	-	-
	788,593	768,372	686,775	652,296

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

27. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
At cost:		
Pharmaceutical products	61,447	47,995
Medical supplies	32,681	26,485
Consumables and disposable items	412	376
Laboratory chemicals	2,740	1,971
Other supplies	2,666	3,174
	99,946	80,001

28. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks	194,730	113,145	-	-
Cash and bank balances	811,560	500,831	43,715	2,274
Total cash and bank balances	1,006,290	613,976	43,715	2,274
Less: Overdraft (Note 31)	(7,608)	(14,209)	-	-
Deposits with licensed banks with maturity of more than 3 months	(2,879)	(2,910)	-	-
Designated account (FSRA)	(568)	(2,553)	-	-
Cash and cash equivalents	995,235	594,304	43,715	2,274

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

28. DEPOSITS, BANK AND CASH BALANCES (CONTINUED)

Included in the deposits with licensed banks of the Group is an amount of RM568,000 (2024: RM2,553,000) being minimum balance required in the Financial Service Reserve Account ("FSRA") for loans purposes (Note 31).

The weighted average interest rate of deposits with licensed banks of the Group during the financial year is 2.49% (2024: 2.54%) 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 (2024: 1 to 731 days).

Deposits, cash and bank balances as at end of the reporting period are denominated in the following currencies:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	1,003,647	607,773	43,715	2,274
Bangladesh Taka	-	1,894	-	-
Australian Dollar	2,643	4,309	-	-
	1,006,290	613,976	43,715	2,274

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

29. TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO SUBSIDIARIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current:				
Trade payables	264,596	288,534	-	-
Other payables	204,894	174,135	22,845	24,124
Accruals	414,902	341,282	34,760	27,265
Amount due to ultimate holding corporation	1,382	8,833	969	8,467
Amounts due to related companies	13,385	10,720	50	50
Amounts due to associates	549	4,522	-	-
	899,708	828,026	58,624	59,906
Amounts due to subsidiaries	-	-	66,190	108,493
Non-current:				
Amounts due to subsidiaries	-	-	286,657	251,494
Total	899,708	828,026	411,471	419,893

Included in amounts due to subsidiaries are advances from subsidiaries which are unsecured, bear an effective average interest rate of 3.82% (2024: 3.12%) per annum and are repayable on demand after 2026.

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 2025 (CONTINUED)

29. TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO SUBSIDIARIES (CONTINUED)

Credit terms of trade payables ranges from 30 to 60 days (2024: 30 to 60 days). Payables are denominated in the following currencies:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	867,684	794,313	411,471	419,893
Bangladesh Taka	-	1,432	-	-
Australian Dollar	32,024	32,281	-	-
	899,708	828,026	411,471	419,893

30. CONTRACT LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
At 1 January	83,196	87,779
Revenue recognised that was included in contract liability balance at the beginning of the year	(56,797)	(59,938)
Increases due to cash received, excluding amounts recognised as revenue during the year	58,878	55,355
At 31 December	85,277	83,196

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 2025 (CONTINUED)

31. BORROWINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Islamic financing				
- Term Financing-i (secured)	23,011	34,904	-	-
- Revolving credit-i (unsecured)	212,000	260,500	172,000	222,000
- Hire purchase-i (secured)	25,950	19,338	125	133
- Cash line-i (unsecured)	7,608	14,209	-	-
	268,569	328,951	172,125	222,133
Conventional financing				
- Hire purchase creditors (secured)	18	41	-	-
	268,587	328,992	172,125	222,133
Non-current				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	1,205,000	1,205,000	-	-
- Term Financing-i (secured)	85,066	103,691	-	-
- Hire purchase-i (secured)	69,562	38,557	402	328
	1,359,628	1,347,248	402	328
Conventional financing				
- Hire purchase creditors (secured)	-	18	-	-
	1,359,628	1,347,266	402	328
	1,628,215	1,676,258	172,527	222,461

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. BORROWINGS (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total Borrowings				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	1,205,000	1,205,000	-	-
- Term Financing-i (secured)	108,077	138,595	-	-
- Revolving credit-i (unsecured)	212,000	260,500	172,000	222,000
- Hire purchase-i (secured)	95,512	57,895	527	461
- Cash line-i (unsecured)	7,608	14,209	-	-
Conventional financing				
- Hire purchase creditors (secured)	18	59	-	-
	1,628,215	1,676,258	172,527	222,461

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. BORROWINGS (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The maturity profile of borrowings is as follows:				
Less than 1 year	268,587	328,992	172,125	222,133
Between 1 and 5 years	787,485	717,745	402	328
More than 5 years	572,143	629,521	-	-
	1,359,628	1,347,266	402	328
	1,628,215	1,676,258	172,527	222,461
Hire purchase creditors				
Gross hire purchase creditors - minimum lease payments:				
- due not later than 1 year	26,632	19,897	145	143
- due later than 1 year and not later than 5 years	71,341	39,604	425	363
	97,973	59,501	570	506
Future finance charges	(2,443)	(1,547)	(43)	(45)
Present value of hire purchase creditors	95,530	57,954	527	461
The present value of hire purchase creditors is analysed as follows:				
Current				
Due not later than 1 year	25,968	19,379	125	133
Non-current				
Due later than 1 year and not later than 5 years	69,562	38,575	402	328
Present value of hire purchase creditors	95,530	57,954	527	461

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. BORROWINGS (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The borrowings are denominated as follows:				
Ringgit Malaysia	1,628,215	1,676,258	172,527	222,461

	Finance Rate	Effective finance rate at reporting date (% p.a)	
		2025	2024
Term Financing-i	Floating	4.88	6.04
Hire purchase creditors	Fixed	2.56	2.67
Islamic Medium Term Notes	Fixed	4.63	4.63
Cash line-i	Floating	5.62	5.79
Revolving credit-i	Floating	3.87	6.25

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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Term Financing-i	85,066	103,691	76,130	95,078
Hire purchase creditors	69,562	38,575	61,671	37,269

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. 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: (continued)

	Carrying Value		Fair Value	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group (continued)				
Islamic Medium Term Notes	1,205,000	1,205,000	1,169,052	1,189,730
	1,359,628	1,347,266	1,306,853	1,322,077
Company				
Hire purchase-i	402	328	377	319

The borrowings are secured by:

(a) The property, plant and equipment, right-of-use and investment property with carrying amount as at 31 December 2025 of RM155,600,000 (2024: RM413,649,000);
(b) Corporate Guarantee;
(c) legal charge over the land and building;
(d) assignment of all Rights & Benefits or its equivalent over the relevant Takaful cover;
(e) a charge on the specific Finance Service Reserve Account ("FSRA") & Finance Reserve Account ("FRA") ;
(f) specific debenture charge over assets;
(g) unconditional and irrevocable letter of undertaking; and
(h) letter of awareness from shareholders.

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 2025 (CONTINUED)

32. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Amount due for settlement within 12 months	46,902	46,412
Amount due for settlement after 12 months	2,289,468	1,949,135
	2,336,370	1,995,547
Maturity analysis - lease payments		
Less than 1 year	162,855	147,446
Between 1 and 5 years	773,985	726,183
Later than 5 years and not later than 10 years	783,066	751,195
Later than 10 years and not later than 20 years	1,634,184	1,381,582
Later than 20 years and not later than 30 years	874,418	786,435
	4,065,653	3,645,395
	4,228,508	3,792,841

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

33. 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	
	2025 RM'000	2024 RM'000
At 1 January	2,179	2,069
Charged to profit or loss (Note 11)	180	180
Retirement benefits paid	(177)	(70)
At 31 December	2,182	2,179
The amount recognised in profit or loss is as follows:	94	94
	86	86
Current service cost		
Interest cost on benefit obligation	180	180

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

33. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

The principal assumptions used in respect of the defined benefit plan of the Group are as follows:

	Group	
	2025 %	2024 %
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 related scale of 25% per annum prior age 25, gradually reducing to 0% per annum by age 50

[1] Discount rate is reflective of 10 - 15 year yield for AA (2024: 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 2025. The valuation was carried out by third party actuaries, Nicholas Actuarial Solutions Sdn. Bhd.

Sensitivity analysis on present value of defined benefit obligation:

	Group	
	2025 RM'000	2024 RM'000
1 A 1% increase in salary increment rate		
a Increase on defined benefit obligation	3 ,016	2,357
b Increase in net defined liability	143	202

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

33. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

Sensitivity analysis on present value of defined benefit obligation: (continued)

	Group	
	2025 RM'000	2024 RM'000
2 A 1% increase in discount rate		
a Increase on defined benefit obligation	3 ,021	2 ,295
b Decrease in net defined liability	147	141

34. 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.

35. SHARE CAPITAL

	Group/Company			
	2025 Unit'000	2024 RM'000	2025 Unit'000	2024 RM'000
Issued and fully paid ordinary shares:				
At 1 January/ 31 December	4,526,608	999,190	4,526,608	999,190

Treasury shares

As at 31 December 2025, the Company held a total of 152,756,700 (2024: 162,306,700) of its 4,526,608,066 (2024: 4,526,608,066) issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM146,172,000 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

36. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN

On 16 January 2025, the Company established a ten-year Long-Term Incentive Plan ("LTIP") for eligible persons of the Group. The LTIP is an equity-settled share-based incentive scheme involving the award of existing ordinary shares of the Company, including treasury shares, to selected eligible participants at no cash consideration, subject to performance and service conditions.

Features of LTIP:

a) Maximum number of KPJ Shares available under the LTIP

The maximum number of KPJ Shares, which may be made available pursuant to the LTIP shall not exceed in aggregate three-point five percent (3.5%) of the total number of issued KPJ shares (excluding treasury shares, if any) at any point in time over the LTIP period.

b) Basis of allocation and maximum allowable allocation

The aggregate number of KPJ shares that may be offered or allocated under the LTIP to any eligible person shall be determined at the sole and absolute discretion of the LTIP Committee, taking into account factors such as the eligible person's seniority, job grade, performance, length of service, contribution to the Group, and any other factors the LTIP Committee may deem appropriate.

The LTIP Committee may, at its discretion, determine whether the total number of shares available under the LTIP shall be allocated as a single grant or in multiple staggered grants over the duration of the LTIP.

Cap on major shareholders: Not more than ten percent (10%) of the total number of shares made available under the LTIP may be allocated to any eligible person who, individually or together with connected persons (as defined in the Listing Requirements), holds twenty percent (20%) or more of the Company's issued share capital (excluding treasury shares, if any).

Eligible persons shall not participate in deliberations or decisions regarding their own allocations or allocations to persons connected with them.

The aggregate number of shares allocated under the LTIP shall at all times comply with the listing requirements, any prevailing guidelines issued by Bursa Malaysia Securities, and other applicable regulatory requirements, as amended from time to time.

c) Eligibility

In respect of an employee and director, the following criteria must be fulfilled as at the award date:

(i) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
(ii) is employed by the Group on a full-time basis or under an employment contract within the Group, and is on the payroll of any company within the Group;
(iii) must have been in employment of the Group for such period as may be determined by the LTIP Committee prior to and up to the award date;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

36. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (CONTINUED)

c) Eligibility (continued)

In respect of an employee and director, the following criteria must be fulfilled as at the award date: (continued)

(iv) he/she has not served a notice of resignation or received notice of termination or has otherwise ceased or had his/her employment terminated; and
(v) fulfils any other criteria determined by the LTIP Committee.

In respect of a director, the director must also fulfil the following criteria as at the award date:

(i) has been appointed as director of the Group for such period as determined by the LTIP Committee prior to and up to the award date and has not served a notice of resignation or received a notice of termination.

d) Duration and termination of the LTIP

The LTIP shall be in force for a period of ten (10) years from the effective date of implementation. Any LTIP awards which have not vested (whether fully or partially) upon expiry shall automatically lapse and be deemed null and void.

Subject to compliance with the Main Market Listing Requirements of Bursa Securities and other relevant authorities, the LTIP may be terminated at any time before the expiry date by the LTIP Committee, with an immediate announcement to Bursa Securities.

e) Ranking and rights of shares under the LTIP

Shares transferred pursuant to the vesting of the LTIP awards shall, upon transfer, rank pari passu in all respects with the existing ordinary shares of the Company.

Prior to the vesting and transfer of the LTIP awards, the LTIP participants shall not be entitled to any voting rights, dividends, rights issues, allotments or other distributions attaching to the KPJ Shares.

f) Restrictions on Transfer

The KPJ Shares allotted or transferred to LTIP participants upon vesting shall not be subject to any retention period or transfer restriction, except as required by the listing requirements, the By-Laws, or as may be determined by the LTIP Committee at its sole discretion.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

36. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (CONTINUED)

The Company implemented the LTIP with effect from 8 May 2025, after having obtained all required approvals and complied with the requirements pertaining to the LTIP.

The LTIP comprises Restricted Share ("RS") and Performance Share ("PS") grants. The RS Grants vest in three (3) equal tranches over a three-year vesting period, subject primarily to continued service. The PS Grants vest as a single tranche at the end of the three-year vesting period upon the achievement of the applicable performance conditions.

a) The total number of the RS and PS granted for the Company, percentage of shares to be vested and the vesting period are as follow:

			Entitlement over the Company's Shares	
Type of Share	Grant Date	Vesting Date	Number of Shares Granted	Share price at grant date RM/unit
RS				
Grant 1 - Tranche 1	8 May 2025	8 May 2026	479,600	2.93
Grant 1 - Tranche 2	8 May 2025	8 May 2027	479,600	2.93
Grant 1 - Tranche 3	8 May 2025	8 May 2028	477,600	2.93
PS				
Grant 1	8 May 2025	8 May 2028	2,487,600	2.93

b) The movements during the financial year in respect of the number of RS and PS of the Company granted to employees are as follows:

	At 1.1.2025	Granted	Vested	Forfeited	At 31.12.2025
Grant 1					
RS - Tranche 1, 2 & 3	-	1,436,800	-	(135,600)	1,301,200
PS	-	2,487,600	-	(288,800)	2,198,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

36. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (CONTINUED)

c) The fair value of the RS and PS granted in which MFRS 2 Share-based Payments applies, were estimated using the Monte Carlo simulation model. The significant inputs in the model are as follows:

	Grant 1	
	RS	PS
Grant date	8-May-25	8-May-25
Vesting date		8-May-28
- Tranche 1	8-May-26	N/A
- Tranche 2	8-May-27	N/A
- Tranche 3	8-May-28	N/A
Fair value at grant date		RM2.16
- Tranche 1	RM2.52	
- Tranche 2	RM2.47	
- Tranche 3	RM2.42	
Share price at grant date	RM2.93	RM2.93
Expected volatility	27.16%	27.16%
Expected dividend yield	1.77%	1.77%
Risk-free interest rate (Yield of Malaysian Government Securities)	2.94%	3.19%

d) The amounts recognised in the Statement of Comprehensive Income included in note 11 and 12 for all employees arising from the RS and PS are summarised as below:

	Company RM'000
Restricted Shares	1,281
Performance Shares	1,031

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

37. OTHER RESERVES (NON-DISTRIBUTABLE)

	Merger reserve (Note a) RM'000	Exchange reserve (Note b) RM'000	Revaluation reserve (Note c) RM'000	LTIP* reserve (Note d) RM'000	FVOCI reserve (Note e) RM'000	Total RM'000
Group						
At 1 January 2025	(3,367)	4 ,141	227,866	-	814	229,454
Other comprehensive income ("OCI"):						
Group OCI:						
- Currency translation differences of foreign subsidiaries	-	(4,946)	-	-	-	(4,946)
- Net revaluation surplus	-	-	21,648	-	-	21,648
- Fair value gain on equity instrument classified as FVOCI	-	-	-	-	189	189
Total Group's OCI	-	(4,946)	21,648	-	189	16,891
Share of OCI from associates:						
- Currency translation differences	-	(3,357)	-	-	-	(3,357)
- Fair value loss on equity instrument classified as FVOCI	-	-	-	-	(548)	(548)
Total share of associates' OCI	-	(3,357)	-	-	(548)	(3,905)
Total other comprehensive income	-	(8,303)	21,648	-	(359)	12,986
Transactions with Owners:						
LTIP expenses during the financial year	-	-	-	2,312	-	2,312
At 31 December 2025	(3,367)	(4,162)	249,514	2,312	455	244,752

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

37. OTHER RESERVES (NON-DISTRIBUTABLE) (CONTINUED)

	Merger reserve (Note a) RM'000	Exchange reserve (Note b) RM'000	Revaluation reserve (Note c) RM'000	FVOCI reserve (Note e) RM'000	Total RM'000
Group (continued)					
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 gain 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 loss 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

* "LTIP" refers to long-term incentive plan

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

37. 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	
	2025 RM'000	2024 RM'000
At 1 January	227,866	228,267
Revaluation surplus, net of tax	21,648	22
Disposal of interest in subsidiaries	-	(423)
At 31 December	249,514	227,866

The revaluation reserve represents surplus from the revaluation of the Group's land and buildings.

d) LTIP Reserve represents the cumulative equity component recognised for the Company's equity-settled long-term incentive plan, arising from share-based payment expenses recognised in profit or loss as employees render services over the vesting period, as disclosed in Note 37.

e) FVOCI reserve used to record the gain or loss arising from subsequent measurement of financial assets classified as FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. 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.

a) Significant related party transactions

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group and Company				
Rental paid to an associate*	117,951	110,802	-	-
Management fee from subsidiaries	-	-	139,938	98,273
Dividend received (net) from subsidiaries	-	-	267,487	257,878
Interest income from subsidiaries	-	-	31,999	31,781
Interest expense to subsidiaries	-	-	17,859	18,037
Dividends received and receivables from associates	19,604	22,297	1,934	2,182

* Al-Aqar Healthcare REIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

a) Significant related party transactions (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Johor Corporation group of companies				
Housekeeping contract fees	36,667	26,954	-	-
Contract management and advisory service rendered	23,540	12,780	-	-
Security service fees	7,393	-	-	-
Medical service rendered	1,250	990	-	-
Contribution to Klinik Waqaf An-Nur	3,097	3,120	-	19
Car park rental income	4,540	3,382	-	-
Rental fees to Damansara REIT	9,034	9,117	-	-
Rental fees to Al-Salam REIT	2,340	2,332	-	-
Building management service fees	7,542	10,197	-	-
Training and seminar	-	1	-	-
Secretarial fee	220	231	-	-
Building management service income	621	90	-	-
Consultants' car park fees	889	609	-	-
Registrar fees	-	-	-	211
Subscription fees for Human Resources application	4,571	11,943	-	367
Dividend paid	-	-	184,610	81,493

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

a) Significant related party transactions (continued)

Management fees charged to subsidiaries are in respect of operational and administrative function of the subsidiaries which are performed by employees of the Company.

Information regarding outstanding balances arising from related party transactions as at the financial year end are disclosed in Note 26 and 29.

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:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 12)	10,352	6,982	10,154	6,793
Salaries, allowances and bonuses	13,716	7,469	13,716	7,469
Contributions to defined contribution plan	2,057	904	2,057	904
Benefits-in-kind	207	133	207	133
Long-term incentive plan ("LTIP")	706	-	706	-
	1,628,215	1,676,258	172,527	222,461

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

39. 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.

40. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:

	Group	
	2025 RM'000	2024 RM'000
Approved by the Directors and contracted	239,691	104,935
Approved by the Directors but not contracted	262,744	373,688
	502,435	478,623
Analysed as follows:		
- Buildings	59,177	109,637
- Medical equipment	178,347	162,800
- Other property, plant and equipment	264,911	206,186
	502,435	478,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

41. 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 and Australia, a private university and colleges of nursing and allied health and other similar activities in Malaysia, none of which are individually significant to warrant separate disclosure per quantitative thresholds required by MFRS 8.

Discontinuing operations

(i) Australia – Provision of aged care services, where the divestment was completed on 31 January 2024.

(ii) Bangladesh - Provision of hospital services, where the disposal was completed on 19 June 2025.

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 2025 (CONTINUED)

41. SEGMENTAL REPORTING (CONTINUED)

					Adjustment and elimination RM'000	Subtotal RM'000	Discontinued operations RM'000	Total RM'000
31 December 2025								
Revenue								
Revenue from external customers	4,203,347	58,543	4,261,890		(3,467)	4,258,423	9,937	4,268,360
Results								
Gain on disposal of shares in subsidiary	3,211	-	3,211		-	3,211	-	3,211
Gain on fair value of investment properties	7,203	-	7,203		-	7,203	-	7,203
Net impairment loss	(13,065)	-	(13,065)		-	(13,065)	-	(13,065)
Loss on disposal on PPE	(2,744)	(81)	(2,825)		-	(2,825)	-	(2,825)
Depreciation and amortisation	(302,075)	(8,748)	(310,823)		479	(310,344)	(462)	(310,806)
Finance costs (net)	(163,932)	(10,619)	(174,551)		1,319	(173,232)	-	(173,232)
Share of results of associates	26,007	22,748	48,755		-	48,755	-	48,755
Profit tax before tax	552,634	10,906	563,540		(178)	563,362	170	563,532
Tax	(161,948)	130	(161,818)		-	(161,818)	(264)	(162,082)
Profit/(loss) after tax	390,686	11,036	401,722		(178)	401,544	(94)	401,450
EBITDA*	1,018,641	30,273	1,048,914		(1,976)	1,046,938	632	1,047,570
Total assets	7,940,955	263,903	8,204,858		(159,633)	8,045,225	-	8,045,225
Total liabilities	4,825,973	373,443	5,199,416		(159,207)	5,040,209	-	5,040,209
Additions to property, plant and equipment	333,500	5,002	338,502		-	338,502	537	339,039

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

41. SEGMENTAL REPORTING (CONTINUED)

				Adjustment and elimination RM'000	Subtotal RM'000	Discontinued operations RM'000	Total RM'000
31 December 2024 (Restated)							
Revenue							
Revenue from external customers	3,853,949	48,388	3,902,337	(3,120)	3,899,217	29,135	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
Net impairment loss	(8,091)	-	(8,091)	-	(8,091)	-	(8,091)
(Loss)/Gain on disposal on PPE	(477)	14	(463)	-	(463)	-	(463)
Depreciation and amortisation	(273,014)	(8,447)	(281,461)	479	(280,982)	(1,177)	(282,159)
Finance costs (net)	(164,646)	(10,467)	(175,113)	189	(174,924)	(311)	(175,235)
Share of results of associates	28,658	20,704	49,362	-	49,362	-	49,362
Gain on disposal of assets held for sale	-	-	-	-	-	43,472	43,472
Profit tax before tax	540,632	(7,573)	533,059	(1,261)	531,798	41,635	573,433
Tax	(165,717)	(207)	(165,924)	-	(165,924)	(266)	(166,190)
Profit/(loss) after tax	374,915	(7,780)	367,135	(1,261)	365,874	41,369	407,243
EBITDA*	978,292	11,341	989,633	(1,929)	987,704	43,123	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	2,340	404,428	-	404,428	1,386	405,814

* Earnings before interest, tax, depreciation and amortisation ("EBITDA")

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

41. SEGMENTAL REPORTING (CONTINUED)

	Group	
	2025 RM'000	2024 RM'000
Reconciliation of profit before tax (continuing operations)		
Segment profit before tax	563,540	563,540
Intercompanies	(178)	(1,261)
Profit before tax (continuing operations)	563,362	531,798
Reconciliation of assets		
Segment total assets	8,204,858	7,576,087
Intercompanies	(159,633)	(172,846)
Total assets	8,045,225	7,403,241
Reconciliation of liabilities		
Segment total liabilities	5,199,416	4,838,489
Intercompanies	(159,207)	(172,846)
Total liabilities	5,040,209	4,665,643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

42. 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 and Malaysia.

The legislation is 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 2025 have been carried out for jurisdictions where the Group operates. Based on the Transitional Country-by-Country Report Safe Harbour assessment and the Pillar Two calculations carried out, all jurisdictions are able to rely on the transitional safe harbour relief or there is no Top-up Tax arising based on the full GloBE computation 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.

43. RESTATEMENT

The comparatives in consolidated statement of comprehensive income and related notes have been restated to re-present operations that have been discontinued by the end of current financial year. Details of discountinud operations are as disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

41. SEGMENTAL REPORTING (CONTINUED)

	Group	
	2025 RM'000	2024 RM'000
Reconciliation of profit before tax (continuing operations)		
Segment profit before tax	563,540	563,540
Intercompanies	(178)	(1,261)
Profit before tax (continuing operations)	563,362	531,798
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Segment total assets	8,204,858	7,576,087
Intercompanies	(159,633)	(172,846)
Total assets	8,045,225	7,403,241
Reconciliation of liabilities		
Segment total liabilities	5,199,416	4,838,489
Intercompanies	(159,207)	(172,846)
Total liabilities	5,040,209	4,665,643

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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43. RESTATEMENT

The comparatives in consolidated statement of comprehensive income and related notes have been restated to re-present operations that have been discontinued by the end of current financial year. Details of discountinud operations are as disclosed in Note 14.

SHARIAH SCREENING DISCLOSURES

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/ Paragraph 9.41(b) of the MAIN Market Listing Requirements/ Rule 9.25A of the ACE Market Listing Requirements/ Rule 6.13A of the LEAP Market Listing Requirements]*, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Remarks	Group 2025 RM'000	Group 2024 RM'000
Revenue		4,258,423	3,899,217
Other income		42,532	27,310
Finance income		21,129	22,097
Share of result of associates		48,755	49,362
Total		**4,370,839**	**3,997,986**
Total Assets		**8,045,225**	**7,403,241**

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2025 RM'000	Group 2024 RM'000
Finance income	Conventional	143	107
Total		**143**	**107**

(C) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2025 RM'000	Group 2024 RM'000
Deposits with licensed bank		193,219	111,777
Cash and bank balances		789,113	490,526
Total		**982,332**	**602,303**

(C) Component of Financial Position (continued)

(i) Cash Component (continued)

Islamic Account/Instruments	Remarks	Group 2025 RM'000	Group 2024 RM'000
Conventional Account/Instruments			
Deposits with licensed bank		1,511	1,285
Cash and bank balances		22,447	10,388
Total		**23,958**	**11,673**

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 RM'000	Group 2024 RM'000
Current			
Term Financing		23,011	34,904
Islamic hire purchase payables		25,950	19,338
Revolving credit and financing		212,000	260,500
Other Islamic financing facility	Overdraft	7,608	14,209
Non-Current			
Term financing		85,066	103,691
Islamic Hire purchase payables		69,562	38,557
Islamic medium-term notes		1,205,000	1,205,000
Total		**1,628,197**	**1,676,199**

Conventional Borrowing	Remarks	Group 2025 RM'000	Group 2024 RM'000
Current			
Hire purchase payables		18	41
Non-Current			
Hire purchase payables		-	18
Total		**18**	**77**

Stories of Excellence

Care, Where It Is Needed Most

Some of the most important work in healthcare happens far from the hospital. It happens on a kerb, beside a market, in the quiet corners of cities where the people who need care most are often the least able to seek it. This is the work that Klinik Waqaf An-Nur, KWAN, has been doing since 1998 as the flagship Corporate Social Responsibility initiative of KPJ Healthcare.

In nearly three decades, KWAN has delivered care to more than 2.2 million patients across Malaysia through a network of eight static clinics, eight dialysis centres and nine mobile clinics. Each visit is a quiet act of inclusion. Each consultation is a small refusal to let circumstance decide who deserves attention. The programme has been recognised with CSR Malaysia awards in 2023, 2024 and 2025, an affirmation of KWAN's standing as a credible, well-governed and genuinely impactful model of community healthcare.
The next chapter of that work is taking shape in Chow. Beginning 2025, in partnership with Bank Muamalat, the KWAN Mobile Clinic has run a fortnightly programme designed to bring primary healthcare directly to those most often left outside the system.

The programme has been built around the way these communities actually live, rather than the way clinics are usually structured. On any given visit, residents will be offered health screenings covering blood pressure, blood glucose, body mass index and hearing, alongside medical consultations, health education, and onward referral to KPJ hospitals and partner facilities when more specialised care is needed. Volunteers will engage with the community on its own terms, building the trust that turns a one-time encounter into a relationship.
Success will not be measured only by the number of screenings and consultations delivered, though those numbers will matter. It will also be measured by outreach engagement, by the rate of early detection of conditions that might otherwise have gone unnoticed for years, and by the feedback of the community itself. The aim is not simply to treat. It is to bridge the gaps that separate marginalised communities from the everyday healthcare most Malaysians take for granted, to support early detection and prevention, and to align longer-term care with sustainable risk-pooling schemes.

Excellence in healthcare is not only what happens inside a tertiary hospital. It is also what happens when a mobile clinic pulls up at Lorong Haji Taib at dusk, opens its doors, and treats every person who walks in as someone worth caring for.

7 Governance

- Corporate Information
- Company Secretary
- Corporate Structure
- Audit Committee Report
- Statement on Risk Management and Internal Control
- Group Medical Advisory and Clinical Governance Committee Report
- Compliance Information

CORPORATE INFORMATION

as at 31 March 2026

BOARD OF DIRECTORS

Chairman

TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR
Non-Independent Non-Executive Chairman

Members

DATO' MOHD REDZA SHAH BIN ABDUL WAHID
Senior Independent Non-Executive Chairman

KHAIRUDDIN BIN JAFLUS
Independent Non-Executive Director

Members (cont'd.)

HISHAM BIN ZAINAL MOKHTAR
Independent Non-Executive Director

LEE LAI FAN
Independent Non-Executive Director

SHAMSUL ANUAR BIN ABDUL MAJID
Non-Independent Non-Executive Director

ROZAINI BIN MOHD SANI
Non-Independent Non-Executive Director

PROF. EMERITUS DATO' DR. AZIZI BIN HAJI OMAR
Non-Independent Non-Executive Director

Members (cont'd.)

ANNIE BINTI ROSLE
Non-Independent Non-Executive Director

CHIN KEAT CHYUAN
President and Managing Director

NINA SAPURA BINTI RAHMAT
Alternate Director to Shamsul Anuar bin Abdul Majid
(Date of appointment: 14 May 2025)

SITI HAJAR BINTI MARHANI
Alternate Director to Rozaini bin Mohd Sani
(Date of appointment: 14 May 2025)

AUDIT COMMITTEE

Chairman

Dato' Mohd Redza Shah bin Abdul Wahid

Members

- Khairuddin bin Jaflus
- Hisham bin Zainal Mokhtar
- Rozaini bin Mohd Sani

RISK, SUSTAINABILITY & GOVERNANCE COMMITTEE

Chairman

Rozaini bin Mohd Sani
(Re-designated as Chairman w.e.f. 1 April 2025)

Members

- Khairuddin bin Jaflus
- Hisham bin Zainal Mokhtar
- Prof Emeritus Dato' Dr Azizi bin Haji Omar

WHISTLEBLOWING COMMITTEE

Chairman

Dato' Mohd Redza Shah bin Abdul Wahid

Member

Hisham bin Zainal Mokhtar

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Hisham bin Zainal Mokhtar
(Appointed as Chairman w.e.f. 1 April 2025)

Members

- Dato' Mohd Redza Shah bin Abdul Wahid
  (Re-designated as Member w.e.f. 1 April 2025)
- Lee Lai Fan
- Shamsul Anuar bin Abdul Majid
- Prof. Emeritus Dato' Dr. Azizi bin Haji Omar

TENDER COMMITTEE

Chairman

Khairuddin bin Jaflus

Members

- Dato' Mohd Redza Shah bin Abdul Wahid
- Lee Lai Fan
- Rozaini bin Mohd Sani
- Annie binti Rosle

INVESTMENT COMMITTEE

Chairman

Shamsul Anuar bin Abdul Majid
(Re-designated as Chairman w.e.f. 1 April 2025)

Members

- Dato' Mohd Redza Shah bin Abdul Wahid
- Hisham bin Zainal Mokhtar
  (Re-designated as Member w.e.f. 1 April 2025)
- Annie binti Rosle

LONG TERM INCENTIVE COMMITTEE

Chairman

Hisham bin Zainal Mokhtar
(Appointed as Chairman w.e.f. 1 April 2025)

Members

- Dato' Mohd Redza Shah bin Abdul Wahid
  (Re-designated as Member w.e.f. 1 April 2025)
- Lee Lai Fan
- Shamsul Anuar bin Abdul Majid
- Prof. Emeritus Dato' Dr. Azizi bin Haji Omar

REGISTERED OFFICE

KPJ Healthcare Berhad

Level 13, Menara KPJ
238, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

T (603) 2681 6222
F (603) 2681 6888

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

CORPORATE OFFICE

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

COMPANY SECRETARY

Hana binti Ab Rahim @ Ali

(MAICSA 7064336)
(SSM Practising Certificate 202408000758)

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
Tun Razak Exchange
55188 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 SECRETARY

Hana Binti Ab Rahim @ Ali

59 | Female | Malaysian

Date of Appointment: 1 February 2013

Academic / Professional Qualification

- Bachelor of Science in Economics, Oregon State University, United States of America
- Associate of General Studies, MARA Institute of Technology / Midwest University Consortium for International Activities, in collaboration with Indiana University, United States of America

Memberships

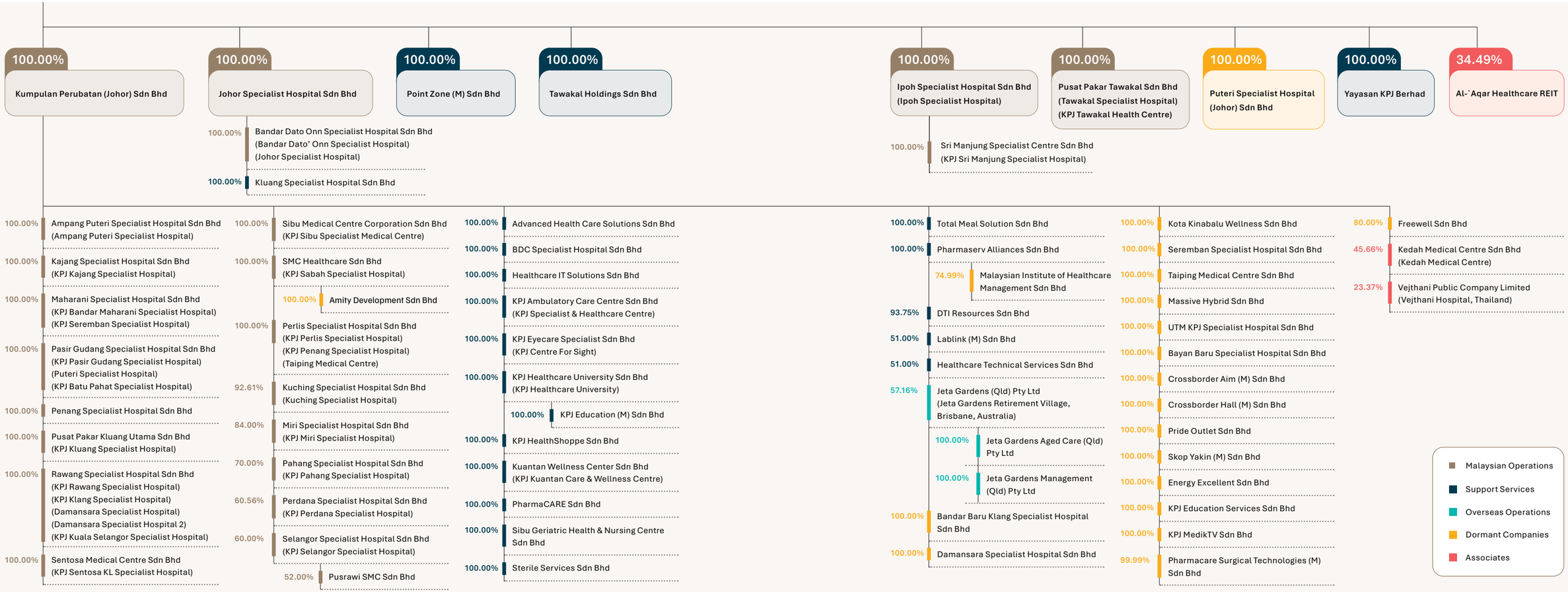
- Associate of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")

Present Directorship (s):

NIL

CORPORATE STRUCTURE

KPJ Healthcare Berhad



CORPORATE GOVERNANCE OVERVIEW STATEMENT

At KPJ Healthcare Berhad ("KPJ" or the "Company"), together with its subsidiaries (the "Group"), we firmly believe that strong and effective corporate governance is fundamental to delivering sustainable shareholder value, strengthening business integrity, maintaining investor confidence and achieving the Group's long-term objectives and vision.

The Board of Directors ("the Board"), Management and employees of the Group are fully committed to upholding the highest standards of corporate governance. We continuously review and enhance our governance practices and processes to ensure they remain relevant, effective and aligned with best practices. In doing so, the Group consistently upholds the core pillars of corporate governance, namely ethical conduct, accountability, transparency and sustainability.

The Board is committed to ensuring that the Group's Corporate Governance Model is aligned with and adheres to the following applicable laws, requirements and guidelines:

- the Companies Act 2016;
- the Malaysian Code on Corporate Governance ("MCCG");
- the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"); and
- the Bursa Securities Corporate Governance Guide.

In accordance with Paragraph 15.25 of the MMLR, the Board is pleased to present this Corporate Governance Overview Statement for the financial year ended 31 December 2025, which outlines the application of the following principles:

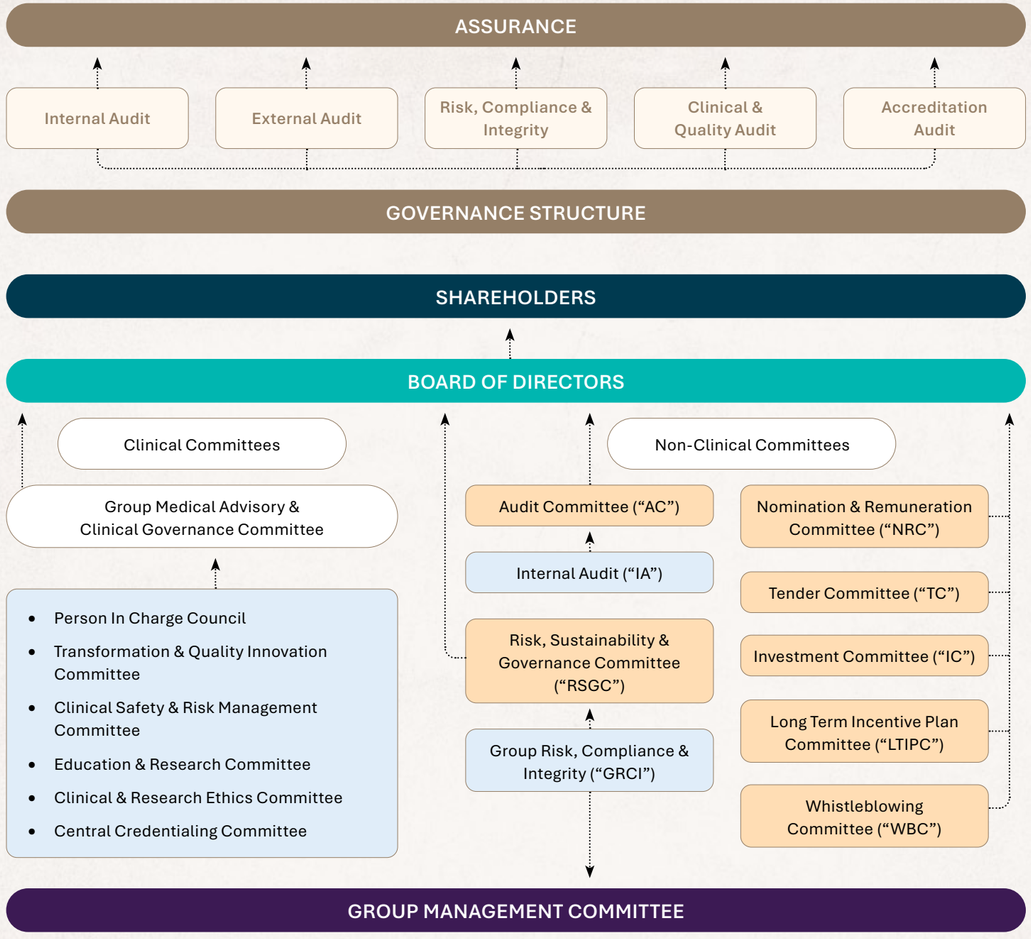
- Principle A – Board Leadership and Effectiveness;
- Principle B – Effective Audit and Risk Management; and
- Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Corporate Governance Overview Statement should be read together with the Corporate Governance Report 2025, which is available on the Company's website.
The KPJ Corporate Governance ("CG") Model is designed to ensure the orderly and effective discharge of the Board's roles and responsibilities. To support this, specific responsibilities of the Board are delegated to the relevant Board Committees, the President and Managing Director ("PMD") and various Management committees, in accordance with a clearly defined delegation structure, as illustrated at the end of this section.

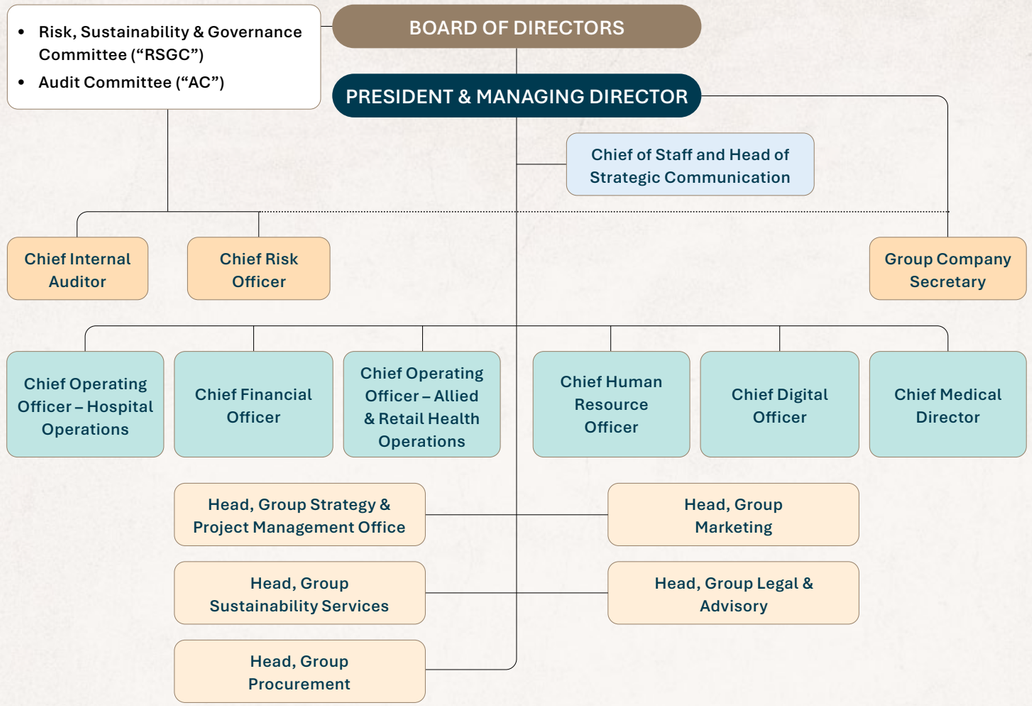
The Board has considered and taken guidance from the key CG Principles as set out in the MCCG. As at 31 December 2025, we have applied all the Practices in the MCCG, save for those disclosed in the CG Report.

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

CORPORATE GOVERNANCE MODEL



KPJ GROUP ORGANISATION STRUCTURE



The Board is supported by an experienced Senior Management team, each entrusted with clearly defined functional responsibilities to ensure effective execution of the Group’s strategies and day-to-day operations. The respective portfolios encompass key corporate and operational functions, including hospital operations, allied and retail health services, finance, medical and clinical governance, human capital management, strategy and business development, marketing, digital and information technology, sustainability, procurement and legal and regulatory affairs.

The delineation of responsibilities among Senior Management ensures accountability, appropriate segregation of duties and effective oversight across the Group’s operations. This structured governance framework supports sound decision-making, operational efficiency, risk management, regulatory compliance and the delivery of quality healthcare services, in line with the Group’s strategic objectives and stakeholder expectations.

PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

BOARD LEADERSHIP

During the financial year ended 31 December 2025, the Board continued to provide strong leadership and effective oversight in guiding the Company. All Directors contributed meaningfully to strategic direction-setting, governance, performance monitoring, resource allocation and regulatory compliance, leveraging their collective experience and expertise to discharge their duties and responsibilities in accordance with the Committees’ Terms of Reference (“TOR”).

A clear separation of roles and responsibilities between the Chairman of the Board, the PMD and the Non-Executive Directors (“NEDs”) remains firmly in place, in line with corporate governance best practices. This structure ensures an appropriate balance of power and authority, supports independent oversight and strengthens accountability across the Group.

Tan Sri Dato’ Sri Dr. Ismail bin Haji Bakar continues to serve as the Non-Independent Non-Executive Chairman of KPJ, providing leadership to the Board and overseeing the Group’s strategic direction, business affairs and governance. The PMD, Mr. Chin Keat Chyuan, is responsible for managing the Group’s operations and leading Management in implementing the strategies, policies and action plans approved by the Board. He maintains regular engagement with the Board on the Group’s performance, key developments and strategic matters, supported by the KPJ Group Management Committee (“KGMC”) and other management committees under the Group’s CG Model.

The Board continues to oversee the execution of the Group’s strategic objectives through the approved Balanced Scorecard, with the PMD and Senior Management accountable for delivery. Performance outcomes form the basis of Management’s evaluation.

The Company Secretaries support the Board by advising on the Company’s Constitution, the Companies Act 2016, Board policies and procedures, and compliance with applicable regulatory requirements. They also assist in maintaining the effectiveness of the Group’s CG model.

In addition, all Directors have unrestricted access to their advice and services to enable them to discharge their duties effectively.

BOARD OF DIRECTORS

Roles and Responsibilities

In 2025, the Board continued to provide effective leadership and oversight, ensuring that the Group is guided by sound governance principles and ethical conduct. Together with Management, the Board sets a strong tone from the top by promoting integrity, accountability and a culture of compliance across the organisation.

The Board remains mindful of its fiduciary duties and broader responsibilities to stakeholders, and systematically considers the impact of its decisions on patients, employees, shareholders, regulators and the wider community. Sustainability considerations are embedded into the Group’s strategy, governance framework and decision-making processes to support long-term value creation.

The Board also actively reinforces the Group’s C.A.R.E culture; Committed, Accountable, Respectful and Excellent, which underpins the Company’s values and behaviours. This culture guides organisational conduct and supports the delivery of safe, high-quality, patient-centric healthcare services.

Activities in 2025

- Reviewed and approved the Group's quarterly financial results;
- Reviewed and approved audited financial statements for financial year ended 2024;
- Reviewed and approved the quarterly Press Releases;
- 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 2024;
- Deliberated and approved the Group's Balanced Scorecard for the year 2025;
- 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 outcome of the Board Effectiveness Evaluation;
- 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;
- Oversight the Group's digital transformation including the implementation of the new Hospital Information System ("nHIS") and the integration with Enterprise Financial System;
- Reviewed principal risks facing the Group and the adequacy of mitigation measures;
- Deliberated on succession planning for Key Senior Management positions;
- Oversaw the development of the KPJ Health System as an integrated growth platform to drive sustainable value through clinical excellence, education and research;
- Deliberated and provided feedback on the Group's Strategic Planning 2026-2030;
- Reviewed and approved the Group's Budget for the year 2026; and
- Received updates on the proposed name and logo changes for flagship hospitals under the Group's rebranding exercise.

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

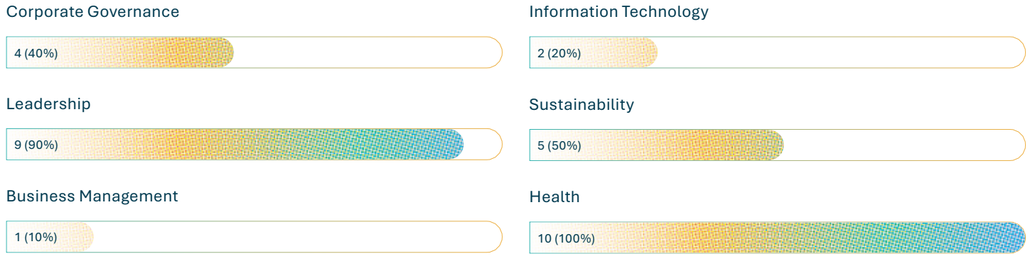
The Group has established clear policies to delineate the functions and responsibilities between the Board and Management, as well as between the Chairman and the PMD, ensuring the smooth operation of the Group's business. The roles and responsibilities are outlined in the Board Charter, which serves as a comprehensive reference document for Directors on matters relating to the Board and its processes. The Board Charter, available on the Company's website at: https://kpj.listedcompany.com/misc/board_charter.pdf

Continuing Education Programmes

NRC ensures that new Board Members undergo a structured orientation to familiarise them with the Company's governance framework, operations and responsibilities.

To support continuous professional development, Directors also participate in the Continuous Education Programme ("CEP"), attending training sessions and programs organised by internal and external providers. During 2025, Board members enhanced their knowledge and skills through various learning initiatives, as disclosed under Practice 2.1 of the CG Report.

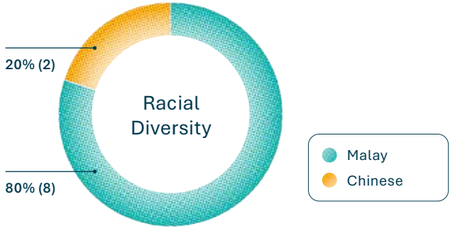
2025 Directors' Training Focus Areas (excluding Alternate Directors)

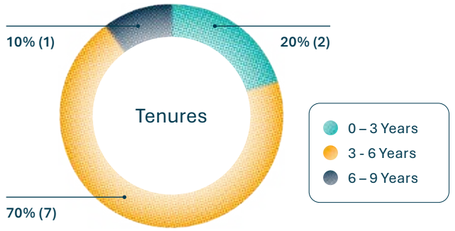


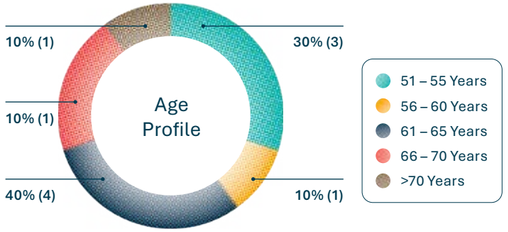
BOARD COMPOSITION

Board Diversity

The analysis on the composition of the Board as at 31 December 2025 (excluding Alternate Directors) was as follows:

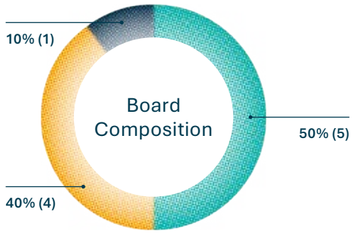


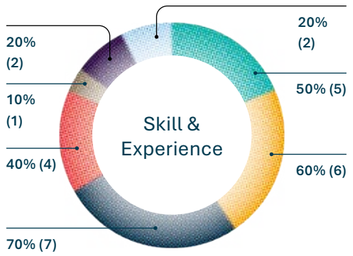




BOARD COMPOSITION (CONT'D)

Board Diversity (cont'd)





- Non-Independent Non-Executive Directors
- Independent Non-Executive Directors
- President and Managing Director
- Accounting & Audit
- Finance, Investment & Banking
- Corporate Governance, Risk & Internal Control
- ESG / Sustainability
- Legal & Regulatory
- Medicine/ Healthcare
- Marketing & Branding

The Board comprises a well-balanced mix of professionals with diverse expertise in business and operations, as well as key areas such as medical, risk, finance and investment. These competencies support the strategic direction of a growing organisation and guide sustainability considerations, including environmental, social and governance ("ESG") matters, in line with the Fit and Proper Policy for the Board, which is available on the Company's website. The current Board composition reflects a deliberate balance of skills, experience and diversity.

Profiles of all Board Members, including their qualifications, experience and areas of expertise, are disclosed in the Board Profile section under "Board of Directors" in the Integrated Annual Report 2025. During the financial year ended 31 December 2025, changes in the Boardroom included the resignation of Encik Mohamed Ridza bin Mohamed Abdulla on 18 February 2025 and the appointment of Puan Nina Sapura binti Rahmat as Alternate Director to Encik Shamsul Anuar bin Abdul Majid and Puan Siti Hajar binti Marhani as Alternate Director to Encik Rozaini bin Mohd Sani, both with effect from 14 May 2025. The Alternate Directors act on behalf of their respective Principal Directors in their absence, ensuring continuity in Board deliberations and decision-making. Where appropriate, they may also attend Board and Board Committee meetings as invitees. In discharging their duties, the Alternate Directors are subject to the same fiduciary duties, governance standards and regulatory obligations as the Principal Directors under the Companies Act 2016, the MMLR of Bursa Securities and other applicable laws.

The Board, through the NRC, conducts an annual evaluation of the Board, its Committees, individual Directors and the Chairman. This process assesses performance, independence of the Independent Directors, including the ability of Directors to exercise independent judgment at all times and forms the basis for recommendations on their re-election at the AGM. The current Board composition reflects a deliberate balance of skills, experience and diversity.

The Board is guided by KPJ's Diversity, Equity and Inclusion Policy. The Policy applies across all levels, including the Board and Senior Management, ensuring that selection and appointments will prioritise merit, skills, knowledge, expertise, experience, professionalism and integrity, regardless of gender, ethnicity, or age, with the goal of optimising organisational performance, efficiency and effectiveness.

MEETING CALENDAR 2025

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

Director	BOD	AC	TC	RSGC	NRC	IC	LTIP
Non-Independent Non-Executive Chairman							
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar	9/9	-	-	-	-	-	-
Independent Non-Executive Directors							
Dato' Mohd Redza Shah bin Abdul Wahid [a]	9/9	11/11	7/7	-	5/5	6/6	2/2
Mohamed Ridza bin Mohamed Abdulla [b]	1/1	-	-	1/1	1/1	1/1	-
Khairuddin bin Jaflus	9/9	11/11	7/7	6/6	-	-	-
Hisham bin Zainal Mokhtar [c]	9/9	9/11	-	5/6	3/3	5/6	-
Lee Lai Fan	9/9	-	7/7	-	5/5	-	2/2
Non-Independent Non-Executive Directors							
Shamsul Anuar bin Abdul Majid [d]	9/9	-	-	-	5/5	6/6	2/2
Rozaini bin Mohd Sani [e]	9/9	11/11	6/7	6/6	-	-	-
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar	9/9	-	-	6/6	5/5	-	2/2
Annie binti Rosle		-	6/7	-	-	5/6	-
President and Managing Director	9/9						
Chin Keat Chyuan		-	-	-	-	-	-
Alternate Directors	9/9						
Nina Sapura binti Rahmat [f] (Alternate Director to Shamsul Anuar bin Abdul Majid)	-	-	-	-	-	-	-
Siti Hajar binti Marhani [g] (Alternate Director to Rozaini bin Mohd Sani)	-	-	-	-	-	-	-

Chairman

Notes:
The WBC did not convene any meetings during the year 2025.
(a) Re-designated as a Member of the NRC and LTIP w.e.f. 1 April 2025.
(b) Resigned as Independent Non-Executive Director on 18 February 2025. Accordingly, ceased to be Chairman and Member of the RSGC as well as Member of the NRC, IC and LTIP on the same date. No LTIP meeting was convened prior to his resignation.
(c) Appointed as Chairman of the NRC and LTIP, and re-designated as a Member of IC w.e.f. 1 April 2025. No LTIP meeting was convened after his appointment.
(d) Re-designated as Chairman of the IC w.e.f. 1 April 2025.
(e) Re-designated as Chairman of the RSGC w.e.f. 1 April 2025.
(f)(g) Appointed as Alternate Directors w.e.f. 14 May 2025. Attended Board and Board Committee meetings (where their respective Principal Directors are members) as invitees.

BOARD REMUNERATION 2025

The Board has established a remuneration framework designed to attract, motivate and retain competent and experienced Directors. In 2025, the Board approved and adopted a formal Board Remuneration Policy to further strengthen governance and enhance transparency in remuneration practices. The Board is of the view that the current remuneration structure remains competitive and commensurate with the responsibilities, expertise and contributions of the Directors. The remuneration of NEDs comprises fixed annual fees and meeting allowances, reflecting their oversight role and level of commitment.

Director	Fees (RM)		Allowance (RM)		Salary (RM)	Bonus (RM)	Benefits-in-kind (RM)	Other emolument (RM)	Total (RM)
	Company*	Subsidiary	Company	Subsidiary					
Non-Independent Non-Executive Chairman									
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar	360,000	-	36,000	-	-	-	31,150	-	427,150
Independent Non-Executive Directors									
Dato' Mohd Redza Shah bin Abdul Wahid	270,000	40,000	109,000	9,000	-	-	-	-	428,000
Mohamed Ridza bin Mohamed Abdulla [(a)]	31,200	-	10,000	-	-	-	-	-	41,200
Khairuddin bin Jaflus	240,000	76,000	93,000	22,500	-	-	-	-	431,500
Hisham bin Zainal Mokhtar	258,000	-	86,000	-	-	-	-	-	344,000
Lee Lai Fan	198,000	-	51,000	-	-	-	-	-	249,000
Non-Independent Non-Executive Directors									
Shamsul Anuar bin Abdul Majid [(b)]	57,000	-	54,000	-	-	-	-	-	111,000
Rozaini bin Mohd Sani [(b)]	87,000	-	89,000	-	-	-	-	-	176,000
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar	234,000	40,000	65,000	10,000	-	-	-	252,000	601,000
Annie binti Rosle [(c)]	99,000	-	49,000	-	-	-	-	-	148,000
President and Managing Director									
Chin Keat Chyuan	-	-	-	-	2,702,400**	3,451,000**	77,564	699,333**	6,930,297
Alternate Directors									
Nina Sapura binti Rahmat (Alternate Director to Shamsul Anuar bin Abdul Majid)	-	-	-	-	-	-	-	-	-
Siti Hajar binti Marhani (Alternate Director to Rozaini bin Mohd Sani)	-	-	-	-	-	-	-	-	-

BOARD REMUNERATION 2025 (CONT'D)

Notes:
Meeting allowances were paid directly to all NEDs.
*Fee comprises Directors' fees and Committee fees.
**Inclusive of contribution to Employees Provident Fund ("EPF").
(a) Resigned as Independent Non-Executive Chairman on 18 February 2025.
(b) Fees comprised only Committee fees. Payment of Directors' fees for nominee Directors who represent and are employees of JCorp were paid directly to JCorp as Corporate Fee.
(c) 50% of the Directors' fees and Committees' fees for the nominee Director representing EPF were paid directly to EPF as Corporate Fee.

SENIOR MANAGEMENT

The Company experienced changes within its Senior Management team. The contracts of three (3) members reached their expiry during the year 2025:

- Chief Strategy Officer;
- Chief Marketing Officer; and
- Chief Medical Director.

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.

BOARD COMMITTEES

The Board is supported by several Board Committees established to enhance governance and enable effective oversight of specific functions and responsibilities. Each Committee operates in accordance with its respective TOR approved by the Board, that clearly outline its authority and responsibilities.

The Chairman of each Committee reports to the Board on key deliberations and recommendations arising from their meetings. The TOR are reviewed periodically to ensure they remain relevant and aligned with the Company's strategic objectives and regulatory requirements. While certain responsibilities are delegated to the Committees, the Board retains overall accountability for all decisions.

Despite the delegation of responsibilities, the ultimate decision-making authority remains with the Board. In the year 2025, the Board was supported by the following eight (8) Committees:

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;
7. Whistleblowing Committee; and
8. Long-Term Incentive Plan Committee

Nomination and Remuneration Committee

Chairman

Hisham Bin Zainal Mokhtar (1)
Independent Non-Executive Director

Member

Dato' Mohd Redza Shah Bin Abdul Wahid (2)
Senior 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

Mohamed Ridza bin Mohamed Abdulla (3)
Independent Non-Executive Director

Notes:
(1) Appointed as Chairman w.e.f. 1 April 2025.
(2) Re-designated as a Member w.e.f. 1 April 2025.
(3) Ceased as a Member w.e.f. from 18 February 2025.

The NRC plays a pivotal role in supporting the Board by overseeing both Board composition and remuneration governance, ensuring a strong leadership framework that advances KPJ Group's strategic objectives. The Committee is entrusted with ensuring that the governance of nomination and remuneration aligns with the KPJ Group's strategic objectives, regulatory requirements and long-term sustainability. The Committee meets quarterly and works closely with the PMD, company secretaries and Group Human Resource Management ("GHRM") to uphold 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 and align with the Group's strategic direction.
   - Manages succession planning for the Board and key leadership roles, ensuring continuity of leadership and talent sustainability.
   - Conducts annual Board Effectiveness Evaluations ("BEE") to assess overall performance and identify competency gaps.

2. **Remuneration & Reward**
   - Develops competitive and attractive remuneration policies for Non-Executive Directors and Senior Management.
   - Aligns remuneration with industry benchmarks, shareholder value, short term and long-term business objectives.
   - Implements pay-for-performance incentives to attract, retain while balancing shareholder interests with retention of high caliber talent.
   - Administers the remuneration and reward strategy for Senior Management at its discretion, in line with the powers and authority set out in its TOR and the By Laws.

3. **Governance & Compliance**
   - Ensures adherence to Bursa Securities Listing Requirements, MCCG, and other regulatory frameworks.
   - Enhances Board operations by promoting greater transparency and improving decision making efficiency.
   - Oversees the Board Performance Improvement Programme, driving continuous enhancement of governance impact.

Key activities in 2025

The NRC diligently executed its mandate in line with its TOR, the MCCG and Bursa Securities Listing Requirements. The Committee considered, reviewed and where applicable, made formal recommendations to the Board on the following key areas:

1. **Board Composition & Leadership Succession**
   - Reviewed the overall size and composition of the Board and its Committees;
   - Reviewed and recommended Board Committee's TOR for Board's approval;
   - Reviewed and recommended for Board's approval, the establishment of LTIP Committee to support KPJ Group's implementation of LTIP for its top executives and key talents for successful long-term strategy execution;
   - Assessed and recommended the re-election of retiring directors to the Board for shareholders approval at the AGM;
   - Reviewed the membership and compositions of KPJ's Directors in subsidiary and associated companies; and
   - Reviewed the succession plan for the Board and its Committees.

2. **Nomination and Succession Planning of Pivotal Positions**
   - Reviewed and assessed potential candidates (internal and external talents) for pivotal positions;
   - Reviewed the framework succession planning and development for pivotal positions; and
   - Successfully developed internal candidates for the position of Head of Internal Audit, identified as the final successor to be appointed in 2026 following retirement of the current incumbent.

3. **Remuneration**
   - Review the adoption of Board Remuneration Policy and Framework for Board's approval to enhance transparency in remuneration disclosure, promote consistency in managing Directors' remuneration, while ensuring compliance with regulatory requirements and alignment with best practices;
   - Reviewed the annual performances of PMD and incumbents in pivotal positions for year 2024, with feedbacks and coaching for elevated 2025 performances;
   - Reviewed and approved compensation pay-mix for top executive positions for market competitiveness and to incorporate long-term strategy implementation and drive;
   - Guided the establishment of LTIP for pivotal positions and emerging talents to align Group's long-term strategy and rewards, set eligibility criteria and recommended the 2025 LTIP Grant for Board approval; and
   - Reviewed and recommended for Board approval, KPJ's framework on Mutual Separation Scheme based on manpower optimisation target and efficient operations driven by digitalisation.

4. **Board Effectiveness Evaluation**
   - Reviewed the results of the BEE exercise for Year of Assessment ("YA") 2024 and deliberated the results with Chairman and Board to formulate follow-up action plans;
   - Considered the implementation and scope for the YA2025 BEE by an external independent consultant, ensuring objectivity and comprehensive scope; and
   - Assessed the YA2024 Results and identified improvement plans.

5. **Governance**
   - Deliberated on the conduct of the 32nd AGM ensuring compliance with relevant guidelines and best practices;
   - Updated the status of Directors' continuing education programs in compliance with the Board Training Plan ("BTP"); and
   - Reviewed and recommended for Board approval, a structural realignment for abolishment of GMACGC and for the transfer of its clinical governance function to the management's operational leadership under the Chief Medical Director ("CMD") with the Board maintaining its oversight over clinical risks through the existing Board's RSGC. This enhances governance integrity closer to business operations and ensure alignment with best practices in corporate governance and healthcare management.

The diligent and proactive efforts of the NRC in 2025 have reinforced a robust governance foundation, which is essential for the KPJ Group's sustained success and resilience. The Committee remains unwavering in its commitment to upholding the highest standards of integrity, accountability and transparency. Aligned with the Group's strategic vision and ethical values, the NRC will continue to drive KPJ's journey toward sustainable growth and operational excellence. We are dedicated to nurturing high-quality human capital that reflects these principles, thereby solidifying the KPJ Group's position as a trusted leader in the healthcare industry.

Investment Committee

Chairman

Shamsul Anuar Bin Abdul Majid (1)
Non-Independent Non-Executive Director

Member

Hisham Bin Zainal Mokhtar (2)
Independent Non-Executive Director

Dato' Mohd Redza Shah Bin Abdul Wahid
Senior Independent Non-Executive Director

Annie Binti Rosle
Non-Independent Non-Executive Director

Mohamed Ridza bin Mohamed Abdulla (3)
Independent Non-Executive Director

Notes:
(1) Re-designated as Chairman w.e.f. 1 April 2025.
(2) Re-designated as a Member w.e.f. 1 April 2025.
(3) Ceased as a Member w.e.f. from 18 February 2025.

Roles and Responsibilities

Review and recommend to the Board on matters pertaining to KPJ's core operations, investment portfolio, strategic initiatives, potential investments, acquisitions, divestments and other value creation plans and ensure they are in line with Group's short and long-term objectives, in accordance with the Committee's TOR.

Activities in 2025

- 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;
- Reviewed the Group's portfolio of investments as well as appropriateness of capital allocation;
- Emphasised the evaluation of investment requirements to achieve targeted returns and enhance operational efficiency;
- Deliberated 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 the Group's long term strategic objectives; and
- Carried out post-implementation evaluations of the investments undertaken.

Tender Committee

Chairman

Khairuddin Bin Jaflus
Independent Non-Executive Director

Member

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 TC is a Board-mandated committee established to support the execution of the Board's strategy in strengthening procurement governance across KPJ.

The Committee serves as an overarching governance mechanism to ensure the centralisation of procurement activities across the Group, the consistent application of procurement policies and adherence to the approved authority limits. Through this role, the TC promotes fair and transparent procurement practices, ensuring that tender evaluations are conducted based on consistent governance standards, whilst delivering value-for-money.

The Committee evaluates and deliberates procurement proposals submitted by Management and approves tenders within its delegated authority. For procurement proposals exceeding its approval limits, the Committee reviews the submissions and makes recommendations to the Board for approval.

Activities in 2025

During the financial year 2025, the TC focused on reinforcing corporate procurement governance across the Group through structured oversight of procurement proposals presented by Management.

The Committee deliberated procurement proposals covering both capital and operational requirements, ensuring that decisions were aligned with approved procurement policies, authority limits, budgetary provisions and governance standards. In carrying out its responsibilities, the Committee emphasised disciplined decision-making and consistency in procurement practices across hospitals and support companies.

The Committee oversaw key matters related to the procurement for the Group, driving significant achievements, including:

- Oversight of significant procurement activities across the Group, encompassing both capital expenditure ("CAPEX") and operational expenditure ("OPEX"), to support operational sustainability, business growth and strengthened financial governance;
- Approval of key technology-enabled initiatives, supporting the Group's digital enablement objectives, including enterprise platforms and service models to enhance operational efficiency, scalability and governance;
- Approval of the appointment of project consultants for hospital development projects, to support capacity expansion in alignment with the Group's long-term growth strategy; and
- Monitoring the implementation of high-value or complex procurement initiatives, with focus on financial and cost considerations and the timeliness of deliverables, to identify material risks or variances that may impact approved budgets or business objectives, while providing governance-level oversight and assurance.

Long-Term Incentive Plan Committee

Chairman

Hisham Bin Zainal Mokhtar (1)
Independent Non-Executive Director

Member

Dato' Mohd Redza Shah Bin Abdul Wahid (2)
Senior 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

Mohamed Ridza bin Mohamed Abdulla (3)
Independent Non-Executive Director

Notes:
(1) Appointed as Chairman w.e.f. 1 April 2025.
(2) Re-designated as a Member w.e.f. 1 April 2025.
(3) Ceased as a Member w.e.f. from 18 February 2025.

Roles and Responsibilities

The duties and responsibilities of the LTIP Committee are as set out in the approved KPJ LTIP By-Laws which include amongst others:

- To exercise all the powers and undertake the duties and responsibilities stated in the LTIP By-Laws;
- To report its activities including how it has discharged its responsibilities to the Board on a regular basis and promptly provide to the Board copies of the minutes of meetings of the LTIP Committee;
- To arrange for periodic reviews of its own performance, constitution and TOR to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- To act in line with the directions of the Board; and
- To consider and examine such other matters as the LTIP Committee considers appropriate.

Activities in 2025

The Board had approved the formation of LTIP Committee to implement and administer KPJ LTIP program in accordance to the LTIP's By-Laws in September 2024.

Following that, an Extraordinary General Meeting ("EGM") of KPJ was held on 28 February 2025 where the shareholders approved the allocation of KPJ's existing ordinary shares to PMD under the LTIP program.

The LTIP Committee convened its first meeting in March 2025 to deliberate on the LTIP consideration for the remaining top executives and selected talents. During the meeting, the LTIP grant and vesting criteria were reviewed and endorsed, and the 2025 LTIP grant eligibility criteria and quantum for individual recipients were approved.

The LTIP Committee met twice in 2025 for the above deliberation, and it was agreed that it will reconvene only in the event of material changes arising from stakeholder engagements or technical reviews; otherwise, the next meeting will be held in 2026 for the vesting exercise.

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

Audit Committee

Chairman

Dato' Mohd Redza Shah Bin Abdul Wahid
Senior Independent Non-Executive Director

Member

Khairuddin Bin Jaflus
Independent Non-Executive Director

Hisham Bin Zainal Mokhtar
Independent Non-Executive Director

Rozaini Bin Mohd Sani
Non-Independent Non-Executive Director

The AC comprises four (4) members, consisting of one (1) Senior Independent Non-Executive Director, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Collectively, the AC members possess the relevant qualifications, experience and expertise to effectively discharge their roles and responsibilities.

All members are financially literate and are able to understand matters relating to financial reporting. This enables the AC to undertake informed deliberations and provide effective oversight of the integrity of the Group's financial reporting process.

The company secretaries coordinates the scheduling of AC meetings in advance to align with the Group's financial reporting and governance calendar.

Roles and Responsibilities

The AC assists the Board in fulfilling its oversight responsibilities in relation to financial reporting, internal controls, risk management and the effectiveness and independence of the internal and external audit functions.

In performing its duties, the AC promotes transparency, accountability and integrity in the Group's governance processes. The AC also provides independent assurance to the Board on the adequacy and effectiveness of the Group's financial reporting framework and internal control environment.

A key focus of the AC is to ensure that the External and Internal Audit functions remain independent, objective and adequately resourced to effectively carry out their respective mandates.

Activities in 2025

Financial Reporting Oversight

- 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 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 2025 and reviewed the Management Letter, together with the Management's response to the issues raised by the External Auditors on their review of KPJ operations and internal control system; and
- 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.

Oversight of External Audit

- Reviewed the 2025 External Audit Plan on the scope and focus area of the External Auditors;
- Reviewed and monitored the non-audit services provided by the External Auditors to ensure that their independence and objectivity were not impaired; and
- Assessed the performance, effectiveness and independence of the External Auditors prior to recommending their re-appointment and remuneration to the Board.

Related Party Transactions

- Reviewed the Group's 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 in relation to the Renewal of Shareholders' Mandate and Additional Mandates for RRPT amount transacted during the year; and
- Periodically reviewed the RRPTs that were mandated and transactions against the mandated amount and ensuring these transactions were within the mandated amount.

Internal Audit and Internal Control

- Reviewed and approved the Internal Audit Services Key Performance Indicators ("KPI") 2025 targets;
- Reviewed the Internal Audit Plan for 2026 and its budget to ensure that high-risk auditable areas are being covered in the audit scope;
- Reviewed the performance of the Chief Internal Auditor and the department against the Internal Audit Plan;
- Reviewed and deliberated on the internal audit reports, audit recommendations and Management's action plan to ensure all key risks and critical issues were properly addressed;
- Reviewed the External Quality Assessment conducted on the Internal Audit function;
- 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");
- Assessed the adequacy and effectiveness of internal control processes, including mitigation measures relating to technology risks and operational controls across hospitals and subsidiaries; and
- Reviewed the submission of the Self-Audit Checklist initiative performed by the hospital management as part of the continuous monitoring framework.

Review of the Performance of AC

The annual review of the composition, performance and effectiveness of the AC was conducted as part of the BEE process.

Relationship with External Auditors

The AC maintains a professional and transparent relationship with the External Auditors, Internal Audit and Group Finance. Discussion was held between these parties to discuss the External Auditors' 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 2025, the External Auditors attended three (3) out of 11 meetings held on 17 February 2025, 26 August 2025, and 19 November 2025 respectively. Separate private sessions were conducted without Management's presence at two (2) out of three (3) of the meetings attended by the External Auditors.

Risk, Sustainability & Governance Committee

Chairman

Rozaini Bin Mohd Sani (1)
Non-Independent Non-Executive Director

Member

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

Mohamed Ridza bin Mohamed Abdulla (2)
Independent Non-Executive Director

Notes:
(1) Re-designated as Chairman w.e.f. 1 April 2025.
(2) Ceased as a Chairman and Member w.e.f. from 18 February 2025.

Roles and Responsibilities

The RSGC supports the Board in overseeing the Group's risk management, sustainability and governance matters. The Committee reviews the adequacy and effectiveness of the Group's frameworks in these areas and assists the Board in setting the strategic direction for risk, sustainability and governance.

The RSGC promotes an integrated approach to risk management, ensures compliance to safeguard patients, employees and assets, and oversees ESG policies and strategies to address sustainability-related risks and opportunities. The Committee monitors the implementation of the Group's Green Healthcare Sustainability Framework, which encompasses environmental protection, community engagement, employee wellbeing and governance practices. It also deliberates on governance matters and provides recommendations to ensure alignment with the Group's strategic objectives.

Activities in 2025

- Reviewed the Group's consolidated Enterprise Risk Management ("ERM") reports. The review encompassed reporting status, risk profiles, key risk priorities, and mitigation action plans to ensure that emerging and evolving risks within the operating environment are effectively identified and managed;
- Discussed and reviewed the Group Risk Plan, which outlines the activities for 2025, ensuring that the RSGC focuses its attention on meeting the RSGC's TOR requirements throughout 2025;
- Reviewed and recommended to the Board for approval the Statement on Risk Management and Internal Control, Sustainability Statement and CG Overview Statement for inclusion in the Integrated Annual Report 2024, and the CG Report for submission to Bursa Securities;
- Strengthened clinical governance through the review of clinical and non-clinical incidents and the assessment of corresponding mitigation actions to enhance patient safety and operational controls;
- Reviewed and recommended to the Board for approval the amendments to the Limit of Authority ("LOA");
- Monitored the execution of Business Continuity Management ("BCM") drills across all business units in line with the BCM Framework, and oversaw ongoing initiatives to enhance organisation-wide awareness, preparedness, and response capabilities through structured engagement, training programmes, and cross-functional knowledge-sharing on business continuity and crisis management;
- Monitored hospital licensing status and progress, ensuring compliance with regulatory requirements to support operational excellence;
- Reviewed key compliance and integrity initiatives, including measures to enhance data protection compliance in line with the amendments to the Personal Data Protection Act, and initiatives to further strengthen the Anti-Bribery Management System ("ABMS") across the KPJ Group through continuous evaluation, monitoring, training, awareness programmes and audits, alongside efforts to reinforce ethical practices and foster a strong governance culture across the organisation;
- Reviewed and endorsed the refined Green Healthcare Sustainability Framework as the Group's core sustainability control architecture, while providing oversight on its implementation to ensure alignment with long-term strategy, material ESG priorities and healthcare imperatives, strengthening consistency and accountability across the Group;
- Reviewed and acknowledged KPJ's five-year Sustainability Roadmap, building on the Green Healthcare Sustainability Framework to guide the phased integration of sustainability across the KPJ Health System, including integration into clinical practice, education and research to strengthen a "learning health system" approach;
- Reviewed and endorsed KPJ's SusATTAINability 30-by-30 targets, outlining the Group's medium-term sustainability ambitions encompassing emissions reduction, renewable energy adoption and green hospital development;
- Provided oversight of management's initial steps to strengthen climate-related governance, data readiness and integration within enterprise risk management, including the establishment of an International Sustainability Standards Board ("ISSB") Reporting Steering Committee to support readiness for National Sustainability Reporting Framework-aligned reporting International Financial Reporting Standards ("IFRS") S1 and S2 in line with Bursa Securities phased implementation timeline;
- Provided oversight of Group Technology Services ("GTS") IT projects and digital transformation initiatives, including the nHIS implementation, and endorsed the related governance policy to ensure alignment with corporate and ethical standards; and
- Provided oversight on cybersecurity, information management and data security initiatives, including the Security Roadmap.

Group Medical Advisory & Clinical Governance Committee

Chairman

Prof. Emeritus Dato' Dr. Azizi Bin Haji Omar
Non-Independent Non-Executive Director

Chin Keat Chyuan
President and Managing Director

Dato' Mohamad Farid bin Salim
Chief Operating Officer – Hospital Operations

Dr. Luis Chen Shian Liang
Chairman, Group Person In Charge Council

Assoc. Prof. Dr Yap Yoke Yeow
Chairman, Clinical and Research Ethics Committee

Dr. Jamal Azmi Mohamad
Chairman, Clinical Safety and Risk Management Committee

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

Assoc. Prof. (C) Dr. Mohamad Ismail Ali
Chairman, Transformation and Quality Innovation Committee

Assoc. Prof. Dr. Mohd Daud Sulaiman
Member of GMACGC

Prof. Dr. Amaluddin Ahmad
Member of GMACGC

Dr. Munirah Khudri
General Manager, Clinical Governance and Quality Performance

Dr. Mohamed Ahsan Mohamed Ismail
Head, Operational Governance & Medical Professional Management

Jayanthi a/p Marimuthu
Group Chief Nursing Officer

Zarihasyum Wan Zein
Head, Pharmacy and Allied Health Services

Dr. Rafiza Mohamed Nazir
Senior Manager, Patient Experience & Patient-Centered Care

Roles and Responsibilities

Clinical governance remains an integral component of KPJ's corporate governance framework, ensuring accountability for the delivery of safe, effective, high-quality and patient-centred care, which underpins excellence in clinical care across the Group.

In 2025, this governance framework continued to be anchored by the Seven Pillars of Clinical Governance, a model first established within the United Kingdom's UK National Health Service to ensure organisational accountability for quality and patient safety. Over the decades, the adoption of this internationally recognised framework, aligned with Malaysian accreditation requirements, provides a systematic and risk-based approach to clinical oversight across the Group, ensuring governance arrangements are structured, consistent and not ad hoc in nature.

As the Group progressed in the development of the KPJ Health System and expanded its Centres of Excellence, clinical governance arrangements were reviewed to ensure they remain fit-for-purpose, scalable and aligned with increasing clinical complexity. The evolution of academic partnerships, multidisciplinary models of care, research activities, and specialty-driven services necessitated clearer lines of accountability, more integrated oversight and stronger linkage between clinical leadership, quality governance and strategic development.

In response, refinements were made to Group-level clinical governance structures and reporting relationships during the year. These changes were intended to strengthen executive accountability for clinical outcomes, support more effective oversight of patient safety and ethical practices and enable more agile decision-making across specialty and academic domains, while preserving statutory hospital-level governance requirements.

Evolution of the GMACGC

Historically, the Group Medical Advisory Committee served as the central advisory body providing clinical oversight, professional guidance and strategic input to the Group on matters relating to patient care, clinical standards and medical practice.

In 2025, KPJ undertook a review of its Group-level clinical governance arrangements to better align accountability with executive leadership and to streamline governance pathways. As part of this evolution, a planned transition of the Central Group Medical Advisory Committee was announced at the 4th GMACGC Meeting on 27 October 2025. The Committee continued to function until 31 December 2025, after which its advisory and oversight functions transitioned to the CMD with effect from January 2026.

Hospital Medical (and Dental) Advisory Committees ("HMDACs") continue to be retained, in line with statutory and regulatory requirements, to provide clinical oversight and professional governance at hospital level.

Activities in 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 focused on creating awareness and developing strategies to reduce the administration errors;
- **Clean hands and environment, save lives**
  This hand hygiene campaign focused on preventing hospital acquired infection and creating a better patient experience;
- Enhancing the clinical acuity and proficiency 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;
- Leverage Mayo Clinic Care Network Affiliation – the Group leveraged its affiliation with the Mayo Clinic Care Network to enable structured knowledge transfer and the adoption of evidence-based rehabilitation protocols for breast and colorectal cancer, strengthening clinical capability and intellectual capital across KPJ Oncology Services;
- Advancing Value-Based Care and Governance Maturity – KPJ advanced its transition towards value-based care through the evolution of the former Performance Measurement Unit into the Value-Based Care ("VBC") Unit. A Group-wide VBC framework was developed, supported by six enablers encompassing data, governance, patient voice, care and cost pathways, scaling mechanisms and incentive alignment readiness;
- Patient Safety Culture Survey – A strategic initiative to understand the safety culture among healthcare professionals in the group was initiated several years ago. A Group-wide survey covering all 29 hospitals was completed and formally reported at the 4th GMACGC Meeting on 27 October 2025;
- Annual Clinical survey, validation survey, focus survey and gap analysis;
- Dietetics and Food Services achieved Group-wide standardisation through the implementation of a Standardised Diet Manual, centralised education materials and the expansion of digital Halal assurance systems to improve compliance and operational efficiency;

- Health Information Management Services strengthened information governance through Group-wide medical coding competency training and standardisation of key clinical and administrative documentation, enhancing data reliability, audit readiness and medico-legal safeguards;
- 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;
- Medication Price Transparency supporting the implementation of medication price transparency in line with Ministry of Health ("MoH") 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;
- Just Culture enhancement as a continuing effort to promote psychological safety;
- Pilot of awareness by frontline leaders of mental health and burnout among healthcare workers. A programme to provide a safe and supportive working environment is being developed with emphasis on principles of Just Culture, psychological safety and humble leadership;
- Outcome measures that matter to patients are being developed specifically for procedures such as Total Knee Replacement ("TKR") and Coronary Artery Bypass Grafting ("CABG") that include pertinent clinical outcomes for each surgery, PROM and PREM;
- A focus group study was conducted to understand perceptions and identify possible areas for improvement with regard to the implementation and governance of the KPJ Health System (Academic Health System) was conducted. Five leadership groups were engaged – Medical Directors, Hospital CEO's, Hospital CNO's, Hospital Heads of Service and University Academic Leaders; and
- KPJ is extending their care arm into the community by initiating a palliative and home care program that will be implemented in 2026 onwards.

Function of sub-committee of GMACGC:

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 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.

Following further governance refinements during the Board Retreat in November 2025, only the Persons-in-Charge Council, Clinical Safety and Risk Management Committee ("CSRMC") and Clinical and Research Ethics Committee ("CREC") will continue into 2026, with the remaining central committees completing their roles by 31 December 2025.

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 Group's commitment to promoting high levels of communication and transparency with the investment community, Senior Management personnel 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 – PMD; and
- Mohd Khairul Izzad Bin Mohammed Shamsudin – Chief Financial 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 Securities, in compliance with the MMLR.

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

- Integrated Annual Report and Sustainability Report;
- Announcements to Bursa Securities;
- 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.

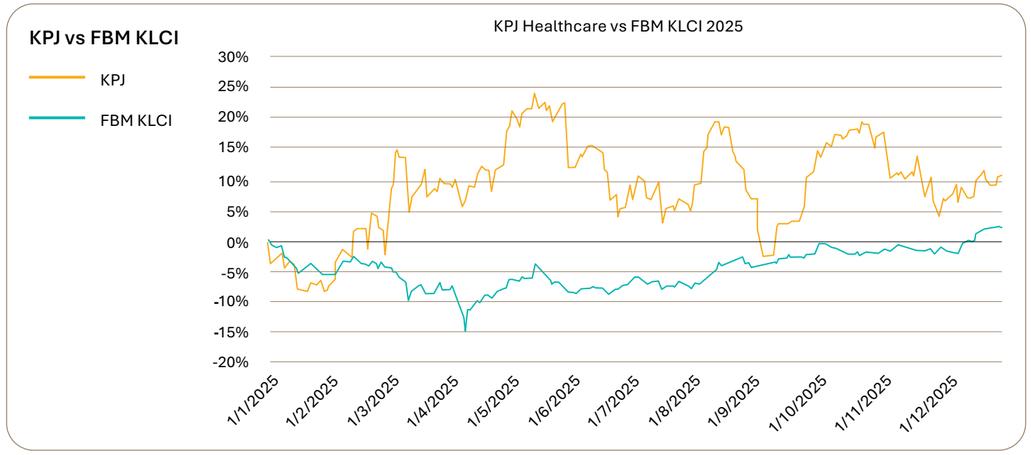
Annual General Meeting

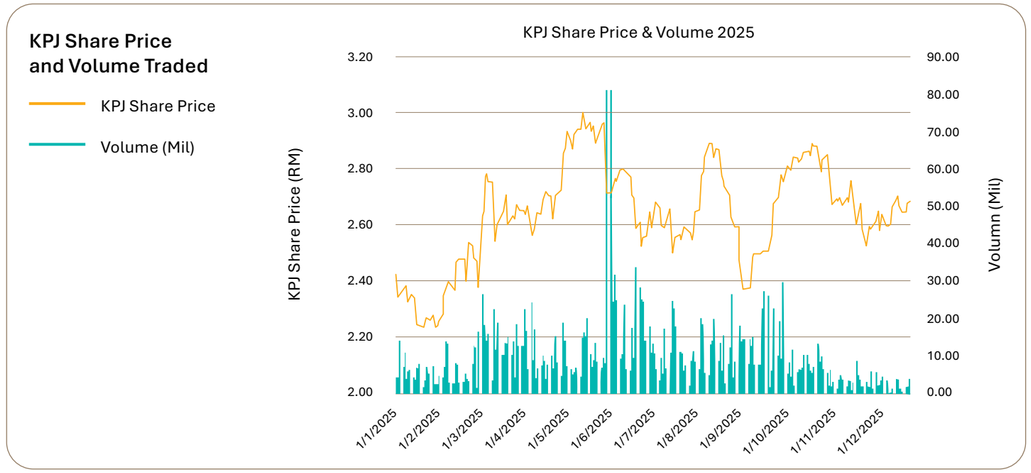
- The 32nd AGM of KPJ was held at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Thursday, 26 June 2025.
- Pursuant to the Securities Commission Guidance Note and Section 327(2) of the Companies Act 2016, the Chairman was present at the main venue of the AGM to chair the AGM. All the other KPJ Directors, Senior Management and auditor were also present at the AGM.
- The Company dispatches the notice of its 32nd 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 32nd AGM included an overview of KPJ's ongoing transformation, highlighting the progress in clinical excellence, digital innovation, sustainability and talent development by the Chairman, followed by a presentation from the PMD covering KPJ's financial performance, growth plans and value-creation activities.
- Shareholders were given the opportunity to pose questions to the Board and Management during the 32nd AGM.
- In accordance with Paragraph 8.29A(1) of the MMLR, all resolutions in the 32nd 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.

KPJ Share Performance





KPJ Quarterly Volume and Trading

	1Q 2025	2Q 2025	3Q 2025	4Q 2025
Total Volume	538,643,400	874,465,900	753,061,400	332,296,700
Daily Average Volume	9,286,955	14,574,432	12,146,152	5,192,136
Closing Price	2.66	2.66	2.75	2.69
High	2.79	3.02	2.90	2.90
Low	2.23	2.52	2.37	2.52
Trading	0.56	0.50	0.53	0.38

KPJ Share Price 5 Years

	2025	2024	2023	2022	2021
Market Cap (RM Billion)	11.77	10.61	6.28	4.39	4.80
Closing Price (RM)	2.69	2.43	1.44	1.01	1.11
High (RM)	3.05	2.54	1.45	1.15	1.21
Low (RM)	2.17	1.41	0.98	0.79	0.92
Foreign Shareholding (%)	7.33	13.32	9.09	0.36	6.81

Shareholder Composition as at 31 December 2025

Category	%
Government Bodies	45.0
Institutions	43.9
Individuals	3.8
Foreign	7.3
Total	**100.0%**

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") provides oversight of the internal audit function to ensure that it operates effectively and independently in discharging its mandate of enhancing and safeguarding organisational value through the provision of risk-based and objective assurance, advisory services and insights.

In fulfilling this responsibility, the AC reviews and assesses the adequacy and effectiveness of the Group's internal control and risk management frameworks, while ensuring that governance practices remain aligned with established policies and procedures, industry best practices and applicable laws and regulations.

The AC Report for the financial year ended 31 December 2025 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 on the KPJ Healthcare Berhad ("KPJ" or the "Company") website under Corporate Governance section at https://kpj.listedcompany.com/corporate_governance.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

The AC composition complies 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 Bursa Securities MMLR.
Paragraph 15.09(1)(c)	• The Chairman, 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; and a member of the AC, Rozaini Bin Mohd Sani, is a member of the Malaysian Institute of Chartered Public Accountants ("MICPA"). • This meets the requirement, which stipulates that at least one of the AC members fulfills the financial expertise requisite.

Collectively, the AC members possess the relevant qualifications, experience and expertise required to effectively discharge their roles and responsibilities. All members are financially literate and able to understand matters relating to financial reporting, enabling the AC to undertake informed deliberations and effectively oversee the integrity of the Group's financial reporting process.

PERFORMANCE OF AC

The performance and effectiveness of the AC, including its composition and contribution, were evaluated via the Board Effectiveness Evaluation.

ATTENDANCE

- AC meetings for the financial year 2025 were scheduled in advance in October 2024 and communicated early to members to facilitate effective planning and ensure their time commitment. A total of nine (9) meetings were planned during the year, with additional meetings convened as and when necessary to address matters requiring the Committee's attention. During these meetings, the AC deliberated on matters relating to Internal Audit reports, while the quarterly financial results presented by Group Finance were reviewed and discussed in a separate session.
- During the financial year, the quorum for all eleven (11) meetings held during the financial year 2025 was fulfilled. The meetings were held on 17 January 2025, 17 February 2025, 28 February 2025, 21 March 2025, 27 May 2025, 18 June 2025, 21 July 2025, 26 August 2025, 22 October 2025, 19 November 2025 and 24 November 2025 respectively.
- The company secretaries act as Secretaries to the AC for all its meetings. The President and Managing Director, relevant members of Senior Management and the Chief Internal Auditor normally attend the meetings. Other Directors and other relevant members of Senior Management may be invited to attend specific meetings where necessary to provide clarification on matters arising from the audit reports and to affirm management's commitment towards implementing the necessary corrective actions. The External Auditors are also invited to attend meetings to present and deliberate on their audit plan, as well as to discuss key audit matters arising from the statutory audit.
- Minutes of the AC meetings are circulated to all members, while extracts of key decisions and action items are communicated to the relevant process owners for follow up and implementation. The Chairman of the AC subsequently briefs the KPJ Board on the key deliberations, decisions and recommendations arising from the AC meetings.

MEETINGS WITH EXTERNAL AUDITORS

- In the year 2025, the External Auditors attended three (3) out of eleven (11) meetings held on 17 February 2025, 26 August 2025 and 19 November 2025 respectively.
- The AC also holds private sessions with the External Auditors without the presence of Management to facilitate open and candid discussions. The sessions were conducted twice out of the three (3) AC meetings attended by the External Auditors.

SUMMARY OF AC ACTIVITIES

During the financial year 2025, the AC carried out the following key activities in discharging its responsibilities and functions.

FINANCIAL REPORTING

The AC reviewed the Group's quarterly financial statements prior to recommending them to the Board for approval, with particular focus on compliance with Malaysian Financial Reporting Standards ("MFRS") and the MMLR of Bursa Securities.

The AC also reviewed the draft announcements of the quarterly financial results prior to their release to Bursa Securities to ensure that the disclosures were accurate and in compliance with regulatory requirements.

In addition, the AC reviewed the audited financial statements for the financial year ended 31 December 2025, including significant accounting matters, key audit issues raised by the External Auditors and Management's responses to those matters.

The AC also assessed and recommended dividend distributions to the Board in accordance with the Company's dividend guideline and the provisions of the Companies Act 2016.

INTERNAL AUDIT

The AC oversees the effectiveness of the Internal Audit Services ("IAS") function to ensure that it provides independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control processes.

During the year, the AC:

- reviewed and approved the Annual Internal Audit Plan and budget to ensure adequate coverage of high-risk areas;
- reviewed the performance of the Chief Internal Auditor against the approved Key Performance Indicators;
- deliberated on internal audit reports, significant findings and Management's action plans;
- monitored the progress of audit activities against the approved audit plan;
- reviewed the quarterly Self-Audit Checklist submissions from the KPJ Group of Hospitals;
- assessed the analysis on the feedback received from the auditees via Auditee Survey for the audits conducted by the IAS; and
- reviewed the results of the External Quality Assessment Review conducted on the Internal Audit function.

The AC also approved the annual revision of the Internal Audit Charter, which is aligned with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors ("IIA").

EXTERNAL AUDIT

The AC reviewed the External Auditors' audit plan, including the audit strategy, scope of work, audit timeline and proposed audit fees.

The AC also reviewed the results of the interim and annual audits, including the Management Letter issued by the External Auditors and Management's responses to the findings.

To safeguard the independence of the External Auditors, the AC monitored the provision of non-audit services and reviewed the related fees incurred during the year. The AC also received written confirmation from the External Auditors regarding their independence.

Following its assessment, the AC was satisfied that the External Auditors remained independent and objective in the discharge of their statutory audit responsibilities.

The AC subsequently recommended the re-appointment and remuneration of the External Auditors to the Board for approval.

RELATED PARTY TRANSACTIONS

The AC reviewed the RPT and recurrent related party transactions ("RRPT") undertaken by the Group to ensure that these transactions were conducted on normal commercial terms, were fair and reasonable and were not detrimental to the interests of minority shareholders.

The AC also reviewed the proposed renewal of the shareholders' mandate for RRPTs, including the relevant Circular to Shareholders.

OTHER MATTERS

The AC also deliberated on several other matters during the financial year, including:

- the write-off of bad debts prior to recommendation to the Board;
- updates on IT-related strategic initiatives;
- the credit management status of the Group; and
- the performance of subsidiaries.

INTERNAL AUDIT FUNCTION

The IAS function provides independent and objective assurance and advisory services designed to enhance and safeguard organisational value.

The Chief Internal Auditor reports functionally to the AC and administratively to the President and Managing Director, thereby maintaining the independence and objectivity of the internal audit function. The Chief Internal Auditor, Encik Mohd Firdaus Mohamed Din 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.

During the financial year ended 31 December 2025, IAS completed 111 audit engagements, comprising financial, operational and information technology audits across hospitals, support companies and business units within the Group. These engagements included scheduled audits, special reviews and ad-hoc assignments.

INTERNAL AUDIT RESOURCES

IAS comprises 22 internal auditors, organised into two (2) specialised teams covering financial and operational audits as well as information technology audits. 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 function is later extended to monitor and coordinate the submission of Self-Audit Checklist ("SAC") by the hospitals on quarterly basis.

Continuous training programmes were conducted during the year to enhance the auditors' technical expertise, data analytics capabilities, leadership and professional competencies.

IAS was recognised by the Institute of Internal Auditors Malaysia as the Corporate Award Winner – Exemplary Engagement 2024, reflecting its strong commitment to continuous professional development.

INDEPENDENCE AND QUALITY ASSURANCE

The internal audit function operates independently from the operational activities of the Group. Its authority, scope and responsibilities are governed by the Internal Audit Charter, which is aligned with the Global Internal Audit Standards ("GIAS") issued by the IIA.

All internal auditors are required to submit annual declarations confirming their independence and compliance with the Global Requirements for Professionalism, including the Ethics and Professionalism domain in the execution of their duties.

IAS maintains a Quality Assurance and Improvement Programme ("QAIP") to ensure that its activities conform to professional standards. During the year, an External Quality Assessment conducted by an independent assessor concluded that IAS "Generally Conforms" with the IIA Standards and Code of Ethics. The IAS has been rated as "Level 3 - Defined" under the Maturity Assessment using the 5-level Internal Audit Maturity Model. This was at par with Financial Institutions and a commendable position for IAS.

SUMMARY OF WORK OF INTERNAL AUDIT FUNCTION

During the financial year, the IAS function executed its audit plan across key risk areas of the Group, encompassing financial, operational and information technology processes across hospitals, support companies and business units.

In line with the Group's healthcare focus, audits were prioritised towards areas of heightened regulatory and operational risk, including clinical governance processes, patient safety-related controls, revenue cycle management, billing accuracy, procurement practices and digital systems supporting hospital operations.

The audits assessed the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations, as well as adherence to established policies and procedures. Key findings and control gaps identified were reported to the AC together with Management's corrective action plans.

Follow-up reviews were conducted on previously reported findings to assess the status of remediation and to ensure that corrective actions were implemented in a timely and effective manner.

CONCLUSION

The AC remains committed to supporting the Board in maintaining a strong governance framework and ensuring the integrity of the Group's financial reporting, internal control and risk management systems.

Through its oversight of the internal and external audit functions, the AC continues to play a key role in strengthening transparency, accountability and confidence in the Group's governance practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA SECURITIES BERHADLISTING REQUIREMENTS)

The Board of Directors (the "Board") of KPJ Healthcare Berhad ("KPJ" or the "Company") 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 ("Bursa Securities").

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for establishing a robust risk management and internal controls framework as well as for reviewing its adequacy and effectiveness. In line with Principle B (II) of the Malaysian Code on Corporate Governance ("MCCG"), the Board has implemented an effective governance structure, risk management framework and internal control to ensure effective oversight of the Group's risks and controls.

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 Group's internal control system, with particular focus on high-risk areas identified through 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 and the processes for identifying, assessing and managing the Group's principal risks. Matters raised and management's corresponding actions are deliberated at the respective AC and RSGC meetings.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the Board-approved policies, processes and procedures relating to risks management and internal controls. In discharging this responsibility, Management ensures that the Group's risk management framework and internal control system are aligned with the Group's strategic objectives and business priorities and are applied consistently across the Group's operations.

Management allocates appropriate resources for the establishment, implementation and ongoing maintenance of the risk management framework and internal control system, enabling the systematic identification, assessment and management of the Group's principal and emerging risks. In managing these risks, Management ensures that risk responses, mitigation measures and control activities are consistent with the Group's Risk Appetite set by the Board.

The Group's risk appetite defines the level and type of risk that the Board is willing to accept in pursuing its strategic objectives. It is determined with due consideration of stakeholder expectations and is embedded within the Group's ERM framework through defined likelihood and impact thresholds used in risk evaluation and escalation.

The Group maintains an overall low risk appetite, particularly in relation to patient safety, regulatory compliance and ethical conduct, with zero tolerance for the non-reporting of safety incidents and compliance breaches. A measured level of risk is accepted in pursuing strategic and operational objectives, provided that financial sustainability, reputation and governance standards are not compromised.

Risk appetite parameters are monitored through established controls and key risk indicators, with regular reporting to Management and the RSGC.

Management also ensures that risk mitigation measures and internal controls are adequate, proportionate and subject to periodic review to assess their continued relevance and effectiveness in supporting the achievement of the Group's objectives.

The risk management framework and internal control system are designed to manage and mitigate risks effectively and to safeguard the Group's assets.

As the internal controls system is designed to manage and reduce risks rather than eliminate them entirely, it can only provide reasonable assurance to the Board on the achievement of Group's objectives in relation to:

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

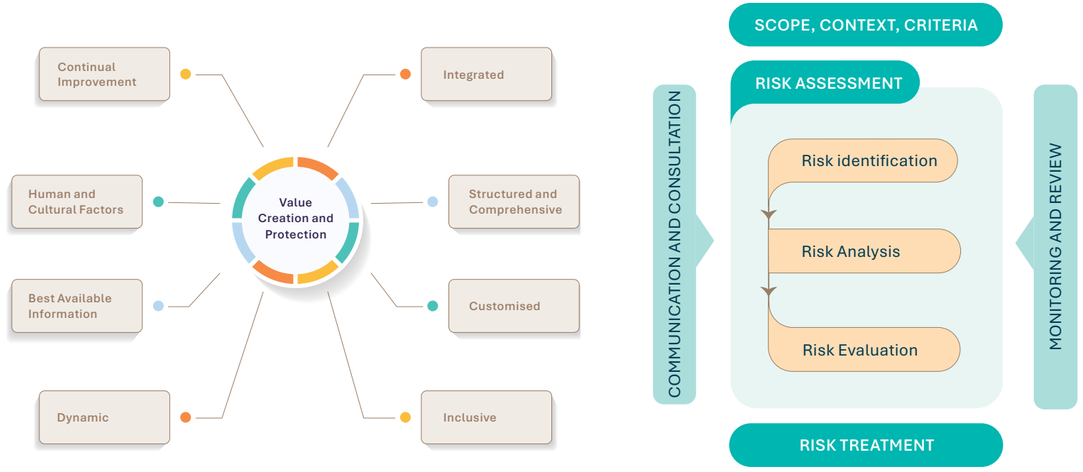
The achievement of the Group's objectives is subject to inherent limitations in any system of internal control. Accordingly, Management considers the cost of implementing controls in relation to the expected benefits derived and adopts a risk-based approach in prioritising risk mitigation and control enhancements.

RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

RISK MANAGEMENT FRAMEWORK

Enterprise Risk Management

Risk management at KPJ is governed at an enterprise-wide level through established strategies, frameworks, and policies, providing for independent identification, assessment, monitoring and management of both existing and emerging risks. As a key enabler of sustainable growth, the ERM framework is embedded within the Group's strategic planning, business operations and decision-making processes.



KPJ promotes a proactive risk culture by integrating risk considerations at the early stages of strategic deliberations and operational initiatives. Through independent risk assessments and impact analyses, the risk management team provides insights to support informed decision-making enabling the Group to balance risk-return, safeguard stakeholder value, and enhance operational resilience in an evolving healthcare environment.

The Group adopts an Enterprise-Wide Risk Management framework as a standardised and structured approach to manage risks and opportunities. This framework enables the Board and Management to systematically identify, assess, monitor and respond both existing and emerging risks, while ensuring alignment with the Group's strategic objectives, regulatory requirements and external operating environment.

The KPJ Risk Management Guidelines serve as the principal reference for all business units across the KPJ Group. Developed in accordance with ISO 31000:2018 and the COSO framework, the guidelines reflect alignment with recognised industry best practices and provide a structured and consistent approach to risk management across the Group, supporting sound and informed decision making.

An ERM Framework has been implemented to manage risks arising from KPJ's business and operations activities, with robust ERM practices embedded throughout organisation to support the achievement of strategic and business objectives. Group Risk, Compliance, and Integrity ("GRCI") function is structured to provide adequate support to business units and subsidiaries the implementation of risk management practices, while guiding the overall priorities and direction of Group-wide risk management activities.

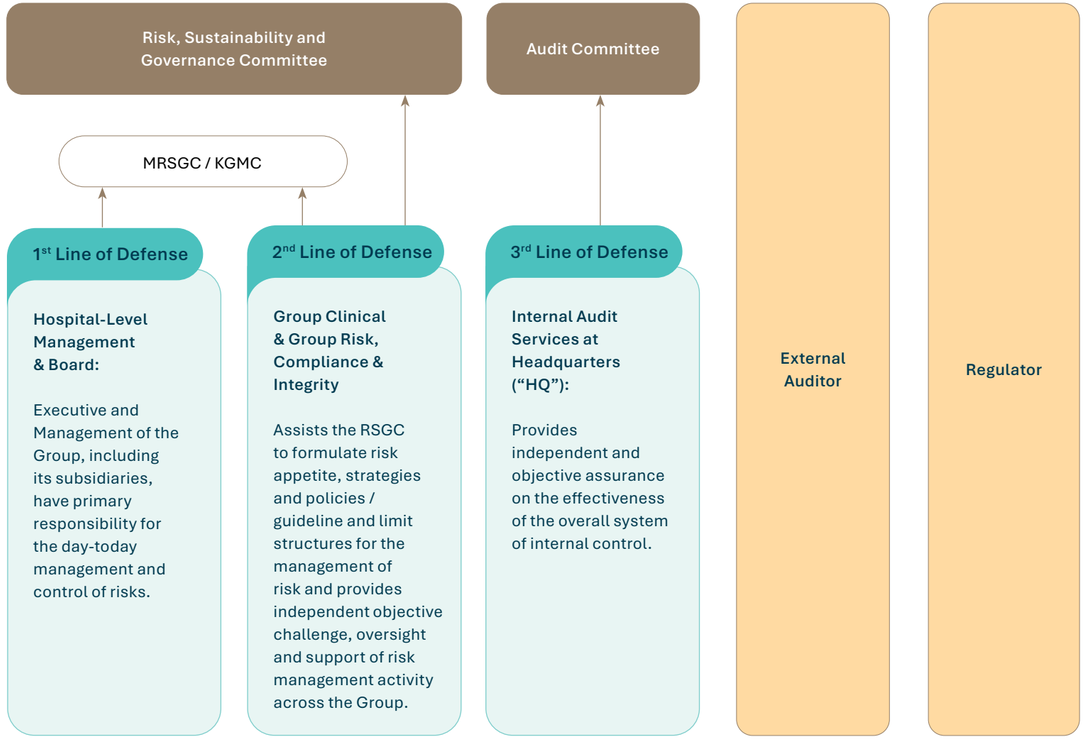
The enhanced risk reporting format introduced in 2023 remains in place, risks categorised and prioritised based on their rating and impact across four (4) key risk domains: Strategic, Financial, Operational and Compliance. Oversight of ERM practices continues to be provided by the KPJ RSGC, the KPJ Group Management Committee ("KGMC"), and the Management Risk, Sustainability and Governance Committee ("MRSGC") which collectively assess the adequacy and effectiveness of the Group's risk management framework in an increasingly complex operating environment.

The KPJ Business Continuity Management ("BCM") Framework which was revised and approved by the President & Managing Director ("PMD") on 1 October 2023, sets out KPJ Group's enterprise-wide approach to resilience and is being implemented across all business units. It adopts a structured and scalable approach to establishing Business Continuity Planning ("BCP") and serves as a central reference for BCM principles, expectations, and deliverables. The framework is aligned with the ISO 22301 Business Continuity Management standard.

In support of KPJ's commitment to strengthen data quality management and streamlining risk reporting practices, the Governance, Risk Management and Compliance ("GRC") system, CURA, which went live on 1 November 2023, continues to be utilised across the Group. The system enables a systematic and structured approach to risk reporting and monitoring, thereby reinforcing KPJ's commitment to effective and robust risk management.

KPJ's ERM Framework for Risk Governance

The ERM governance structure adopted by KPJ comprises three (3) levels of defense as follows:



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 the RSGC and finally to the Board. Risk and Compliance Officers ("RCO") have been appointed across all hospitals and support companies to oversee the implementation of risk, incident reporting, business continuity and compliance management practices. All entities are required to identify risks that may impact the Group's ability to pursue its strategic objectives and formulate appropriate mitigation measures. Significant operational risks are reported to GRCI for consolidation and analysis.

The Group monitors and manages incidents through a structured risk reporting and escalation protocol guided by the Incident Reporting Manual ("IRM"). Incidents are identified, assessed comprehensively through Root Cause Analysis management platform for hospitals and support companies, enabling consistent capture and analysis of incidents, sharing of lessons learned and timely corrective actions to prevent recurrence and support the delivery of safe, high-quality patient care.

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 exercises oversight over the Group's overall risk management and internal control framework.

INTERNAL CONTROL ACTIVITIES

Internal Audit Function

Internal Audit Services ("IAS") operates as an in-house internal audit function dedicated to enhancing the Group's control environment. As the third line of defense, IAS delivers independent evaluations of internal controls using a risk-based approach. By prioritising high-risk for annual audit, IAS ensures that critical Group operations are resilient and aligned with our strategic objectives.

The independence of IAS is structurally protected through a functional reporting line to the AC and an administrative line to the PMD. Operating under an established Audit Charter, IAS aligns its practices with the Global Internal Audit Standards ("GIAS") issued by The Institute of Internal Auditors ("IIA"). All IAS personnel are required to sign an Independence Statement as well as a declaration affirming compliance with the Global Requirements for Professionalism, including the Ethics and Professionalism domain of the Standards in the execution of their duties. To ensure continuous improvement, IAS undergoes a qualified independent assessment once every five (5) years, validating the function's efficiency and effectiveness in discharging its function.

The details of the IAS function are further elaborated under AC Report, pages 405 to 409.

Sustainability Management

In FY2025, KPJ continued to strengthen its Sustainability Governance and Risk Management framework, positioning sustainability-related matters as a principal business risk and strategic value driver within the Group's corporate governance structure.

The Board retains ultimate accountability for sustainability governance, supported by Management and the RSGC, which provides focused oversight of risk management, ESG practices and compliance across the Group.

A Board-approved Green Healthcare Sustainability Framework and Sustainability Policy are in place as the Group's core sustainability control architecture, strengthening consistency and accountability across KPJ's hospital network and business units, embedding sustainability considerations into corporate strategy, capital allocation and operational decision-making.

The KPJ Health System provides an important Group platform to operationalise sustainability through practice, education and research and innovation Through its network-wide clinical standards and quality improvement mechanisms, the KPJ Health System supports consistent adoption of patient-centred, safe and responsible care practices across hospitals.

Sustainability is integrated into the Group's ERM framework through defined risk ownership, controls and escalation thresholds. The Group's sustainability risk management approach considers both physical and transition risks and is aligned to emerging disclosure expectations, including ISSB requirements.

The Group's sustainability risk universe is anchored on ten (10) material matters structured under four (4) pillars: Protecting Our Environment, Uplifting Our Patients & Communities, Fostering Our People and Upholding Good Governance. These material matters guide ongoing risk identification, evaluation, prioritisation and monitoring across the business.

Across the value chain, KPJ has implemented ESG measures within its supply chain, including supplier screening, ethical compliance requirements and internal control mechanisms aligned with the Green Healthcare Sustainability Framework, Sustainability Policy and Anti-Bribery & Anti-Corruption Policy.

Stakeholder engagement with patients, employees, regulators and business partners is undertaken to strengthen ESG risk intelligence and to continuously refine KPJ's materiality and impact assessments.

The Board, through the RSGC, receives reporting on sustainability-related risks and key controls as part of the Group's ERM reporting and escalation processes. Where significant matters arise, they are escalated for oversight, with remediation actions tracked through Management reporting and governance forums.

To support disclosure integrity, KPJ engages independent external assurance over selected sustainability reporting indicators, which provides additional confidence over the reliability of reported ESG information.

KPJ's sustainability agenda supports national priorities, including Malaysia's net-zero ambition by 2050. Sustainability considerations are integrated into key decision-making to drive value creation and strengthen ESG risk management.

Policies and Procedures

Policies and procedures are formally documented to ensure that appropriate authority limits are established, business activities conducted in accordance with prescribed standards and necessary actions are implemented to mitigate and minimise risks while maintaining the orderly and continuous business operations.

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 20 December 2023 and regularly updated and approved by the Board as and when there are changes to the organisational structure. 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 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 maintains adequate insurance coverage at competitive premium rates to safeguard its major assets against potential events that may result in material loss. All insurance policies are subject to a comprehensive annual review to ensure that coverage remains adequate and appropriate taking into account evolving risks exposures, regulatory developments and the Group's expanding scope of operations.

All Group employees are covered under Group Personal Accident Policy for injuries arising from incidents or accidents.

The Group's directors, medical officers, and professionals are covered under Liability Insurance including Medical Malpractice and Directors' and Officers' policies to protect against potential personal liability arising in the course of performing their duties.

Cyber Liability Insurance is maintained to safeguard the KPJ Group against financial and reputational risks arising from cyber incidents.

Integrity And Ethical Values

KPJ places integrity and ethical values at the core of its governance and operational framework. These principles guide decision-making, professional conduct and stakeholder engagement across the Group. By embedding ethical standards into policies, processes and daily practices, KPJ ensures that accountability, transparency and trust remain fundamental to the delivery of safe, high-quality healthcare services.

To strengthen this culture, KPJ has established structured mechanisms such as the Anti-Bribery Management System ("ABMS"), Code of Conduct and whistleblowing framework, supported by continuous training and awareness programmes. Employees and business partners are regularly engaged to reinforce compliance with regulatory requirements, ethical expectations and organisational values. These initiatives enhance awareness, prevent misconduct and promote responsible behaviour throughout the organisation.

Oversight and continuous improvement are integral to KPJ's integrity agenda. The Integrity Unit, together with the Board and Management, monitors implementation through audits, risk assessments and on-site validations, ensuring alignment with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Through these efforts, KPJ remains committed to sustaining an ethical culture, managing governance risks effectively and strengthening stakeholder confidence in the Group's long-term sustainability.

Integrity is a core shared value at KPJ, embedded within the C.A.R.E. framework – Committed, Accountable, Respectful and Excellent. The Accountable value highlights ethical conduct and responsible decision-making across the organisation. Supported by policies, training, and governance mechanisms, KPJ fosters integrity to uphold transparency, trust and ethical excellence in delivering patient-centric healthcare.

As part of the KPJ Group's commitment to ethical governance under the ABMS, newly appointed employees formally affirm their dedication to upholding the highest standards of integrity through the Staff Integrity Pledge. Accessible via the Employee Self-Service Portal, this pledge is further reinforced for all existing employees through periodic refresher training.

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 whistleblower's identities, the protection of their information, and safeguards against retaliation, thereby fostering a safe environment for raising concerns. 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 and comprising Independent Non-Executive Directors 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.

KPJ's ethical governance framework is underpinned by comprehensive policies and controls that promote transparency and accountability in all dealings with employees, vendors, and contractors. These include the No Gifts and Entertainment Policy 2014, Asset Declaration Policy (2017) and Conflict of Interest Declaration (2020) and the Integrity Pact implementation guidelines governing procurement activities. Collectively, these measures establish clear expectations of ethical behaviour and strengthen trust across the Group's value chain.

Governance oversight is further enhanced through continuous monitoring and validation of ABMS, supported by the ABMS Compliance Checklist Reporting mechanism, introduced in 2021. Regular on-site validations at hospitals and subsidiaries ensure adherence to the ABMS requirements and compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This robust and proactive governance framework underscores KPJ's steadfast commitment to preventing bribery and corruption, while upholding the highest standards of ethical excellence, transparency, and accountability throughout the Group.

KPJ's Anti-Bribery Management System

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 strengthening governance across the Group by embedding a culture of integrity and ensuring the effective implementation, monitoring, and oversight of ABMS policies and procedures.

In October 2020, KPJ achieved ISO 37001:2016 ABMS certification, underscoring its firm commitment to preventing bribery and corruption. The 2025 ABMS surveillance audit conducted by the Certification Body was completed with no non-conformities or major findings, and the certification remains valid until October 2026. This achievement reinforces KPJ's ability to manage corporate liability risks and demonstrates sustained compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), which came into effect on 1 June 2020. Adoption of ABMS practices was subsequently extended to KPJ's subsidiary companies from January 2021 onwards. Looking ahead, KPJ will align its ABMS with the ISO 37001:2025 requirements to further strengthen compliance, enhance governance resilience, and drive continuous improvement across the Group.

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 37001:2025 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.

Whistleblowing Mechanism

The administration of KPJ's whistleblowing channels is managed by the Chief Risk Officer with reports reviewed by the WBC, chaired by the Senior Independent Non-Executive Director. This structured governance framework reflects KPJ's strong commitment to promoting a culture of integrity and ethical conduct throughout its operations.

KPJ's Achievement in Integrity and Governance

At the Anugerah Integriti, Governans dan Antirasuah 2025 ("AIGA 2025"), KPJ achieved a significant milestone by being conferred the Silver Award in the Private Sector category. This national recognition underscores KPJ's strong and sustained commitment to integrity, good governance, and robust anti-corruption practices across its operations. Notably, KPJ was the only private healthcare organisation to be honoured at this prestigious national integrity event, reinforcing its leadership position in ethical healthcare delivery.

Promoting Awareness and Building a Culture of Integrity

In 2025, the IU and Integrity Ambassadors continued to conduct both physical and virtual awareness programmes, including refresher training on the ABMS and its related Standard Operating Procedures ("SOPs").

Quarterly engagements with Integrity Ambassadors are held to monitor the Group-wide implementation of ABMS SOPs, complemented by an annual bribery risks assessment across hospitals and subsidiary companies.

Since 2021, the ABMS Compliance Checklist Reporting has functioned as a key control tool to track ABMS implementation. In addition, 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, thereby strengthening the Group's governance framework in mitigating bribery and corruption risks.

Guidance and Tools for Continuous Improvement on Integrity

KPJ maintains a structured integrity and compliance framework to promote ethical conduct across the Group. This framework is guided by the Code of Conduct, Anti-Bribery and Anti-Corruption policies, and applicable regulatory requirements, including the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

The Group supports this framework through ongoing awareness programmes, periodic training, reporting mechanisms, and independent assurance activities. These measures reinforce accountability, facilitate early risk identification, and strengthen the Group's overall governance and control environment.

Collectively, these initiatives embed integrity principles into business practices and support a culture of ethical conduct throughout the organisation.

CONTROL STRUCTURE

KPJ's management structure, which is led by the PMD, comprises the following key leadership roles:

- Chief Operating Officer, Hospital Operations ("COO-HO");
- Chief Financial Officer ("CFO");
- Chief Operating Officer, Allied & Retail Health Operations ("COO – GARHO");
- Chief Digital Officer ("CDO");
- Chief Human Resource Officer ("CHRO");
- Chief Medical Director ("CMD");
- Chief Risk Officer ("CRO");
- Chief Internal Auditor ("CIA");
- Head of Group Procurement;
- Head of Strategic Communication & Chief of Staff;
- Head of Group Legal & Advisory;
- Head of Group Sustainability;
- Head of Group Strategy & Project Management Office; and
- Head of Group Marketing.

The structure is designed to support KPJ's pursuit of operational excellence, by strengthening efficiency, coordination 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 378 to 404.

The Board also assigns authority and responsibility to the PMD. The KGMC that is chaired by the PMD who 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.

1. Risk, Sustainability and Governance Committee

The RSGC is responsible for evaluating and reviewing the assessment of identified risks, the effectiveness of the ERM Framework, and the processes for identifying, assessing and managing the Group's principal risks. The Committee also reviews Group-level risk exposures and oversees the management of significant clinical and non-clinical risks. In addition, the Committee oversees the overall effectiveness of the Group's sustainability-related strategies, targets, policies and roadmap as recommended by the Group Sustainability.

2. Group Medical Advisory and Clinical Governance Committee

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.

In 2025, clinical governance across KPJ continued to be anchored by the Seven Pillars of Clinical Governance, providing a structured, risk-based framework to ensure accountability for safe, effective, and patient-centred care across the Group. As KPJ progressed in the development of its Academic Health System and expanded Centres of Excellence, Group-level clinical governance arrangements were reviewed to ensure they remained scalable, integrated, and aligned with increasing clinical complexity.

Group-level clinical governance in 2025 was supported by a suite of central committees, including the Clinical Safety and Risk Management Committee, Clinical and Research Ethics Committee, Transformation and Quality Innovation Committee, Central Credentialing Committee, Education and Research Committee, and the Person in Charge Council.

3. Audit Committee

The AC serves as one of the Board Committees, assisting the Board in fulfilling its fiduciary duties regarding governance and oversight. The AC's mandate is to uphold the highest standards of transparency, integrity, and accountability in the Group's financial reporting and operational frameworks.

The core responsibility of the AC is to assess the adequacy and effectiveness of the Group's internal control systems and ensure adherence to relevant laws and regulations. This is achieved through the rigorous work of the IAS function. Beyond compliance, the AC is dedicated to enhancing business efficiency and the quality of both accounting and audit functions, thereby reinforcing stakeholder confidence in the Group's reported financial results.

The AC maintains direct authority over the scope, resources, and independence of both Internal and External Audit functions. Guided by the Audit Charter, the AC reviews comprehensive audit plans and monitors Management's responsiveness to audit findings. By deliberating on unresolved issues and ensuring timely remedial actions, the AC ensures that significant control deficiencies are identified and escalated to the Board for strategic deliberation when necessary.

The details of the AC duties are further elaborated under AC Report, pages 405 to 409.

4. Tender Committee

The TC provides oversight on the governance, cost control, and timeline of major procurement projects undertaken by the Group and addresses material issues arising from such projects.

The TC evaluates, deliberates, and approves major procurement contracts in accordance with the Board-approved LOA. Through this oversight, TC ensures that procurement decisions are aligned with the Group's strategic objectives, financial discipline, and sound risk management practices.

5. Clinical Safety & Risk Management Committee

The CSRMC is an amalgamation of the now-defunct Clinical Governance Action Committee and the Clinical Risk Management Committee.

The CSRMC is the platform to discuss various clinical issues and to initiate clinical governance activities recommended by the GMACGC. The activities include the following:

i. To identify the problems that are hindering implementation of the agreed policies/programs,
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.

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

The Management Tender Committee ("MTC") is a Management Committee established pursuant to the Board directive to strengthen procurement governance and oversight across the Group. It oversees the tendering process and monitor hospital development and expansion projects to ensure adherence to the Group's procurement policies, governance frameworks, and best practices. The Committee is empowered to approve procurement proposals within the Board-approved LOA.

7. Tender Evaluation Committee

The Tender Evaluation Committee("TEC") is responsible for reviewing and deliberating detailed procurement evaluation including technical, commercial, and compliance assessments. Upon completion of its evaluation, the TEC provides recommendations to the MTC and, where applicable, the TC, to support informed decision-making and ensure transparency, fairness, and consistency in the procurement process.

The TOR for all the aforementioned Committees are available at www.kpjhealth.com.my.

PEOPLE MANAGEMENT AND COMMITMENT TO CONTINUOUS LEARNING

As a leader in the service-oriented healthcare industry, KPJ Group recognises that continuous investment in people is fundamental to delivering quality care and sustaining long-term growth. In 2025, the Group further strengthened its training and development initiatives, reflecting an enhanced commitment to building a skilled, competent and future-ready workforce.

Group Human Resources Management ("GHRM"), in collaboration with KPJ Healthcare University ("KPJU") and external training partners, delivered structured learning programmes across the Group. These programmes focused on key functional, clinical and leadership competencies, including customer service excellence, patient safety and managerial development.

In addition to structured training, the Group continues to support educational advancement and career progression through sponsorships for post-graduate studies and specialised clinical programmes, particularly in nursing and hospital management disciplines. This reinforces the Group's commitment to strengthening clinical expertise and leadership capabilities across all levels.

The Group also implemented several signature leadership and culture development programmes aimed at strengthening managerial effectiveness, supervisory readiness and executive leadership. These initiatives support succession planning, talent pipeline development and the embedding of the Group's shared values and organisational culture.

Through these sustained efforts, KPJ reaffirms its commitment to fostering a culture of continuous learning and professional growth, ensuring that its workforce remains agile, competent and aligned with the Group's strategic priorities.

INFORMATION AND COMMUNICATION

Information Communication Technology

During FY2025, GTS strengthened the Group's digital resilience, operational reliability, and internal control environment through targeted technology, data governance, and cybersecurity initiatives.

Key digital initiatives, including the KPJ AI Chatbot, KPJ Cares Mobile App (Phase 3), Enterprise Data Integrated Platform ("EDIP"), and Enterprise PACS, enhanced system standardisation, enterprise-wide data integration, and user accessibility. The completion of the Data Centre Modernisation programme further improved infrastructure scalability, system performance, and business continuity readiness.

In response to the evolving cybersecurity threat landscape, the Group continued to enhance its information security governance and control environment during the financial year. Ongoing surveillance audits under the Information Security Management System ("ISMS") framework were conducted to assess the effectiveness of existing controls, while monitoring and incident response capabilities were further strengthened.

The Group also implemented additional safeguards to reinforce access management, threat detection, and system protection across its operations. These measures were complemented by regular cybersecurity awareness initiatives, simulation exercises, and periodic review of risk transfer arrangements to enhance overall preparedness and resilience against cyber risks.

During the year, GTS also established a Data & AI Management and Governance Framework to promote responsible, ethical, and compliant use of data and artificial intelligence, with clear oversight and accountability mechanisms.

Collectively, these initiatives enhanced the Group's internal control environment through improved system reliability, strengthened cybersecurity safeguards, enhanced data governance, and reduced reliance on manual processes.

Communication and Information Sharing

In 2025, KPJ Group continued to strengthen its commitment to fostering a culture of effective communication, transparency, and meaningful engagement across its hospitals and subsidiaries. Through structured platforms and leadership-led initiatives, the Group ensured consistent information flow, enhanced employee connectivity, and sustained alignment with its strategic priorities.

The year commenced with organisation-wide engagement initiatives aimed at reinforcing strategic alignment and encouraging two-way communication between leadership and employees. A Group Town Hall held on 6 March 2025 served as a key platform for Senior Management to share organisational updates, highlight achievements, and address employee queries transparently.

Leadership engagement remained a core focus through targeted initiatives, including the C.A.R.E. with Leaders programme, which enabled small-group interactions with senior leaders and reinforced KPJ's shared values of C.A.R.E.

Employee wellbeing was further supported through the Mental Health & Wellbeing Programme, comprising sessions focused on promoting awareness, resilience, and psychological safety. Innovation and continuous improvement were advanced through the KPJ KRAFT Challenge 2025, supporting KPJ's vision of being "The Preferred Healthcare Partner" and the KPJ Health System transformation journey.

A key milestone in 2025 was the KPJHS Movement Launch & Sustainability Day 2025, held on 10 December 2025, which also marked the launch of LearnNova, KPJ's new training system. The event further recognised outstanding employees and hospitals through dedicated awards, while strengthening employee engagement towards sustainable practices aligned with the Group's long-term aspirations. Leveraging Workday as part of communications tools, such as announcements and posting new updates, aside from our existing internal communications tools, which are KPJ Buzz and Telegram #JoywithKPJ.

Through these initiatives, KPJ Group reaffirmed its commitment to enhancing communication effectiveness, fostering transparency, and empowering its workforce to achieve shared organisational goals.

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. Quality assurance activities in 2025 included Annual Clinical Survey, adapted from Malaysian Society for Quality in Health ("MSQH") audit tools, internal MSQH and Joint Commission International ("JCI") - aligned assessments, and targeted focus surveys conducted in response to incidents and accreditation readiness. A total of 29 hospitals were surveyed across 19 service standards during the Annual Clinical Surveys. Findings were shared with hospital management to support corrective actions, continuous improvement, and regulatory readiness.

Throughout the year, Group Clinical Services conducted sessions on incident reporting and sentinel events focused on the clinical aspects of incident reporting and root cause analysis.

Independent Evaluation

Penang Specialist Hospital, have also been certified by the 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 program 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 31 December 2025. 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 PMD and CFO, 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 MCCG and the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer.

GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT 2025

Clinical governance remains an integral component of KPJ's corporate governance framework, ensuring accountability for the delivery of safe, effective, high-quality and patient-centred care, which underpins excellence in clinical care across the Group.

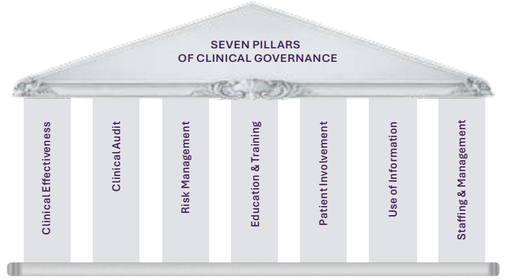
In 2025, this governance framework continued to be anchored by the Seven Pillars of Clinical Governance, a model first established within the United Kingdom's National Health Service ("NHS") to ensure organisational accountability for quality and patient safety. Over the decades, adoption of this internationally recognised framework, aligned with Malaysian accreditation requirements, provides a systematic and risk-based approach to clinical oversight across the Group, ensuring governance arrangements are structured, consistent, and not ad hoc in nature.

As the Group progressed in the development of the KPJ Academic Health System and expanded its Centres of Excellence, clinical governance arrangements were reviewed to ensure they remain fit-for-purpose, scalable and aligned with increasing clinical complexity. The evolution of academic partnerships, multidisciplinary models of care, research activities and specialty-driven services necessitated clearer lines of accountability and more integrated oversight. It also strengthened the linkage between clinical leadership, quality governance and strategic development.

In response, refinements were made to Group-level clinical governance structures and reporting relationships during the year. These changes were intended to strengthen executive accountability for clinical outcomes and support more effective oversight of patient safety and ethical practices. They also enable more agile decision making across specialty and academic domains, while preserving statutory hospital level governance requirements.

THE SEVEN PILLARS OF CLINICAL GOVERNANCE

The Seven Pillars of Clinical Governance support oversight, accountability, risk management and continuous improvement across the Group, as outlined below.



PILLARS	IMPACT
Clinical Effectiveness	This pillar ensures that clinical care is delivered in accordance with established guidelines, best practices and evidence-based standards. Monitoring of treatment outcomes and adherence to clinical protocols supports the consistency of care and continuous improvement across hospitals.
Clinical Audit	Clinical audit provides assurance that care delivery aligns with agreed standards and policies. Audit findings are used to identify gaps, implement corrective actions, and monitor improvements over time.
Risk Management	Risk management focuses on identifying, analysing, and reducing risks to patients, staff, and visitors. This includes an emphasis on clinical-related incident reporting, root cause analysis, and monitoring of serious incidents and sentinel events. These processes support learning, risk mitigation and the prevention of recurrence.
Education & Training	Effective clinical governance depends on a competent and well-supported workforce. This pillar covers training, credentialing, professional development and supervision to ensure staff are equipped to deliver safe and high-quality care.
Patient Involvement	This pillar emphasises the importance of involving patients in decisions about their care and service delivery. Patient feedback, complaints management and engagement activities inform service improvements and support a patient-centred approach to care.
Use of Information	Reliable clinical information underpins effective governance. Data from clinical indicators, audits, incident reports, and performance monitoring are used to support decision-making, track trends, and inform discussions at hospital and Group governance forums.
Staffing & Management	This pillar focuses on appropriate staffing levels, role clarity and performance monitoring. Regular review of staffing models and performance supports safe service delivery and helps manage clinical workload and risk.

MANAGEMENT OF CLINICAL GOVERNANCE – COMMITTEE STRUCTURES

Figure 2. Clinical Governance - Committee Structures

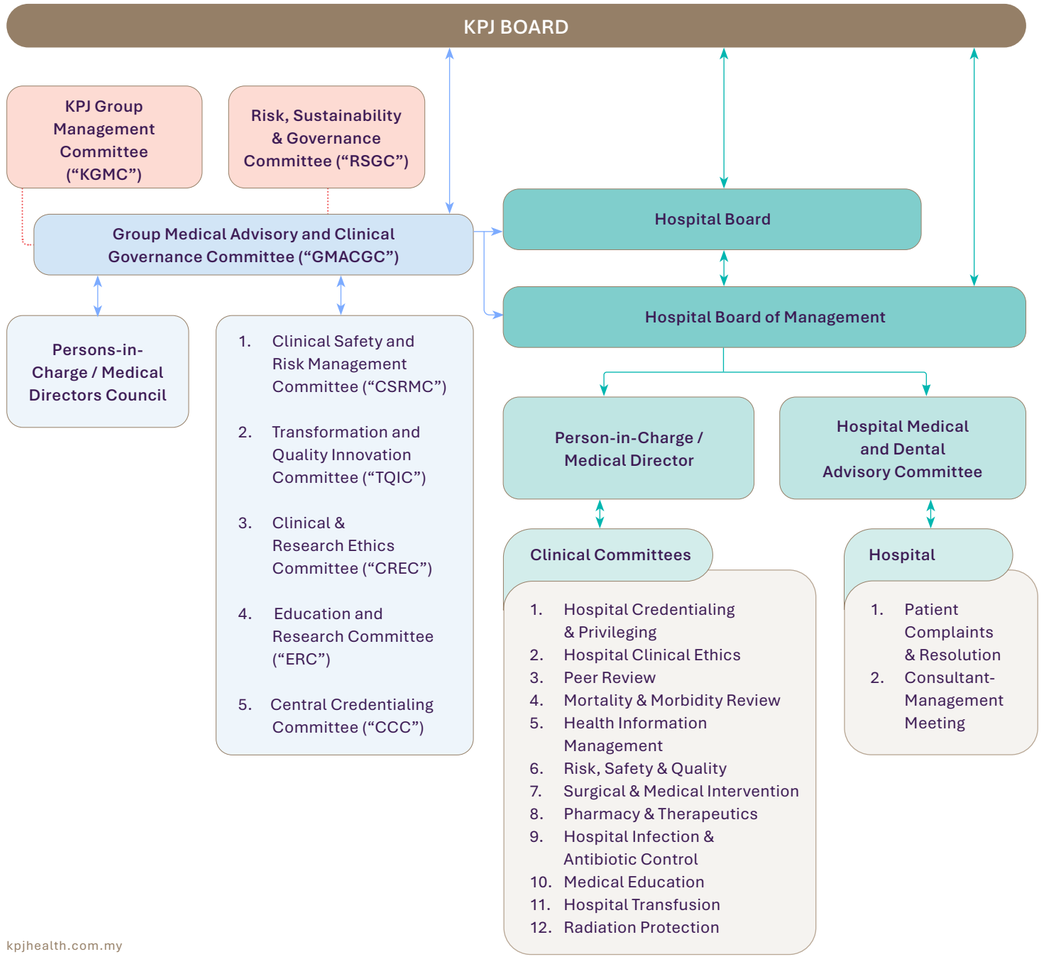


Figure 2 illustrates KPJ's clinical governance structure, outlining the lines of accountability and reporting relationships across Group and hospital levels. The framework reflects a tiered governance model designed to ensure appropriate oversight, escalation, and decision-making for clinical quality, patient safety, and professional practice.

At the apex of governance, the KPJ Board and KPJ Group Management Committee provide strategic oversight, supported by the KPJ Risk, Sustainability and Governance Committee.

Clinical governance oversight at Group level is coordinated through structured committees and executive leadership, ensuring alignment between corporate governance, clinical risk management, and quality improvement priorities.

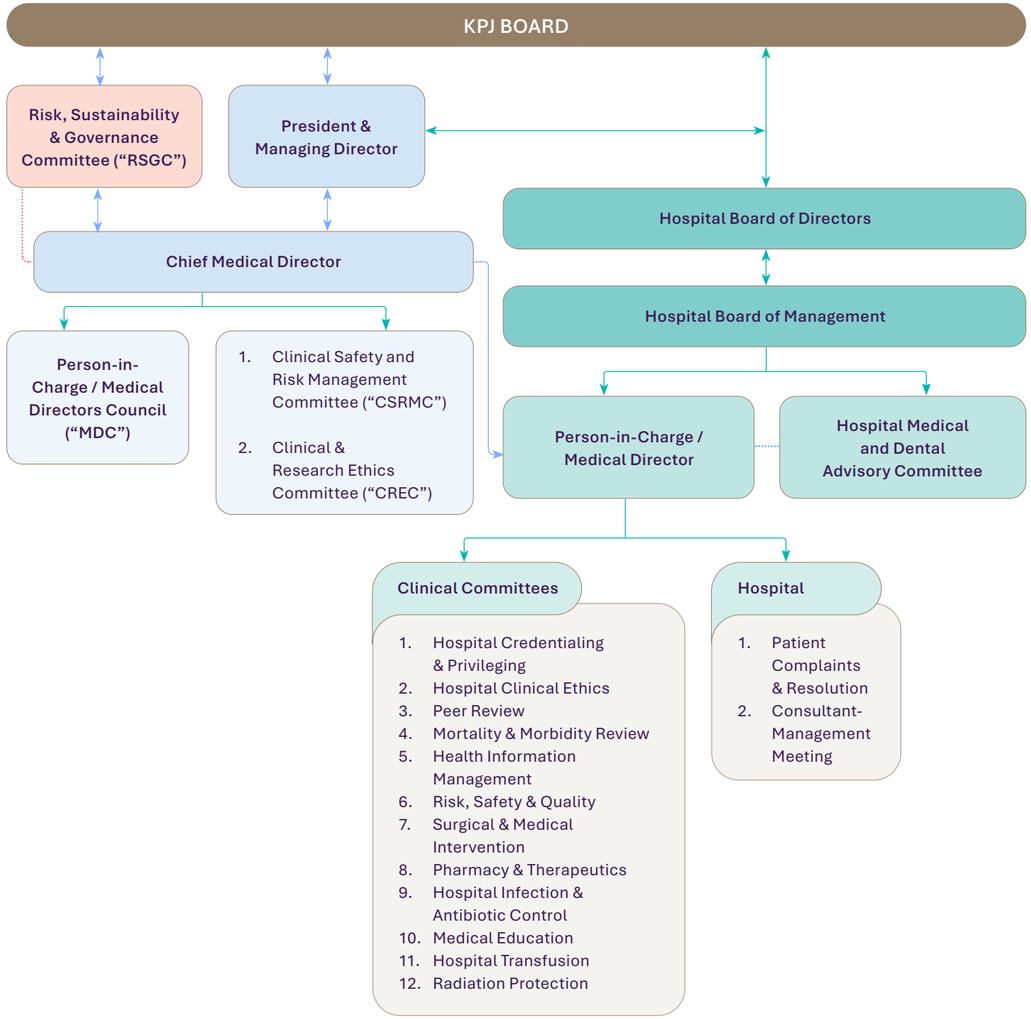
Hospital-level clinical governance remains anchored at the Hospital Board of Management, supported by the Hospital Medical and Dental Advisory Committee and the Person-in-Charge (Medical Director).

A comprehensive suite of hospital clinical committees oversees key domains including risk, safety and quality, mortality and morbidity review, credentialing and privileging, infection control, pharmacy and therapeutics, medical audit, ethics and patient complaints. These committees ensure statutory compliance and provide operational oversight at hospital level.

The figure also reflects the role of Group-level clinical committees in providing guidance, standardisation, and oversight across hospitals. These committees support the development of policies, monitoring of performance and outcomes and sharing of learning across the Group, while maintaining clear boundaries between governance, advisory, and operational functions.

Overall, the clinical governance structure depicted in Figure 2 demonstrates KPJ's commitment to maintaining strong hospital-level accountability. It is supported by Group-level oversight and executive leadership to ensure safe, high-quality and consistent care delivery across the organisation. This framework was in force until November 2025, when a revised structure was presented by the Chief Medical Director ("CMD") at the Board Retreat for the structure moving forward.

Figure 3. Clinical Governance - Committee Structures with effect from 1st January 2026



EVOLUTION OF THE GROUP MEDICAL ADVISORY AND CLINICAL GOVERNANCE COMMITTEE

Historically, the Group Medical Advisory Committee ("GMAC") served as the central advisory body providing clinical oversight, professional guidance, and strategic input to the Group on matters relating to patient care, clinical standards, and medical practice.

In 2025, KPJ undertook a review of its Group-level clinical governance arrangements to better align accountability with executive leadership and to streamline governance pathways. As part of this evolution, a planned transition of the Central Group Medical Advisory Committee was announced at the 4th GMACGC Meeting on 27 October 2025. The Committee continued to function until 31 December 2025, after which its advisory and oversight functions transitioned to the Chief Medical Director ("CMD") with effect from January 2026.

Hospital Medical (and Dental) Advisory Committees ("HMDACs") continue to be retained, in line with statutory and regulatory requirements, to provide clinical oversight and professional governance at hospital level.

GROUP-LEVEL CLINICAL COMMITTEES

In the first quarter of 2023, KPJ undertook a restructuring of its central clinical governance committees, resulting in the following clinical committees with updated frameworks and terms of reference that (with the exception of the PDC) continued through to the end of 2025:

1. Clinical Safety and Risk Management Committee ("CSRMC")
2. Transformation and Quality Innovation Committee ("TQIC")
3. Education and Research Committee ("ERC")
4. Central Credentialing Committee ("CCC")
5. Clinical and Research Ethics Committee ("CREC")
6. Professional Development Committee ("PDC")

There was also the Medical Directors' Council, which later convened as the Persons-in-Charge ("PIC") Council in April 2024 to align with statutory requirements. On 8 September 2025, a directive was issued by the CMD to standardise the use of the title Medical Director in place of PIC, with immediate effect. This decision, endorsed at the KPJ Health System Project Steering Committee meeting held on 4 September 2025, supports the establishment of the CMD's Office and aligns hospital-level medical leadership under a consistent and professional designation within the revised organisational structure.

As part of earlier governance refinements, the decision to discontinue the PDC was approved on 27 October 2024, and the Committee ceased operations with effect from January 2025.

Following further governance refinements during the Board Retreat (5 to 7 November 2025), only the PIC (Medical Directors') Council, CSRMC and CREC will continue into 2026, with the remaining central committees completing their roles by 31 December 2025.

KEY CLINICAL GOVERNANCE ACTIVITIES IN 2025

In 2025, KPJ's clinical governance activities focused on strengthening specialist care delivery, enhancing clinical leadership and capability and advancing governance structures that support safe, consistent and outcome-driven care across the Group. These activities reflect a deliberate shift from isolated service development towards integrated, network-wide governance and value creation.

Quality Assessment and Assurance

Annual Clinical Surveys adapted from MSQH audit tools, and internal MSQH and JCI surveys, were conducted to assess compliance with clinical and non-clinical standards, with findings shared with hospital management to inform improvement actions. In addition, targeted focus surveys and gap analyses were undertaken following incidents and in preparation for accreditation, supporting early identification of risks and strengthening readiness for regulatory reviews.

In 2025, a total of 29 KPJ hospitals underwent the annual clinical survey and there were a total of 19 service standards surveyed. The overall average percentage scored was 93.2%.

Towards Zero Harm Campaign

In 2025, the Towards Zero Harm Campaign was launched as a Group-wide, risk-based patient safety programme, focusing on clinical areas with higher harm potential. The campaign comprised four key initiatives: Safe Surgery Saves Lives, Fall Prevention, Prevention of Infection, and Medication Without Harm, implemented through shared leadership across Nursing, Pharmacy, Clinical Governance, and hospital multidisciplinary teams.

The Safe Surgery Saves Lives initiative focused on strengthening perioperative safety through structured surveys, governance oversight, training resources and third-party audits of surgical instruments. These targeted interventions reinforced compliance with operating theatre standards, improved team practices and supported continuous learning. In 2025, surgery-related sentinel events reduced to 4 cases compared to 7 in the previous year, reflecting meaningful improvement in a high-risk clinical area through focused safety measures.

The Fall Prevention initiative continued to emphasise sustainability of hospital-level multidisciplinary practices, supported by enhanced self-monitoring tools and education to identify and mitigate environmental and patient-related risk factors. Ongoing monitoring and shared learning across hospitals strengthened staff awareness and consistency of fall prevention practices.

KPJ's inpatient fall rate in 2025 was 0.25 per 1,000 patient days, performing well below the national benchmark of less than 5 per 1,000 patient days. This reflects sustained focus on fall prevention and mitigation of fall-related harm across the Group.

The Prevention of Infection initiative was further structured in 2025 to strengthen governance oversight, monitoring and staff preparedness. Standardised compliance assessments, multidisciplinary engagement platforms and targeted training supported improved infection prevention practices and responsiveness to emerging infection risks. Hand hygiene compliance exceeds the Patient Safety Council benchmark of 75%, and hospital-associated infection rates across KPJ remain below 5%.

In parallel, the Medication Without Harm initiative, led by Pharmacy Services in collaboration with Nursing and clinical teams, focused on reducing medication-related incidents through strengthened medication safety behaviours, competency-based training and standardised mitigation measures across hospitals.

Collectively, the Towards Zero Harm Campaign reinforced a coordinated, system-based approach to patient safety underpinned by governance oversight, data-informed monitoring and multidisciplinary collaboration. The programme continues to support KPJ's commitment to reducing preventable harm while strengthening a culture of learning, accountability and continuous improvement across the Group.

Strengthening Specialist Services and Clinical Networks

A key milestone in 2025 was the launch of KPJ's first Centre of Excellence ("CoE"), the Heart & Lung CoE at Johor Specialist Hospital on 1st December 2025, which integrated cardiology, cardiothoracic surgery and respiratory services under a unified clinical governance and care delivery model. This marked an important step in operationalising KPJ's specialist strategy and provided a scalable reference model for future CoEs.

To support consistency of care and reduce unwarranted practice variation across hospitals, senior consultants were appointed as Heads of Specialty and Subspecialty across the KPJ network. These roles strengthened specialty-led governance, supported clinical standards and outcomes monitoring and enabled structured collaboration across hospitals.

In parallel, KPJ developed a standardised CoE framework, governance structure and implementation methodology, culminating in a CoE Playbook. This work, supported through collaboration with Mayo Clinic Global Consulting, established a structured blueprint covering clinical standards, patient experience, education and research, ensuring that future CoEs are scalable, sustainable and outcome-focused.

Leverage Mayo Clinic Care Network Affiliation

The Group leveraged its affiliation with the Mayo Clinic Care Network to enable structured knowledge transfer and the adoption of evidence-based rehabilitation protocols for breast and colorectal cancer, strengthening clinical capability and intellectual capital across KPJ oncology services.

PROGRESS AND OUTCOMES

Through multidisciplinary engagement and localisation of Mayo Clinic–informed clinical pathways, Breast and Colorectal Cancer Rehabilitation protocols were approved and implemented across all five KPJ oncology hospitals, namely Damansara Specialist Hospital, Ipoh Specialist Hospital, Johor Specialist Hospital, Ampang Puteri Specialist Hospital and Sabah Specialist Hospital by the third quarter of 2025. This initiative enhanced standardisation of care, improved continuity across the oncology care pathway and supported value creation through improved patient recovery and service quality.

Through its engagement with Mayo Clinic as a member of Mayo Clinic Care Network ("MCCN"), Damansara Specialist Hospital has adopted several Mayo Clinic–informed oncology care practices. These include the introduction of a Nurse Navigator role, the establishment of a dedicated Cancer Care Team and the implementation of structured Multidisciplinary Meetings ("MDTs"). Implemented in November 2024, these initiatives strengthen care coordination, support integrated clinical decision-making across specialties and enhance the overall patient-centred cancer care journey. This reflects KPJ's commitment to translating the best global practices into local clinical delivery to improve quality and outcomes.

Building Clinical Capability and Regional Engagement

Clinical capability development remained a key focus in 2025. The KPJ ASEAN Clinical Fellowship Programme, launched during the Malaysia International Healthcare ("MIH") Megatrends 2025, provided structured clinical exposure and training opportunities for medical professionals across the ASEAN region. This initiative strengthened talent development, promoted regional knowledge exchange and positioned KPJ as a contributor to regional clinical education and capability building.

Advancing Value-Based Care and Governance Maturity

In 2025, KPJ advanced its transition towards value-based care through the evolution of the former Performance Measurement Unit into the Value-Based Care ("VBC") Unit. A Group-wide Value-Based Care framework was developed, supported by six enablers encompassing data, governance, patient voice, care and cost pathways, scaling mechanisms and incentive alignment readiness.

Key governance-linked activities included the completion of a network-wide Patient Safety Culture ("PSC") survey, with participation from 29 hospitals and a response rate of 86.8% across 8,311 clinical staff. The findings established a credible baseline for safety culture and reinforced the importance of governance, leadership engagement and learning as foundations for reliable care and sustainable improvement.

Measurement architecture was also refined through the consolidation of indicators into four strategic domains—clinical outcomes, functional outcomes, patient-reported outcome measures ("PROMs"), and cost and efficiency—supporting more consistent performance monitoring and readiness for condition-based transparency.

Pharmacy and Allied Health Services

Pharmacy and Allied Health Services focused on strengthening patient safety, standardisation and workforce competency across the Group. Medication safety was enhanced through the implementation of the Medication Error Mitigation Plan and reinforcement of the Medication Without Harm initiative. This shifted assurance from policy compliance to competency-based practices through role-play and Objective Structured Clinical Examination ("OSCE") based assessments.

Allied Health Services advanced capability development through targeted Centres of Excellence initiatives, including cardiovascular and respiratory rehabilitation and oncology rehabilitation, supported by structured training programmes and standardised clinical protocols. Dietetics and Food Services achieved Group-wide standardisation through the implementation of a Standardised Diet Manual, centralised education materials and the expansion of digital Halal assurance systems to improve compliance and operational efficiency.

Health Information Management Services strengthened information governance through Group-wide medical coding competency training and standardisation of key clinical and administrative documentation, enhancing data reliability, audit readiness and medico-legal safeguards.

Nursing Services

In 2025, Nursing Services continued to play a critical role in supporting clinical governance, patient safety, and workforce capability across KPJ Hospitals. Key efforts focused on strengthening governance structures, standardising nursing practices, enhancing competency and leadership development and leading targeted safety initiatives aligned with organisational priorities and accreditation standards.

Governance, Leadership and Specialty Engagement

Clinical governance for nursing was reinforced through regular Group-level engagements involving the Chief Nursing Officer and nursing leaders across major specialties, including operating theatres, critical care, emergency services, infection control, maternity, oncology and nursing education. These structured forums supported alignment with national guidelines, review of specialty-specific risks, sharing of best practices and standardisation of nursing protocols across hospitals.

To further strengthen specialty governance and professional development, dedicated Oncology Nursing and Nursing Education committees were established in 2025, providing focused oversight for specialised services and supporting the development of nursing capability in line with evolving clinical needs.

Clarifying Accountability and Performance

Efforts were made to strengthen clarity of roles and accountability within Nursing Services through alignment of nursing job descriptions with the Group's human resource system. Standardised Key Performance Indicators were developed across nursing categories to support performance monitoring and alignment with organisational objectives. Nursing privileging was also advanced through the development of standardised privileges across multiple disciplines, reinforcing safe scope of practice, regulatory compliance and professional accountability.

Capability and Leadership Development

Nursing capability development was supported through a range of structured education and training programmes, including specialty-focused clinical training, leadership development initiatives and academic engagement platforms. These programmes enhanced technical competency, promoted evidence-based practice and strengthened leadership capacity within nursing services across the network.

LOOKING AHEAD

Collectively, the clinical governance activities undertaken in 2025 strengthened KPJ's foundations for specialist care delivery, leadership accountability, patient safety and value-based performance. These initiatives position the Group to scale Centres of Excellence, embed value-based care practices and continue advancing safe, consistent and patient-centred care across the 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

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 2025 is as follows:

Sukuk Wakalah	Amount up to (RM Million)
As at 1 January 2025	1,205.0
Issued during the financial year	-
As at 31 December 2025	1,205.0

2. TREASURY SHARES

On 26 June 2025, 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.

During the financial year, the Company reissued a total of 9,550,000 treasury shares with a total consideration received, after deducting transaction costs, was RM24,838,882.

As at 31 December 2025, the Company held a total of 152,756,700 of its 4,526,608,066 issued ordinary share as treasury shares. Such treasury shares are held at a carrying amount of RM146,172,000 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 RM3 million and RM9.3 million, respectively. For the Company, audit fees and non-audit fees amounted to RM0.4 million and RM7.0 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 2025, 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 2025 to 31 December 2025 RM'000	Frequency of transactions
Johor Corporation (JCorp) and its subsidiaries and associated companies (except for Al-'Aqar Healthcare REIT and Al-Salam REIT)	Secretarial fees and registrar fees	220	Monthly
	Building management service fees payable	7,542	Monthly
	Security services fees payable	7,393	Monthly
	Medical services provided to JCorp Group's employees as panel hospital	1,250	At point in time
	Rental Income for renting of land for car park	4,540	Monthly
	Rental payable for renting of land for car park	300	Monthly
	Housekeeping contract fees payable	36,667	Monthly
	Rental income for renting of office	70	Monthly
	Software as services	4,571	Semi-annually
	Renovation and related works for KPJ Group	14,000	At point in time
Al-'Aqar Healthcare REIT / Al-'Aqar Australia	Rental payable for renting of retirement village building in Australia and lease of hospital together with the land	10,000	Monthly
Al-Salam Real Estate Investment Trust (Al-Salam REIT)	Rental payable for renting of premises for the operations of KPJ Healthcare University	2,340	Monthly
		88,893	

Stories of Excellence

The Future Leaders in Our Pursuit of Excellence

Behind every milestone in healthcare sits a team of people who chose to take a harder path. The robotic systems, the new centres of excellence, the firsts that catch the headlines: none of these arrive on their own. They are willed into being by leaders who can see further than their own department, and who are willing to do the slow work of bringing others with them.

The Leadership Ascendancy Programme, LEAP, is how KPJ invests in those people. Strengthened by a partnership with the University of Melbourne and Singapore Management University, the programme brings together a cohort of the organisation's finest emerging leaders and challenges them to think beyond operational improvement and into strategic transformation. To question what the next decade of Malaysian healthcare should look like, and to begin building it from where they sit today.

LEAP works alongside a complementary three-day programme, which has so far trained 48 participants across diverse functions and disciplines. The intent is the same. To grow a generation of project experts who can scope, plan and deliver initiatives that create real value, and to ensure that succession plans for KPJ's most important roles are anchored in talent grown from within.

What makes LEAP distinctive is that the work is real. Each cohort tackles strategic projects drawn from the live challenges facing the organisation. In the most recent cycle, four future leader teams took on questions that sit at the heart of the Pursuit of Excellence:

How can patient experience be transformed through digitalisation, beginning with elective admissions and the journey from hospital to hospitality? How does an outcome-driven, DRG-ready model for unilateral total knee replacement raise the bar for value-based care? How can operating theatre utilisation be improved, recognising that every minute counts for the patient waiting? And how does KPJ continue to lead Value-Based Care in Minimally Invasive Robotic Surgery?

These are not classroom exercises. They are strategic, practical and executional pieces of work, designed to balance the realities of running a business with the steady commitments to quality, safety and patient experience that define KPJ.

The deeper truth running through LEAP is simple. Excellence is not a milestone an organisation arrives at. It is a discipline, carried forward by people. The leaders shaped by this programme today will be the ones standing beside our patients tomorrow, and the standard they hold for themselves is, in the end, the standard our patients will feel.

8 Appendices

- Shareholdings Statistics
- List of KPJ Top 10 Properties
- Group Network and Directory
- Notice of 33rd AGM
- Statement Accompanying Notice of the 33rd AGM
- Proxy Form

SHAREHOLDINGS STATISTICS

as at 31 March 2026

ISSUED SHARES	4,526,608,066 LESS 100,305,975 TREASURY SHARES = 4,426,302,091
CLASS OF SHARES	ORDINARY SHARE
VOTING RIGHTS	ONE (1) VOTE PER ORDINARY SHARE

BREAKDOWN OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	HOLDERS	%	HOLDINGS	%
LESS THAN 100	875	10.77	17,726	-
100 – 1000	2,539	31.26	1,108,740	0.03
1,001 – 10,000	2,401	29.57	11,061,438	0.25
10,001 – 100,000	1,548	19.06	51,511,194	1.16
100,001 TO LESS THAN 5% OF ISSUED CAPITAL	755	9.30	2,217,070,912	50.09
5% AND ABOVE OF ISSUED CAPITAL	3	0.04	2,145,532,081	48.47
TOTAL	**8,121**	**100.00**	**4,426,302,091**	**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	31.79
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD	458,456,347	10.36
3	WAQAF AN-NUR CORPORATION BERHAD	279,925,634	6.32
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	184,995,262	4.18
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	163,217,958	3.69
6	JOHOR CORPORATION	160,069,567	3.62
7	JCORP CAPITAL SOLUTIONS SDN BHD	81,949,007	1.85
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	52,272,800	1.18
9	LEMBAGA TABUNG HAJI	43,291,000	0.98
10	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC SELECT TREASURES FUND	36,335,572	0.82
11	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM BUMIPUTERA 3 - DIDIK	35,000,000	0.79
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EXEMPT AN FOR AIA BHD	34,966,700	0.79
13	HSBC NOMINEES (ASING) SDN BHD - A/C JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	34,768,567	0.79

TOP THIRTY SECURITIES ACCOUNT HOLDERS (CONT'D)

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME DEPOSITOR)

	NAME	HOLDINGS	%
14	JOHOR CORPORATION	34,565,248	0.78
15	HSBC NOMINEES (ASING) SDN BHD - A/C JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	33,025,800	0.75
16	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC DIVIDEND FUND	32,608,140	0.74
17	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM MALAYSIA	31,326,300	0.71
18	PERMODALAN NASIONAL BERHAD	30,999,900	0.70
19	CITIGROUP NOMINEES (ASING) SDN BHD - A/C UBS AG	28,960,735	0.65
20	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM MALAYSIA 2 - WAWASAN	27,371,800	0.62
21	CARTABAN NOMINEES (TEMPATAN) SDN BHD - A/C PAMB FOR PRULINK EQUITY FUND	26,389,000	0.60
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C URUSHARTA JAMAAH SDN. BHD. (2)	26,259,000	0.59
23	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM BUMIPUTERA	24,000,000	0.54
24	AMANAHRAYA TRUSTEES BERHAD - A/C AMANAH SAHAM MALAYSIA 3	23,712,800	0.54
25	AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ITTIKAL SEQUEL FUND	23,342,264	0.53
26	CARTABAN NOMINEES (TEMPATAN) SDN BHD - A/C PBTB FOR TAKAFULINK DANA EKUITI	22,465,800	0.51
27	CARTABAN NOMINEES (TEMPATAN) SDN BHD - A/C PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	21,771,900	0.49
28	CITIGROUP NOMINEES (ASING) SDN BHD - A/C CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	20,591,956	0.47
29	HSBC NOMINEES (ASING) SDN BHD - A/C JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	17,472,300	0.39
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	16,862,900	0.38

SUBSTANTIAL SHAREHOLDERS

	NAME	DIRECT		INDIRECT	
		HOLDINGS	%	HOLDINGS	%
1	JOHOR CORPORATION	1,601,784,915	36.19	361,890,305	8.17
2	EMPLOYEES PROVIDENT FUND BOARD	722,638,305	16.33	-	-
3	WAQAF AN-NUR CORPORATION BERHAD	279,925,634	6.32	-	-
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	228,012,062	5.15	-	-

DIRECTORS' SHAREHOLDING IN THE COMPANY AND/OR ITS RELATED CORPORATION

Directors' Shareholding in the Company

	NAME	DIRECT		INDIRECT	
		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	750,000	0.02	-	-
11	NINA SAPURA BINTI RAHMAT (ALTERNATE DIRECTOR TO SHAMSUL ANUAR BIN ABDUL MAJID)	-	-	-	-
12	SITI HAJAR BINTI MARHANI (ALTERNATE DIRECTOR TO ROZAINI BIN MOHD SANI)	-	-	-	-
TOTAL		**1,080,000**	**0.03**	**-**	**-**

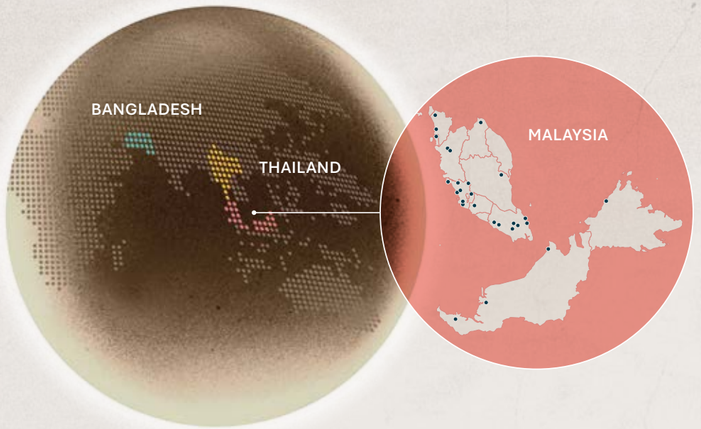
Directors' Shareholding in Johor Plantations Group Berhad

	NAME	DIRECT		INDIRECT	
		HOLDINGS	%	HOLDINGS	%
1	TAN SRI DATO' SRI DR. ISMAIL BIN HAJI BAKAR	416,000	0.02	-	-
2	SHAMSUL ANUAR BIN ABDUL MAJID	2,700,091	0.11	-	-
3	ROZAINI BIN MOHD SANI	1,502,791	0.06	-	-
4	CHIN KEAT CHYUAN	390,000	0.02	-	-
5	NINA SAPURA BINTI RAHMAT (ALTERNATE DIRECTOR TO SHAMSUL ANUAR BIN ABDUL MAJID)	713,273	0.03	-	-
6	SITI HAJAR BINTI MARHANI (ALTERNATE DIRECTOR TO ROZAINI BIN MOHD SANI)	783,273	0.03	-	-
TOTAL		**6,505,428**	**0.27**	**-**	**-**

LIST OF KPJ TOP 10 PROPERTIES

No	Company	Location	Description	Latest date of valuation	NBV as at 31.12.2025 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-25	300.0	Freehold land	Land - 54,034 GFA - 70,777	7 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-25	260.0	Freehold land	Land - 8,330 GFA - 90,471	26 years
3	BDC Specialist Hospital Sdn Bhd	Lot 18807, Block 11, Muara Tebas Land District, Jalan Stutong, 93350, Kuching, Sarawak.	Land and hospital building	31-Dec-25	168.0	Leasehold land (60 years expiring on 8 August 2072)	Land - 19,180 GFA - 40,899	7 years
4	SMC Healthcare Sdn Bhd	Lot 2, TL 017553221, Off Jalan Damai, 88300 Kota Kinabalu, Sabah.	Hospital building	31-Dec-25	166.0	NA	Land - 16,850 GFA - 42,211	13 years
5	Pasir Gudang Specialist Hospital Sdn Bhd	Lot PTB 24134, HSD 535599, 80350 Johor Bahru, Johor.	Hospital building	31-Dec-25	158.0	NA	Land - 9,672 GFA - 49,091	4 years
6	Pahang Specialist Hospital Sdn Bhd	Lot 140885, Pajakan Mukim 32008, Mukim Kuala Kuantan, 26060 Kuantan, Pahang.	Land and hospital building	31-Dec-25	105.0	Leasehold land (99 years expiring on 17 April 2106)	Land - 12,940 GFA - 32,327	11 years
7	Kluang Specialist Hospital Sdn Bhd	PTD 91374, Jalan Saujana Utama, Taman Saujana Kluang, 86000 Kluang, Johor.	Land and office building	31-Dec-25	90.0	Freehold land	Land - 10,117 GFA - 17,202	7 years
8	Miri Specialist Hospital Sdn Bhd	Lot 8836, Block 11 Kuala Baram Land District, 98000 Miri, Sarawak.	Land and hospital building	31-Dec-25	81.0	Leasehold land (99 years expiring on 26 May 2114)	Land - 16,188 GFA - 12,995	7 years
9	Rawang Specialist Hospital Sdn Bhd	Lot PT 10064, HSD 171858, Bandar Rawang, 48000 Rawang, Selangor.	Land and hospital building	31-Dec-25	80.0	Leasehold land (76 years expiring on 31 March 2100)	Land - 7,284 GFA - 27,305	13 years
10	Maharani Specialist Hospital Sdn Bhd	Lot 2024, GRN 105838, Bandar Maharani, 84000 Muar, Johor.	Land and hospital building	31-Dec-25	67.0	Freehold land	Land - 6,944 GFA - 20,439	12 years

GROUP NETWORK AND DIRECTORY



MSQH & JCI ACCREDITED HOSPITALS

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 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 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

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

IPOH SPECIALIST HOSPITAL
26, Jalan Raja Dihilir
30350 Ipoh, Perak
Tel: 605-240 8777
Website: www.kpjhealth.com.my/ipoh/
Email: kpjipoh@kpjipoh.com

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

TAWAKAL 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
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Email: info@kpjpgsh.com

KPJ BANDAR MAHARANI SPECIALIST HOSPITAL
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84000 Muar, Johor
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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/
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KPJ SABAH SPECIALIST HOSPITAL
Lot No.2, Off Jalan Damai
Luyang Commercial Centre
88300 Kota Kinabalu, Sabah
Tel: 6088-322 000
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KPJ PAHANG SPECIALIST HOSPITAL
Jalan Tanjung Lumpur
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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

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/

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

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

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

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/

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

NOTICE OF 33RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Third ("**33rd**") Annual General Meeting ("**AGM**") of KPJ Healthcare Berhad ("**KPJ**" or the "**Company**") will be held at The Weave, Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Tuesday, 16 June 2026 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 2025 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)	Shamsul Anuar bin Abdul Majid	- Rule 95(i)	**(Ordinary Resolution 1)**
(ii)	Rozaini bin Mohd Sani	- Rule 95(i)	**(Ordinary Resolution 2)**
(iii)	Lee Lai Fan	- 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 33rd AGM until the conclusion of the next AGM of the Company. **(Ordinary Resolution 4)**
   Please refer to Explanatory Note C(I).

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. **(Ordinary Resolution 5)**
   Please refer to Explanatory Note C(II).

5. To appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring Auditors, Messrs. Ernst & Young PLT, and to hold office until the conclusion of the next AGM of the Company to be held in the year 2027 at a remuneration to be determined by the Directors. **(Ordinary Resolution 6)**
   Please refer to Explanatory Note D.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

6. **PROPOSED RENEWAL OF AUTHORITY FOR KPJ TO PURCHASE ITS OWN ORDINARY 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 Companies Act 2016 (the "**Act**"), the provisions of the Company's Constitution, the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**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 following the general meeting at which such resolution was passed at which time the said authority shall lapse unless renewed by an ordinary resolution passed at that AGM, either unconditionally or subject to conditions; or

      (ii) the expiration of the period within which the next AGM of the Company 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; or

   (ii) retain the shares so purchased as treasury shares and held by the Company; or

   (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or

   (iv) distribute all or part of the treasury shares as share 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.

NOTICE OF 33RD ANNUAL GENERAL MEETING

AND THAT the Directors of the Company be and are 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."

(Ordinary Resolution 7)

Please refer to Explanatory Note E.

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR 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 2026 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 an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are 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."

(Ordinary Resolution 8)

Please refer to Explanatory Note F.

8. 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,

Hana binti Ab Rahim @ Ali (MAICSA 7064336)
(SSM Practising Certificate 202408000758)
Nur Aini binti Saharudin (MAICSA 7084452)
(SSM Practising Certificate 202608000127)
Company Secretaries
Kuala Lumpur

28 April 2026

NOTES:

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 9 June 2026 shall be eligible to attend the 33rd 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 33rd AGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the 33rd 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 33rd 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.

NOTICE OF 33RD ANNUAL GENERAL MEETING

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 33rd 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, in the designated drop-in box located at Unit G-3, 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 via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at *https://srmy.vistra.com*. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via The Portal.

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 **Sunday, 14 June 2026** at **10:00 a.m.**

10. Any authority pursuant to which such appointment is made by a power of attorney 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, in the designated drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via The Portal at *https://srmy.vistra.com* at least forty-eight (48) hours before the time appointed for holding the 33rd 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 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 in the designated drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via The Portal at *https://srmy.vistra.com*. 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.

EXPLANATORY NOTES:

A. Audited Financial Statements for the financial year ended 31 December 2025

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 every 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 the Directors 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, Encik Shamsul Anuar bin Abdul Majid, Encik Rozaini bin Mohd Sani and Ms. Lee Lai Fan are due to retire at the 33rd AGM.

In determining the eligibility of the retiring Directors to stand for re-election, the Nomination and Remuneration Committee ("**NRC**") had considered the following:-

- Board of Directors ("**Board**") and Board Committees Effectiveness Evaluation, which covers the assessment of the Directors' fit and proper criteria, including 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 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 and have demonstrated the requisite character, experience, integrity, competence, time and commitment in discharging their duties effectively. 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 Encik Shamsul Anuar bin Abdul Majid, Encik Rozaini bin Mohd Sani and Ms. Lee Lai Fan are eligible to stand for re-election at the 33rd 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 33rd AGM.

NOTICE OF 33RD ANNUAL GENERAL MEETING

C. Audited Financial Statements for the financial year ended 31 December 2025

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 the shareholders' approval shall be sought at the 33rd AGM of the Company for the payment of directors' fees and benefits for the NEDs from the conclusion of the 33rd AGM until the conclusion of the next AGM of the Company ("**Mandate Period**").

The Company had, at its Thirty-Second ("**32nd**") 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 32nd AGM until the conclusion of the 33rd AGM.

In determining the estimated total amount of directors' fees and benefits payable for the NEDs for the Mandate Period, the Board has considered various factors including among others, the increasing responsibilities, risk 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 the 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 approved that the prevailing rates of directors' fees and benefits be maintained for the Mandate Period taking into consideration the time commitment, responsibilities, duties and commitment required of the NEDs.

(I) Ordinary Resolution 4: Payment of directors' fees to the NEDs

(a) Meeting Allowances

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 180,000	Up to 40,000

Board Committees	Chairman of the Committee (RM per annum)	Member of the 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
Whistleblowing Committee	-	-

Notes:

*(a) Nominee Directors who represent and are employees of Johor Corporation ("**JCorp**") will have their directors' fees paid to JCorp as Corporate Fees.*

*(b) 50% of the directors' and committee fees for a 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 ("**PMD**")/Executive Director(s) will not receive any Directors' fees in KPJ. 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

Board and Board Committees	Chairman of the Board and Committee (RM per meeting)	Member of the Board and Committee (RM per director 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
Whistleblowing Committee	3,000	2,000
Board and Board Committee 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 PMD/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.

NEDs of KPJ appointed to the KPJ Health System Governing Council are entitled to the following meeting allowance:-

Description	Chairman of the Council (RM per meeting)	Member of the Council (RM per director per meeting)
KPJ Health System Governing Council (who are Directors of KPJ)	4,000	3,000

NOTICE OF 33RD ANNUAL GENERAL MEETING

(b) Other Benefits

Description	Chairman of the Board	Member of the Board
NEDs	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) at 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 as and 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 33rd AGM.

D. Ordinary Resolution 6: Appointment of Messrs. PricewaterhouseCoopers PLT as Auditors of the Company

The Company had received a Notice of Nomination from JCorp, a major shareholder of the Company, for the appointment of Messrs. PricewaterhouseCoopers PLT ("**PwC**") as Auditors of the Company in place of Messrs. Ernst & Young PLT who will be retiring as Auditors at the forthcoming 33rd AGM of the Company.

The Board has reviewed the recommendation of the Audit Committee and has recommended the appointment of PwC as Auditors of the Company to be tabled to the shareholders for approval at the forthcoming 33rd AGM of the Company.

A copy of the Notice of Nomination from JCorp is annexed as "**Annexure A**" in the Company's Integrated Annual Report 2025.

E. Ordinary Resolution 7: Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 7, 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 2026 which is available on the Company's corporate website at *https://kpj.listedcompany.com/ar.html*.

F. Ordinary Resolution 8: Proposed Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will enable the Group to enter into RRPTs of revenue or trading nature, the particulars of which are set out in the Circular to Shareholders dated 28 April 2026 in relation to the Proposed Renewal of Existing Shareholders' Mandate for 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 2026 for the Proposed Renewal of Existing Shareholders' Mandate for RRPTs of a Revenue or Trading Nature.

Annexure A

JCORP
Johor Corporation

17 March 2026

THE BOARD OF DIRECTORS
KPJ HEALTHCARE BERHAD
Level 12 Menara KPJ
238 Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Dear Tan Sri/Datuk/Sir/Madam,

NOTICE OF NOMINATION OF PRICEWATERHOUSECOOPERS PLT AS AUDITORS

We, **JOHOR CORPORATION**, being a member of the Company, holding 38.49% of the total shares of the Company, hereby give notice of our intention to nominate Messrs PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring auditors, for the shareholders' approval in the forthcoming ANNUAL GENERAL MEETING of the Company.

Thank you.

Yours faithfully,
JOHOR CORPORATION

(MOHD NORDIN BIN JAMALUDIN)
Chief Corporate Services Officer/Company Secretary

MEMBINA & MEMBELA
Level 13, Menara KOMTAR, 80888 Ibrahim International Business District, Johor Darul Ta'zim, Malaysia
T: +607-219 2692 E: enquiries@jcorp.com.my

STATEMENT ACCOMPANYING NOTICE OF THE 33RD 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 33rd AGM of the Company.

(ii) The profiles of Directors standing for re-election under Ordinary Resolutions 1, 2 and 3 are set out on page 448 of this Integrated Annual Report 2025.

PROXY FORM

KPJ HEALTHCARE BERHAD (Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

*I/We

Full Name (in block letters and as per NRIC/Passport/Certificate of Incorporation):	CDS Account No.:	No. of shares held:
Address:	NRIC No./ Passport No./Registration No.:	Contact No.:

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 Thirty-Third ("**33rd**") Annual General Meeting ("**AGM**") of the Company to be held at The Weave, Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Tuesday, 16 June 2026 at 10:00 a.m. or any adjournment thereof.

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	To re-elect Shamsul Anuar bin Abdul Majid as Director of the Company.		
Ordinary Resolution 2	To re-elect Rozaini bin Mohd Sani as Director of the Company.		
Ordinary Resolution 3	To re-elect Lee Lai Fan 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 appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring Auditors, Messrs. Ernst & Young PLT and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 7	To approve the Proposed Renewal of Share Buy-Back Authority.		
Ordinary Resolution 8	To approve the renewal of existing shareholders' mandate for recurrent related party transactions 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 _____ 2026

_____
Signature and/or Seal

Record of Depositors

1. In respect of deposited securities, only a depositor whose name appears in the Record of Depositors as at 9 June 2026 shall be eligible to attend the 33rd 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 33rd AGM.

Appointment of Proxy

2. A member of the Company, who is entitled to attend, participate and vote at the 33rd 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 33rd 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 33rd 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, in the designated drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Fold here

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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   (b) By electronic form

   The Proxy Form can be electronically lodged with the poll administrator of the Company via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at *https://srmy.vistra.com*. Please refer to the **Administrative Guide** on the procedures for electronic lodgement of Proxy Form via The Portal.

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 **Sunday, 14 June 2026** 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 alternatively, in the designated drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via The Portal at *https://srmy.vistra.com* at least forty-eight (48) hours before the time appointed for holding the 33rd 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 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 in the designated drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, by electronic means via The Portal at *https://srmy.vistra.com*. 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.

KPJhealthcare
A JCORP Company

KPJ HEALTHCARE BERHAD

(199201015575 (247079-M)

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