





# CORPORATE INFORMATION

<p><b>REGISTERED OFFICE</b></p> <p><b>KPJ Healthcare Berhad</b> Registration No. 199201015575 (247079-M) Level 13, Menara KPJ 238, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan, Malaysia</p> <p>T (603) 2681 6222 F (603) 2681 6888</p>	<p><b>PRINCIPAL BANKERS</b></p> <p><b>Maybank Islamic Berhad</b> Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur, Malaysia</p> <p><b>HSBC Amanah Malaysia Berhad</b> No. 2, Leboh Ampang 50100 Kuala Lumpur, Malaysia</p>	<p><b>AUDITOR</b></p> <p><b>Ernst &amp; Young PLT</b> Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur, Malaysia</p>
<p><b>CORPORATE OFFICE</b></p> <p><b>KPJ Healthcare Berhad</b> Level 12, Menara KPJ 238, Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan, Malaysia</p> <p>T (603) 2681 6222 F (603) 2681 6888 E kpj@kpjhealth.com.my</p>	<p><b>REGISTRAR</b></p> <p><b>Larkin Sentral Property Berhad</b> Lot S8, Podium 1, Menara Ansar 65, Jalan Trus 80000 Johor Bahru, Johor Malaysia</p> <p>T (607) 297 2521 F (607) 223 3275</p>	<p><b>STOCK EXCHANGE LISTING</b></p> <p>Listed on the Main Market of Bursa Malaysia Securities Berhad Listing Date : 29 November 1994 Stock Name : KPJ Stock Code : 5878</p>
		<p><b>COMPANY SECRETARIES</b></p> <p>Keh Ching Tyng (MAICSA 7050134) (SSM Practising Certificate No. 202008002616)</p> <p>Hana binti Ab Rahim @ Ali (MAICSA 7064336) (SSM Practising Certificate 202008003378)</p>

## Company Secretaries

### Keh Ching Tyng

Company Secretary

	<b>NATIONALITY</b> Malaysian
	<b>AGE</b> 48
	<b>GENDER</b> Female
	<b>DATE OF APPOINTMENT</b> 1 September 2023



#### ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):





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

#### DIRECTORSHIP(S):

Listed entity : Nil  
Other companies : Nil

### Hana binti Ab Rahim @ Ali

Company Secretary

	<b>NATIONALITY</b> Malaysian
	<b>AGE</b> 57
	<b>GENDER</b> Female
	<b>DATE OF APPOINTMENT</b> 1 February 2013



#### ACADEMIC/PROFESSIONAL QUALIFICATIONS/MEMBERSHIP(S):

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

#### DIRECTORSHIP(S):

Listed entity : Nil  
Other companies : Nil

# WHO GOVERNS US

AS AT 29 MARCH 2024

## Our Experienced, Effective



**Datuk Md Arif bin Mahmood**  
Non-Independent  
Non-Executive Chairman



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



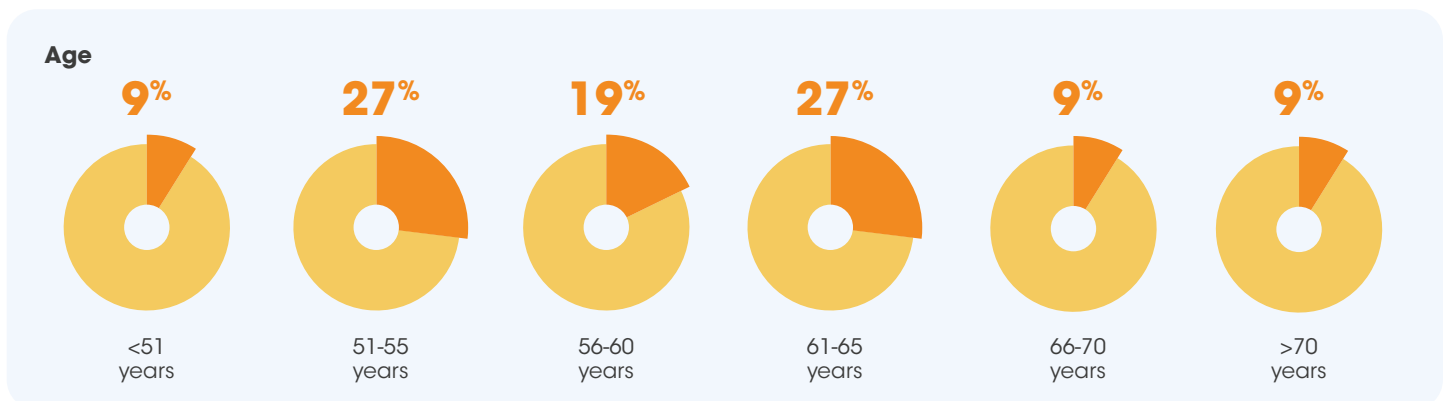
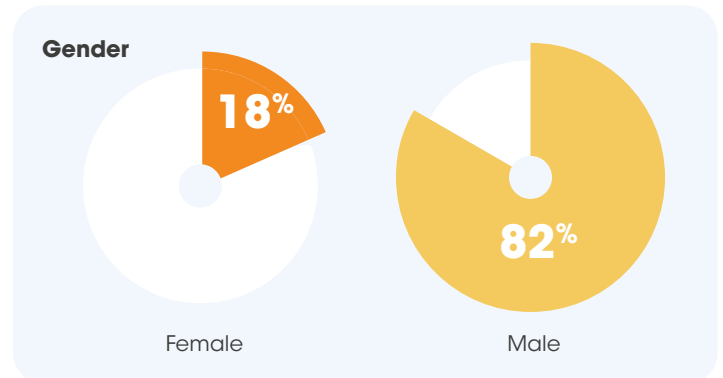
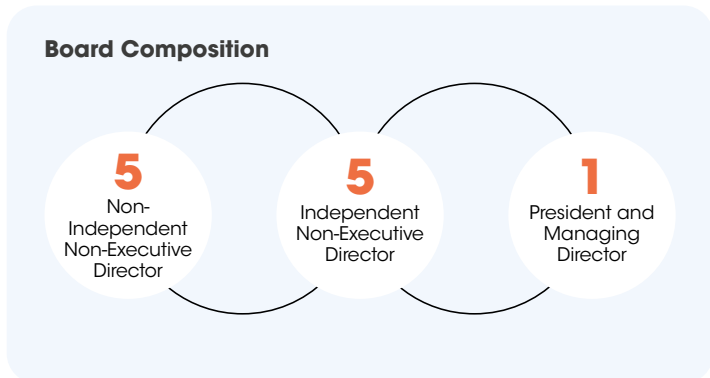
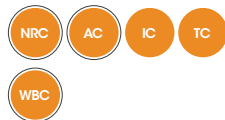
**Mohamed Ridza bin Mohamed Abdulla**  
Independent  
Non-Executive  
Director



**Khairuddin bin Jafus**  
Independent  
Non-Executive  
Director



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



WHO GOVERNS US  
AS AT 29 MARCH 2024

# and Energetic Leadership



**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 Dato' Dr Azizi bin Haji Omar**  
Non-Independent  
Non-Executive  
Director



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



**Chin Keat Chyuan**  
President and  
Managing Director



### Skills Matrix and Industry Experiences



Information  
Technology/Digital



Economics



Operations



Human  
Resource



Finance/Audit



Corporate Planning  
and Development



Sustainability



Commercial/  
Marketing



Risk  
Management



Engineering

### Committee Membership Key



Nomination and  
Remuneration Committee



Tender Committee



Risk, Sustainability and  
Governance Committee



Investment Committee



Audit Committee



Group Medical Advisory and  
Clinical Governance Committee



Whistleblowing Committee

Chairman Member

## WHO GOVERNS US

AS AT 29 MARCH 2024

### Datuk Md Arif bin Mahmood

Non-Independent Non-Executive Chairman

61 | Male | Malaysian

#### Date of Appointment:

1 April 2022

#### Board Meeting Attendance In 2023

7/7



#### Academic/Professional Qualifications/Membership(s):

- Masters of Business Administration, Massachusetts Institute of Technology, United States of America
- Bachelor of Science in Electrical Engineering (summa cum laude), Boston University, United States of America

#### Present Directorship(s):

##### Listed Entity:

Nil

##### Other Public Companies:

#### HSBC Amanah Malaysia Berhad

- Independent Non-Executive Director

#### Board Committee(s):

Nil

#### Present Appointment(s):

Nil

#### Past Directorship(s) and/or Appointment(s):

##### PETRONAS Group

- Executive Vice President & Chief Executive Officer, Downstream (2015–2021)
- Senior Vice President, Corporate Strategy & Risk (2010–2015)
- Vice President, Oil Business (2009–2010)

##### ASEAN Bintulu Fertilizer Sdn Bhd

- Chief Executive Officer (2007–2009)

##### PETRONAS Dagangan Berhad

- Chairman (2015–2022)
- Senior General Manager, Retail Business (2006–2007)

##### PETRONAS Chemicals Group Berhad

- Chairman (2015–2022)

##### BASF PETRONAS Chemicals Sdn Bhd

- Chairman (2015–2022)

##### Pengerang Refining Company Sdn Bhd

- Chairman (2018–2022)

##### Pengerang Petrochemical Company Sdn Bhd

- Chairman (2018–2022)

##### PETRONAS Marketing International Sdn Bhd

- Chairman (2016–2022)

##### PETRONAS Carigali Sdn Bhd

- Director (2016–2021)

##### PETRONAS International Corporation Limited

- Director (2015–2022)

##### PETRONAS Refinery & Petrochemical Corporation Sdn Bhd

- Director (2017–2022)

##### PETRONAS Gas Berhad

- General Manager of Gas Processing Plant, Complex B (2004–2006)

##### PETRONAS Lubricants International Sdn Bhd

- Chairman (2015–2018)

##### ENGEN Limited, South Africa

- Chairman (2015–2018)
- Head of Projects and Head of Strategy (1999–2002)

## WHO GOVERNS US

AS AT 29 MARCH 2024

## Dato' Mohd Redza Shah bin Abdul Wahid

Senior Independent  
Non-Executive Director

61 | Male | Malaysian

### Date of Appointment:

7 May 2020

### Board Meeting Attendance In 2023

7/7

### Academic/Professional Qualifications/Membership(s):

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

### Present Directorship(s)

#### Listed Entity:

#### E.A. Technique (M) Berhad

- Independent Non-Executive Chairman

#### Al-'Aqar Healthcare REIT

- Independent Non-Executive Chairman

#### Al-Salām Real Estate Investment Trust

- Independent Non-Executive Chairman

### Other Public Companies:

#### Waqaf An-Nur Corporation Berhad

- Independent Non-Executive Director

### Board Committee(s):

- Chairman, Audit Committee
- Chairman, Nomination and Remuneration Committee
- Member, Investment Committee
- Member, Tender Committee

### Present Appointment(s):

Nil

### Past Directorship(s) and/or Appointment(s):

#### Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)

- Chairman (July 2020 – August 2022)

#### Bank Muamalat Malaysia Berhad

- Chief Executive Officer (2008 – 2019)

#### DRB-HICOM Berhad

- Group Chief Operating Officer (2005 – 2008)

#### Tradewinds (M) Berhad

- Acting Chief Executive Officer (2004 – 2005)

#### Tradewinds Corporation Berhad

- Group Chief Executive Officer (2002 – 2005)

#### Silferra Malaysia Berhad

- Chief Financial Officer (2000 – 2002)

#### Khazanah Nasional Berhad

- Senior Manager (1994 – 2000)



## WHO GOVERNS US

AS AT 29 MARCH 2024

### Mohamed Ridza bin Mohamed Abdulla

Independent  
Non-Executive Director

55 | Male | Malaysian

#### Date of Appointment:

1 April 2020

#### Board Meeting Attendance In 2023

7/7



#### Academic/Professional Qualifications/Membership(s):

- Bachelor of Laws, International Islamic University, Malaysia
- Fellow Member of Institute of Chartered Secretaries and Administrators, London, United Kingdom
- Advocate and Solicitor of the High Court of Malaya
- Associate Member of the Chartered Institute of Arbitrators, Chartered Institute of Arbitrators
- Fellow of Malaysian Society of Adjudicators, The Malaysian Institute of Arbitrators

#### Present Directorship(s):

##### Listed Entity:

##### Sime Darby Property Berhad

- Independent Non-Executive Director

##### Other Public Companies:

Nil

#### Board Committee(s):

- Chairman, Risk, Sustainability & Governance Committee
- Member, Nomination and Remuneration Committee
- Member, Investment Committee

#### Present Appointment(s):

##### OIC Arbitration Center, Istanbul, Turkey

- Director

##### Mohamed Ridza and Co.

- Managing Partner

#### Past Directorship(s) and/or Appointment(s):

##### Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)

- Director (2021 - 2022)

##### Bank Islam Malaysia Berhad

- Non-Independent Non-Executive Director (2020 - 2022)
- Independent Non-Executive Director (2010 - 2020)

##### BIMB Investment Management Berhad

- Independent Non-Executive Director (2019 - 2022)

##### Theta Edge Berhad

- Non-Independent Non-Executive Director (2020 - 2021)
- Independent Non-Executive Director (2007 - 2020)

##### Tabung Haji Travel & Services Sdn Bhd

- Independent Non-Executive Director (2007 - 2017)

##### Pelangi Berhad

- Independent Non-Executive Director (2005 - 2010)

##### Zaid Ibrahim and Co.

- Partner (2000-2005)

##### Technip Asia Pacific, Kuala Lumpur

- General Legal Counsel (1998 - 2000)

##### Arab Malaysian Corporation Berhad (AMCB)

- Group Legal Advisor (1995 - 1998)

##### Rashid and Lee

- Advocate and Solicitor (1993 - 1995)



## WHO GOVERNS US

AS AT 29 MARCH 2024

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

68 | Male | Malaysian

**Date of Appointment:**

7 May 2020

**Board Meeting Attendance In 2023**

7/7

**Academic/Professional  
Qualifications/Membership(s):**

- Bachelor of Economics (Hons),  
University of Malaya, Malaysia

**Present Directorship(s):****Listed Entity:**

Nil

**Other Public Companies:**

Nil

**Board Committee(s):**

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

**Present Appointment(s):**

Nil

**Past Directorship(s) and/or  
Appointment(s):****Johor Land Berhad**

- Independent Non-Executive  
Director

## WHO GOVERNS US

AS AT 29 MARCH 2024

### Hisham bin Zainal Mokhtar

Independent  
Non-Executive Director

62 | Male | Malaysian

#### Date of Appointment:

23 June 2021

#### Board Meeting Attendance In 2023

7/7



#### Academic/Professional Qualifications/Membership(s):

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

#### Present Directorship(s):

##### Listed Entity:

##### Telekom Malaysia Berhad

- Independent Non-Executive Director

##### AEON Co. (M) Bhd

- Independent Non-Executive Director

#### Other Public Companies:

Nil

#### Board Committee(s):

- Chairman, Investment Committee
- Member, Audit Committee
- Member, Risk, Sustainability & Governance Committee

#### Present Appointment(s):

Nil

#### Past Directorship(s) and/or Appointment(s):

##### Lembaga Tabung Haji

- Member, Investment Panel (2021 - 2023)

##### Principal Asset Management Berhad

- Director (2015 - 2022)

##### VADS Berhad

- Director (2019 - 2022)

##### Malaysian Industrial Development Finance Berhad

- Director in the Group Managing Director's Office (2018-2019)

##### Astro Overseas Ltd

- Chief Operating Officer (2014 - 2018)

##### Khazanah Nasional Berhad

- Vice President (VP), Senior Vice President, Director of Investments (2005 - 2014)

##### Tricubes Berhad

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

##### Britac Capital Sdn Bhd

- Head Analyst (2001)

##### K.E. Malaysian Capital Partners Sdn Bhd

- Executive Director (2000)

##### Santander Investment Research (Malaysia) Sdn Bhd

- Financial Consultant (1999 - 2000)

##### Sithe Pacific LLC

- Financial Consultant (1998 - 1999)

##### CIMB Securities Sdn Bhd

- Remisier (1998)

##### UBS Research (Malaysia) Sdn Bhd

- Senior Research Analyst (1996 - 1998)

##### Crosby Research (Malaysia) Sdn Bhd

- Investment Analyst (1995 - 1996)

##### Baring Research (Malaysia) Sdn Bhd

- Investment Analyst (1994 - 1995)

##### Keluangsa Sdn Bhd

- Head of Research (1994)

##### Crosby Research (Malaysia) Sdn Bhd

- Research Executive (1991 - 1994)

##### William M. Mercer Zainal Fraser Sdn Bhd

- Analyst (1988 - 1991)

##### Aetna Universal Insurance Sdn Bhd

- Manpower Development Assistant (1987 - 1988)



## WHO GOVERNS US

AS AT 29 MARCH 2024

**Lee Lai Fan**

Independent  
Non-Executive Director

60 | Female | Malaysian

**Date of Appointment:**

7 July 2022

**Board Meeting Attendance In 2023**

7/7

**Academic/Professional Qualifications/Membership(s):**

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

**Present Directorship(s):****Listed Entity:**

Nil

**Other Public Companies:**

Nil

**Board Committee(s):**

- Member, Nomination and Remuneration Committee
- Member, Tender Committee

**Present Appointment(s):**

Nil

**Past Directorship(s) and/or Appointment(s):****QSR Brands (M) Holdings Berhad**

- Independent Non-Executive Director (2018 – 2022)

**Ogilvy & Mather Malaysia**

- Chief Operating Officer (2015 – 2018)

**Ogilvy Public Relations Sdn Bhd**

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

**Limahsoon Berhad**

- Marketing & Sales Manager (2004 – 2005)

**Malaysian Timber Council**

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

## WHO GOVERNS US

AS AT 29 MARCH 2024

### Shamsul Anuar bin Abdul Majid

Non-Independent  
Non-Executive Director

53 | Male | Malaysian

#### Date of Appointment:

7 May 2020

#### Board Meeting Attendance In 2023

7/7



#### Academic/Professional Qualifications/Membership(s):

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

#### Present Directorship(s):

##### Listed Entity:

##### Damansara Holdings Berhad

- Non-Independent Non-Executive Director

##### Al-'Aqar Healthcare REIT

- Non-Independent Non-Executive Director

##### Al-Salām Real Estate Investment Trust

- Non-Independent Non-Executive Director

#### Other Public Companies:

##### QSR Brands (M) Holdings Berhad

- Non-Independent Non-Executive Director

##### Kulim (Malaysia) Berhad

- Non-Independent Non-Executive Director

##### Johor Plantations Group Berhad

- Non-Independent Non-Executive Director

#### Board Committee(s):

- Member, Nomination and Remuneration Committee
- Member, Investment Committee

#### Present Appointment(s):

##### Johor Corporation

- Chief Investment Officer

#### Past Directorship(s) and/or Appointment(s):

##### Johor Land Berhad

- Non-Independent Non-Executive Director (2020 - 2023)

##### Kara Holdings Sdn Bhd

- Chairman & Director (2020-2021)

##### Business Chronicles Sdn Bhd

- Director (2020)

##### TPM Technopark Sdn Bhd

- Director (2020)

##### Langsat Marine Base Sdn Bhd

- Director (2019-2020)

##### Langsat Marine Terminal Sdn Bhd

- Director (2019-2020)

##### Kulim Energy Sdn Bhd

- Director (2020)

##### Axiata Digital Innovation Fund Sdn Bhd

- Director (2020)

##### Langsat OSC Sdn Bhd

- Director (2019-2020)

##### Johor Corporation

- General Manager (2017)

##### Fikiran Sepakat Sdn Bhd

- Director and Partner (September 2014 - June 2017)

##### Iskandar Waterfront Holdings

- Special Officer to the Managing Director (March 2011 - June 2014)

##### Iskandar Investment Berhad

- Executive Vice President, Strategy & Feasibility (December 2007 - February 2011)

##### Grenland Malaysia

- Vice President, Finance and Special Projects (February 2004 - September 2007)

##### The Boston Consulting Group

- Energy Sector Specialist (April 1999 - August 2001)

##### Shell Malaysia

- Planning Analyst, Downstream Economics Planning Department (August 1994 - February 1999)

## WHO GOVERNS US

AS AT 29 MARCH 2024

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

51 | Male | Malaysian

**Date of Appointment:**

7 May 2020

**Board Meeting Attendance In 2023**

7/7

**Academic/Professional  
Qualifications/Membership(s):**

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

**Present Directorship(s):****Listed Entity:**

Nil

**Other Public Companies:**

Nil

**Board Committee(s):**

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

**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

**University Teknikal Malaysia,  
Melaka**

- Board Member

**Past Directorship(s) and/or  
Appointment(s):****Johor Land Berhad**

- Non-Independent Non-Executive Director

**Damansara Assets Sdn Bhd**

- Non-Independent Non-Executive Director

**Johor Corporation**

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

**Iskandar Waterfront Holdings**

- Non-Executive Director (2017 – 2018)

**E.A. Technique (M) Berhad**

- Chief Operating Officer (2016 – 2017)

**Kulim (Malaysia) Berhad**

- Non-Executive Director (2014 – 2016)

**Astro Malaysia Holdings Berhad**

- Chief Financial Officer (2013 – 2014)

**PETRONAS Dagangan Berhad**

- Chief Financial Officer (2010 – 2013)

**PETRONAS Group Of Companies**

- Various Managerial Roles (2001 – 2010)

**KPMG, Sydney, Australia**

- Assistant Manager (1995 – 2001)

# WHO GOVERNS US

AS AT 29 MARCH 2024

## Prof. Dato' Dr. Azizi bin Haji Omar

Non-Independent  
Non-Executive Director

75 | Male | Malaysian

### Date of Appointment:

1 February 2016

(Independent Non Executive Director)

1 December 2020

(Re-designated as a Non-Independent  
Non-Executive Director)

### Board Meeting Attendance In 2023

7/7



### 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 Pediatrics and Paediatric Respiratory Medicine in Hospital Kuala Lumpur; Universiti Kebangsaan Malaysia; Hospital for Sick Children, Great Ormond Street, London; Birmingham Children Hospital and Dudley Road Hospital, Birmingham
- Trained in Pediatric Flexible Bronchoscopy, University of North Carolina, Chapel Hill, United States of America
- Membership of the Royal Colleges of Physicians (MRCP) United Kingdom
- Fellow of Royal College of Physicians (FRCP) of Edinburgh
- Fellow of Royal College of Physicians (FRCP) of Glasgow
- Fellow of Academy of Medicine Malaysia (FAMM)
- Fellow of College of Chest Physicians (USA)(FCCP)
- Harvard Medical School Certificate – Southeast Asia Healthcare Leadership (1-Year Programme)

### Present Directorship(s):

#### Listed Entity:

Nil

#### Other Public Companies:

Nil

### Board Committee(s):

- Chairman, Group Medical Advisory and Clinical Governance Committee
- Member, Nomination and Remuneration Committee
- Member, Risk, Sustainability and Governance Committee

### Present Appointment(s):

#### KPJ Healthcare Berhad

- Group Medical Advisor
- Chairman, Central Credentialing Committee
- Editor, KPJ Medical Journal
- Consultant Paediatrician and Paediatric Respiratory Physician, KPJ Damansara Specialist Hospital

### Past Directorship(s) and/or Appointment(s):

#### KPJ Damansara Specialist Hospital

- Medical Director/Person-In-Charge (1997 – 2016)

#### Puteri Nursing College

- Chairman, Educational Advisory Council (1997 – 2012)

#### Universiti Tunku Abdul Rahman

- Adjunct Professor of Paediatrics at Faculty of Medicine (2013)

#### Universiti Teknologi MARA

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

#### National Specialist Register

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

#### Malaysian Medical Council

- Member (1995 – 1997)

#### Malaysian Paediatric Association

- President (1997 – 1998)

#### Association of Private Hospitals Malaysia

- Board Member (2000 – 2004)

#### Conjoint Board for Postgraduate Training in Medical Specialties

- Member (1995 – 1997)

#### Paediatric Conjoint Board

- Member (1995 – 2000)

#### Clinical Practice Guidelines for the Management of Childhood Asthma

- Chairman (1996 – present)

#### Clinical Practice Guidelines on Paediatric Respiratory Infections

- Chairman (2000)

#### Clinical Practice Guidelines on Tuberculosis

- Member (1996)

#### Committee of Malaysian Thoracic Society of Malaysia

- Member (1997 – 1998)

#### Universiti Kebangsaan Malaysia (UKM)

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

## WHO GOVERNS US

AS AT 29 MARCH 2024

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

56 | Female | Malaysian

**Date of Appointment:**

23 June 2021

**Board Meeting Attendance In 2023**

6/7

**Academic/Professional  
Qualifications/Membership(s):**

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

**Present Directorship(s):****Listed Entity:**

Nil

**Other Public Companies:****QSR Brands (M) Holdings Berhad**

- Non-Independent Non-Executive Director

**Board Committee(s):**

- Member, Investment Committee
- Member, Tender Committee

**Present Appointment(s):****Employee Provident Fund (EPF)**

- Head of Private Equity and Infrastructure Department

**Past Directorship(s) and/or  
Appointment(s):****Iskandar Investment Berhad**

- Director (2021-2023)

**Battersea Power Station****Development Company Limited**

- Director (2017-2022)

**KWASA Invest Ltd**

- Principal Officer (2017-2019)



# WHO GOVERNS US

AS AT 29 MARCH 2024

## Chin Keat Chyuan

President and Managing Director

50 | Male | Malaysian

### Date of Appointment:

1 September 2023

### Board Meeting Attendance In 2023

2/2



### Academic/Professional Qualifications/Membership(s):

- Master of Business Administration, General (Merit), University of Nottingham - Nottingham University Business School, United Kingdom
- Bachelor's Degree of Biochemistry (Hons), National University of Malaysia (UKM), Malaysia
- Executive Education Programme, Advanced Strategic Management, IMD Business School

### Present Directorship(s):

#### Listed Entity:

Nil

#### Other Public Companies:

Nil

### Board Committee(s):

- Member, Group Medical Advisory and Clinical Governance Committee

### Present Appointment(s):

- Nil

### Past Directorship(s) and/or Appointment(s):

#### Ethicon South East Asia

- Vice President (July 2022 - 30 August 2023)

#### American Malaysian Chamber of Commerce (AMCHAM)

- Board of Governor (2017 - June 2023)

#### Pharmaceutical Association of Malaysia (PhAMA)

- President (2017 - March 2023)

#### Johnson & Johnson Malaysia & Brunei

- Managing Director (January 2016 - June 2022)

#### Johnson & Johnson Malaysia & Brunei

- Country Director (May 2014 - December 2015)

#### Johnson & Johnson Medical

- ASEAN General Manager (December 2013 - April 2014)

#### Johnson & Johnson Medical

- ASEAN Franchise Director (January 2010 - November 2013)

#### Johnson & Johnson Medical Malaysia

- Franchise Manager/Director (April 2006 - December 2009)

#### Johnson & Johnson Medical Malaysia

- Product Specialist/Sales Manager (October 1997 - March 2006)

### Note:

None of the above Directors have any conflict of interest or potential conflict of interest with the Company and/or its subsidiaries, family relationship with any Director and/or Major Shareholder, or have any convictions for offences (other than traffic offences, if any) within the past five years or any public or penalty imposed by the relevant regulatory bodies during the financial year 2023.



# KPJ SENIOR MANAGEMENT TEAM



## Chin Keat Chyuan

President & Managing Director

### Working Experience:

With an impressive career spanning over 25 years at Johnson & Johnson (J&J), Chin Keat Chyuan's journey began as a Product Specialist in Medical Devices which swiftly evolved into more pivotal roles. As the Country Director for J&J Malaysia, he oversaw the Ethicon Endo-Surgery business across Southeast Asia from 2010 to 2014. Demonstrating remarkable success, Chin advanced to become the Managing Director for ONE J&J Malaysia, overseeing the entire organisational business.

In September 2023, Chin was appointed as President and Managing Director of KPJ Healthcare Berhad. Chin's appointment aligns with KPJ Healthcare's pursuit of redefining healthcare services through innovation and quality enhancement. His extensive industry experience and proven leadership position him perfectly to lead KPJ Healthcare's transformative journey. His strategic expertise has notably facilitated remarkable market share gains and turnarounds across sectors including hospitals, consumer products, and vision care.

Chin's leadership extends beyond his role as the President and Managing Director of KPJ Healthcare Berhad, as he concurrently serves on the Boards of KPJ Selangor Specialist Hospital, Kedah Medical Centre, and KPJ Healthcare University. He was also the former President of the Pharmaceutical Association of Malaysia (PhAMA) and held a seat as the former Board of Governors for the American Malaysian Chamber of Commerce (AMCHAM). Chin is widely recognised as a thought leader in the industry, actively participating in forums and discussions centred around intellectual property, healthcare access, and corporate responsibilities in line with the United Nations' Sustainable Development Goals 2030.

### Academic/Professional Qualification/ Membership(s):

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

### Present Directorship(s):

#### Listed Entity

- Nil

#### Other Companies

- Nil



## Dato' Mohamad Farid bin Salim

Chief Operating Officer - Hospital Operations

### Working Experience:

Dato' Mohamad Farid Salim's leadership style extends beyond administrative roles, encompassing a patientcentric mindset that resonates throughout the hospital operations of the group. This approach not only reflects his commitment to quality healthcare but also underscores his dedication to creating an environment where patients receive the best possible care and attention.

He began his career as a trainee auditor in England from 1988 to 1992, and in 1993 returned to Malaysia and joined Sembawang Engineering Sdn.Bhd. based in Pasir Gudang, Johor. He joined KPJ Healthcare Berhad in 1994 and played a crucial role in its IPO and listing on the Main Board of Bursa Malaysia. His impact spans various areas, including finance, strategic planning, and investments.

Throughout his career, he has held managerial positions in Malaysia, Indonesia, Saudi Arabia, and Australia. As the current Chief Operating Officer of the group, his patient-focused outlook continues to drive positive change and advancements within the healthcare sector.

### Academic/Professional Qualification/ Membership(s):

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

### Present Directorship(s):

#### Listed Entity

- Nil

#### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Norhaizam binti Mohammad

(ACMA, CGMA)

Chief Financial Officer

#### Working Experience:

Norhaizam Binti Mohammad is a Chartered Accountant with Malaysian Institute of Accountants (MIA) and a member of CIMA, ACMA. In her early years, she spent 11 years with PricewaterhouseCoopers. She then joined KPJ Healthcare Berhad in 2008, holding various positions in companies and hospitals within the KPJ Group until she was appointed Chief Financial Officer in 2017. She was appointed as the Officer In Charge of KPJ from 8 September 2022 until 31 August 2023 after the departure of the President and Managing Director. She carries with her a total of 16 years in the healthcare industry.

In recognition of her efforts as the CFO, she was named Malaysia's Best Emerging Woman CFO in Healthcare at the International Finance Awards 2022. She played a vital role in bringing KPJ Healthcare's inaugural Sustainability Sukuk offering amounting to RM555 million to fruition, a significant milestone as it is the first such issuance by a private healthcare provider in the Malaysian and Asian region.

She played a significant role in the development of the overall healthcare industry in Malaysia through her position as the Honorary Treasurer of the Malaysian Society for Quality in Health (MSQH), a post she held from December 2010 until 2018 and she is currently the elected President, a post she held since 2019 until to date. Apart from her involvement in MSQH, she is also a committee member of the National Governing Committee of Private Healthcare Productivity Nexus (PHPN), an initiative led by the Malaysia Productivity Corporation (MPC) as identified in the Malaysia Productivity Blueprint (MPB). She is also the Vice president of the Association of Private Hospitals of Malaysia (APHM).

#### Academic/Professional Qualification/ Membership(s):

- Associate of The Chartered Institute of Management Accountants (CIMA) UK
- Fellow of Malaysian Institute of Accountants (MIA)
- Master of Business Administration, International Business with Merit from University of East London, London, UK (Twinning Programme with Women's Institute of Management)
- Bachelor of Accountancy (Hons) from Manchester Metropolitan University, Manchester, UK
- President of Malaysian Society for Quality in Health (MSQH), a national accreditation body for public and private healthcare in Malaysia
- Member of Governing Committee for Private Healthcare Productivity Nexus (PHPN) by Malaysia Productivity Corporation (MPC) and Leader for sub-group Technology and Innovation
- Participated in Executive Coaching Programme with INSEAD Business School, Singapore

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Michael Leddin

Chief Strategy Officer

#### Working Experience:

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

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

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

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Dr Nik Fawaz bin Nik Abdul Aziz

Chief Operating Officer - Group Allied & Retail Health Operations

#### Working Experience:

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

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

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

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Nantha Kumar Subramanian

Chief Digital Officer

#### Working Experience:

Nantha Subramanian has over 20 years of international experience in Healthcare, Fintech, Financial Services, and High-Tech Manufacturing. Nantha has a diverse range of experiences and expertise across various industries in running large-scale Operations and implementing Digital Transformation. His accomplishments include advisory and consulting financial institutions, Insurance and Fintechs on digital strategy and transformation, streamlining and transforming businesses to achieve cost savings, and implementing innovative frameworks to improve employee productivity and participation.

Prior to joining KPJ Healthcare, Nantha built, managed, and scaled up the South Asian Business for a leading Asian Fintech company, focusing on Banking/ Digital Banking, Insurance, Telcos and NBFCs. Before that, he was the COO and the Head of Transformation for Standard Chartered Bank, Malaysia. Throughout his career, he has held various senior leadership roles in the UK, such as Global Head of Process Excellence with HSBC, Transformation Programme Director for UBS Bank, Senior Lean Leader for Barclays, and Director of Lean Operations for Pentair International in Europe. Nantha is a Lean Sigma coach and has a Master Black Belt (MBB) in Lean Sigma.

#### Academic/Professional Qualification/ Membership(s):

- Wharton Business School - Certificate in Connected Strategy (Digital Tx)
- Questrom, Boston University - Certificate in Digital Transformation Strategy
- UI PATH - Diploma in Robotic Process Engineering
- UI PATH - Diploma in Business Analysis Training
- LinkedIn - Certificate in Cloud Computing & Cyber Security
- INCEIF - Certificate in Islamic Banking
- Oxford University, Said Business School - High-Performance Management & Leadership
- Earth Watch (WWF & HSBC Partnership) Certified Sustainability Leader (UK)
- Liverpool John Moores University - B.Eng. (Hons) Manufacturing Systems Engineering
- Liverpool John Moores University - HND Mechatronics

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Norhamijah binti Mohd Hanafiah

Chief Human Resource Officer

#### Working Experience:

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

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

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Sherene binti Azli

Chief Marketing Officer

#### Working Experience:

Sherene's professional journey of close to 30 years is marked by significant roles in the telecommunications industry and government agencies. Notably, her tenure as CEO of the Malaysia Healthcare Travel Council (MHTC) was a period of remarkable transformation, where she led Malaysia to its recognition as the global number 1 Healthcare Destination by Volume in 2019 and earned the prestigious International Medical Travel Journal (IMTJ) Destination of the Year award multiple times. Her professional prowess extends beyond her impressive track record. She is deeply passionate about education, leadership development, and volunteerism, actively contributing to these areas in ways that resonate with KPJ Healthcare's core values of making a positive impact.

Sherene is also the recipient of several awards and accolades including the 50 Outstanding Women in Healthcare Award (World Health and Wellness Congress), the Outstanding Leadership in Healthcare Travel Award (Global Health Awards), and the 30 Women Achievers and Leaders of Malaysia Award (Golden Globe Tigers Award).

#### Academic/Professional Qualification/ Membership(s):

- BBS (Hons) Accounting and Finance, University of Limerick, Ireland (1996)
- Master in Business Administration (MBA), University of Durham, UK (2005)
- Senior Management Development Programme, Harvard Business School (2008)
- Adjunct Professorships:
  - Universiti Pendidikan Sultan Idris (2022 -2023)
  - Universiti Sultan Zainal Abidin (2021-2022)

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Yayasan Sukarelawan Siswa (Student Voluntary Foundation)
  - Board Member
  - Chairman of Board Risk Management Committee



## KPJ SENIOR MANAGEMENT TEAM



### Dr. Munirah binti Khudri

Head of KPJ Group Clinical Services

#### Working Experience:

Dr. Munirah joined KPJ Healthcare in 1997 and has held various positions in hospitals within the KPJ Group. Before joining KPJ Healthcare, she was with Hospital Tengku Ampuan Rahimah, Hospital Mentakab, and Hospital Kuala Lumpur. She was the Regional CEO (East Coast and East Malaysia Region) of six hospitals within KPJ.

Currently, she holds the position of Head of KPJ Group Clinical Service.

#### Academic/Professional Qualification/ Membership(S):

- Master of Business Administration, Henley Management College, UK
- Bachelor of Medicine and Bachelor of Surgery, Universiti Malaya (UM)
- Certified Transformational Manager by IPMA UK

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Roslan bin Ahmad

Regional CEO, Group Operations Services  
(Northern & East Coast Region)

#### Working Experience:

Prior to joining KPJ in 1996, Roslan was with the Malaysian Pineapple Industry Board from 1988 where he served its London office until 1995.

Currently, he is the Regional CEO (Northern and East Coast Region) of eight hospitals.

#### Academic/Professional Qualification/ Membership(s):

- Master in Business Administration, Miami University, USA
- Bachelor of Accounting, University of Minnesota, USA
- Post Graduate Diploma in Hospital Management, South Bank University London, UK

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Asmadi bin Mohd Bakri

Regional CEO, Group Operations Services  
(East Malaysia Region)

#### Working Experience:

Asmadi joined the KPJ Group in 1997 as an accountant at KPJ Johor Specialist Hospital. He held various positions in several companies before his appointment as the Executive Director for Rumah Sakit Selasih, Padang, Indonesia in 2005. In 2009, he joined KPJ Perdana Specialist Hospital as its Chief Executive Officer before assuming a similar position at KPJ Ipoh Specialist Hospital in 2013. In 2018, he was appointed as the Chief Executive Officer of KPJ Johor Specialist Hospital before he went on to KPJ Bandar Dato' Onn from 2019 until 2020. Since 2018, he has served as the Executive Director for KPJ Johor, KPJ Kluang and KPJ Bandar Dato' Onn.

Currently, he is the Regional CEO (East Malaysia Region) of four KPJ hospitals in Sabah and Sarawak.

#### Academic/Professional Qualification/ Membership(s):

- Leadership Development for Corporate Excellence - Kellogg School of Management, Northwestern University, Chicago (2014)
- Master of Business Administration (Healthcare Management) - Universiti Teknologi Malaysia (2011)
- Bachelor of Arts (Accounting and Finance) - Southbank University, London, England (1992)

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Mohd Azhar bin Abdullah

Regional CEO, Group Operations Services  
(Southern Region)

#### Working Experience:

With two decades of experience, beginning as a General Manager and progressing to the role of CEO, Encik Mohd Azhar bin Abdullah has amassed a wealth of knowledge in healthcare management, administration, and operations with a proven track record of bringing forth the necessary skills and work ethic to lead and support productivity and efficiency in a busy healthcare environment. His current position as the Regional Chief Executive Officer overseeing seven KPJ Hospitals in Johor, Malaysia, demonstrates his ability to manage both small and large private healthcare institutions within the KPJ Group.

Strong business development professional with a Master of Business Administration (MBA) in Medical Group Management/Administration from the University of St. Thomas, St Paul Minneapolis Minnesota, USA.

#### Academic/Professional Qualification/ Membership(s):

- Master of Business Administration (Medical Group Management & Practice) - University of St Thomas, Minnesota Rochester, USA

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

#### Director of the following companies:

1. Johor Specialist Hospital Sdn Bhd,
2. Pasir Gudang Specialist Hospital Sdn
3. Puteri Specialist Johor Hospital Sdn Bhd,
4. Bandar Dato Onn Specialist Hospital Sdn Bhd
5. Pusat Pakar Kluang Utama Sdn Bhd
6. Bandar Maharani Specialist Hospital Sdn Bhd
7. Batu Pahat Specialist Hospital Sdn Bhd
8. Kluang Specialist Hospital Sdn Bhd

#### Chairman of the Board of Management:

1. Pasir Gudang Specialist Hospital Sdn Bhd
2. Bandar Dato Onn Specialist Hospital Sdn Bhd
3. Pusat Kluang Utama Sdn Bhd
4. Bandar Maharani Specialist Hospital Sdn Bhd
5. Batu Pahat Specialist Hospital Sdn Bhd



## KPJ SENIOR MANAGEMENT TEAM

13



**Date of Appointment**  
1 February 2021

### Maisarah binti Omar

*Regional CEO, Group Operations Services  
(Central Region I)*

#### Working Experience:

Maisarah Omar served Ernst and Young before she joined KPJ in 1996. She has held various positions in companies and hospitals within the KPJ Group and is currently the Regional CEO (Central Region I) of five hospitals.

Currently, she holds the position of Head of KPJ Group Clinical Service.

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

14



**Date of Appointment**  
15 May 2023

### Yusmah binti Salleh

*Regional CEO, Group Operations Services  
(Central Region II)*

#### Working Experience:

With a career spanning over two decades, Yusmah's journey reflects her steadfast commitment to driving excellence across healthcare operations, finance, and management. Prior to assuming the role of Regional CEO (Central Region II) at KPJ Healthcare Berhad, Yusmah held the position of CEO at KPJ Ipoh Specialist Hospital from January 2018 to May 2023.

Yusmah's career trajectory commenced with KPJ Healthcare, where she flourished from 2005 to 2017. Her leadership prowess extended to institutions such as Rumah Sakit Medika Bsd, Indonesia, and KPJ Johor Specialist Hospital. These experiences underscore her dedication to operational excellence and driving growth.

With a global outlook, Yusmah has also held pivotal roles, including Chief Internal Auditor in Jeddah and Chief Financial Officer at United Hospital Limited, Bangladesh. Yusmah's robust foundation in audit and accounting, honed during her tenure at Pricewaterhousecoopers and Coopers & Lybrand, has been instrumental in shaping her journey and laid a strong foundation.

#### Academic/Professional Qualification/ Membership(s):

- Fellow of Malaysian Institute of Accountants (MIA)
- Bachelor of Accountancy (Hons) from Universiti Utara Malaysia (UUM), Malaysia

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Sharizul Hasnifa bin Baseri

Head of Group Risk and Compliance

#### Working Experience:

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

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

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

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

He joined KPJ Healthcare Berhad in 2021 to assume his present position where he is responsible for the Group's risk management operations.

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Mohd Firdaus bin Mohamed Din

Head of Group Internal Audit Services

#### Working Experience:

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

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

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

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Syed Iskandar Shah bin Syed Abu Bakar

Head of Legal and Advisory

#### Working Experience:

Syed Iskandar started his career in the financial industry, with stints as a legal officer in banks and fund management companies. He later joined the media industry, also in the area of legal and compliance. In 2009, he joined Bank Pembangunan Malaysia, as its Company Secretary and Head of Legal & Secretarial Department where he implemented a range of initiatives that improved the documentation processes and governance of the bank. In 2012, he then joined PR1MA Corporation Malaysia, a newly set-up government agency under the Prime Minister's Office where he played a key role in developing the standard legal documents and other standard contracts and templates. He was also involved in developing the policies and standard procedures for the agency. In 2019, he started his own company, Novus Ideas Sdn Bhd, which was involved in providing property and business consulting services, where he presided as Chairman. In February 2023, he joined KPJ as Head of Legal and Secretarial Services.

#### Academic/Professional Qualification/ Membership(s):

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

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil



### Alice Zuriah Asidah binti Abdullah

Covering Head of Group Sustainability Services

#### Working Experience:

Alice, a certified Sustainability Practitioner, brings over 15 years of diverse experience in property development, facility management, and the healthcare sector to her current role. Noteworthy career achievements include leading the certification efforts of Hospital Sultanah Maliha, which became the world's first hospital to achieve LEED EBOM Gold rating, developing GHG accounting reports for government hospitals, spearheading a group-wide initiative to certify government hospitals as 3-star Energy Management Gold Standard (EMGS), and actively participating as a featured speaker and panelist at various conferences, where she shares insights on green building, sustainable development, and ESG practices.

Her expertise in environmental sustainability and ESG principles led her to join KPJ in 2023 as the Sustainability Strategy Lead, and she has since advanced to the position of Covering Head of Group Sustainability Services

#### Academic/Professional Qualification/ Membership(s):

- Bachelor of Aerospace Engineering, Universiti Putra Malaysia (UPM)
- Certified Sustainability Reporting Specialist by Institute of Certified Sustainability Practitioners (ICSP)
- Committee Member for SIRIM 55 (ESG Management) and SIRIM 56 (ESG Reporting) Industrial Standards
- Leadership in Energy and Environmental Design Accredited Professional (LEEDAP) by United States Green Building Council (USGBC)
- Certified Professional in Measurement and Verification (CPMV) by Malaysian Green Technology and Climate Change Corporation (MGTC)
- Green Building Index Facilitator (GBIF) by Malaysia Green Building Council (MGBC)
- Malaysia Carbon Reduction and Environmental Sustainability Tool (MyCREST) Assessor by Construction Industry Development Board (CIDB)
- GreenRE Real Estate (GreenRE) Manager by Real Estate and Housing Developers Association (REHDA)

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

## KPJ SENIOR MANAGEMENT TEAM



### Natalie Rose Ariffin

Covering Head of Group Strategic Communications

#### Working Experience:

Natalie is a skilled communications practitioner with close to 15 years of experience handling the various aspects of communications functions. She has worked in multiple GLC's and MNCs covering a variety of industries including healthcare, property development, manufacturing, and asset management & infrastructure solutions.

Natalie became a member of KPJ Healthcare Berhad in 2022 as the Head of Editorial & Publications, steadily progressing to assume the role of Covering Head of Group Strategic Communications.

#### Academic/Professional Qualification/ Membership(s):

- Master of Arts (Media and Communications Management), Middlesex University London
- Bachelor of Communication (Media), RMIT University Melbourne

#### Present Directorship(s):

##### Listed Entity

- Nil

##### Other Companies

- Nil

#### Note:

None of the above Senior Management members have any conflict of interest or potential conflict of interest with the Company and/or its subsidiaries, family relationship with any Director and/or Major Shareholder, or have any convictions for offences (other than traffic offences, if any) within the past five years or any public or penalty imposed by the relevant regulatory bodies during the financial year 2023.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Pushing Forward for Sustainable Growth

**The Board of Directors (Board) of KPJ Healthcare Berhad (KPJ or the Company) believes that good corporate governance adds value to the business of the Group and will ensure that this practice continues. The Board plays an active role in guiding Management through its oversight role while at the same time steering the Group's business direction and strategy.**

In line with this commitment, the Board is continuously reviewing and has taken, where appropriate, the necessary steps to comply with the Malaysian Code on Corporate Governance (MCCG). The MCCG is made up of 3 Principles and 48 Practices, out of which 5 are Step-Ups. The Board is pleased to elaborate on the Group's application and the extent of compliance with the MCCG during the financial year ended 31 December 2023 in this Corporate Governance Overview Statement (CG Overview).

This statement is supplemented with a Corporate Governance Report (CG Report) pursuant to paragraph 15.25 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The CG Report is available on the Company's website at <https://kpj.listedcompany.com/corporate-governance.html> as well as on the website of Bursa Malaysia.

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

Companies Act 2016

Main Market Listing Requirements of  
Bursa Malaysia

Malaysian Code on Corporate  
Governance

Corporate Governance Guide  
(4<sup>th</sup> Edition)

Board Leadership &  
Effectiveness

Pages 134 to 142

### PRINCIPLE A

Effective Audit & Risk  
Management

Pages 143 to 148

### PRINCIPLE B

Integrity in Corporate  
Reporting & Meaningful  
Relationships with  
Stakeholders

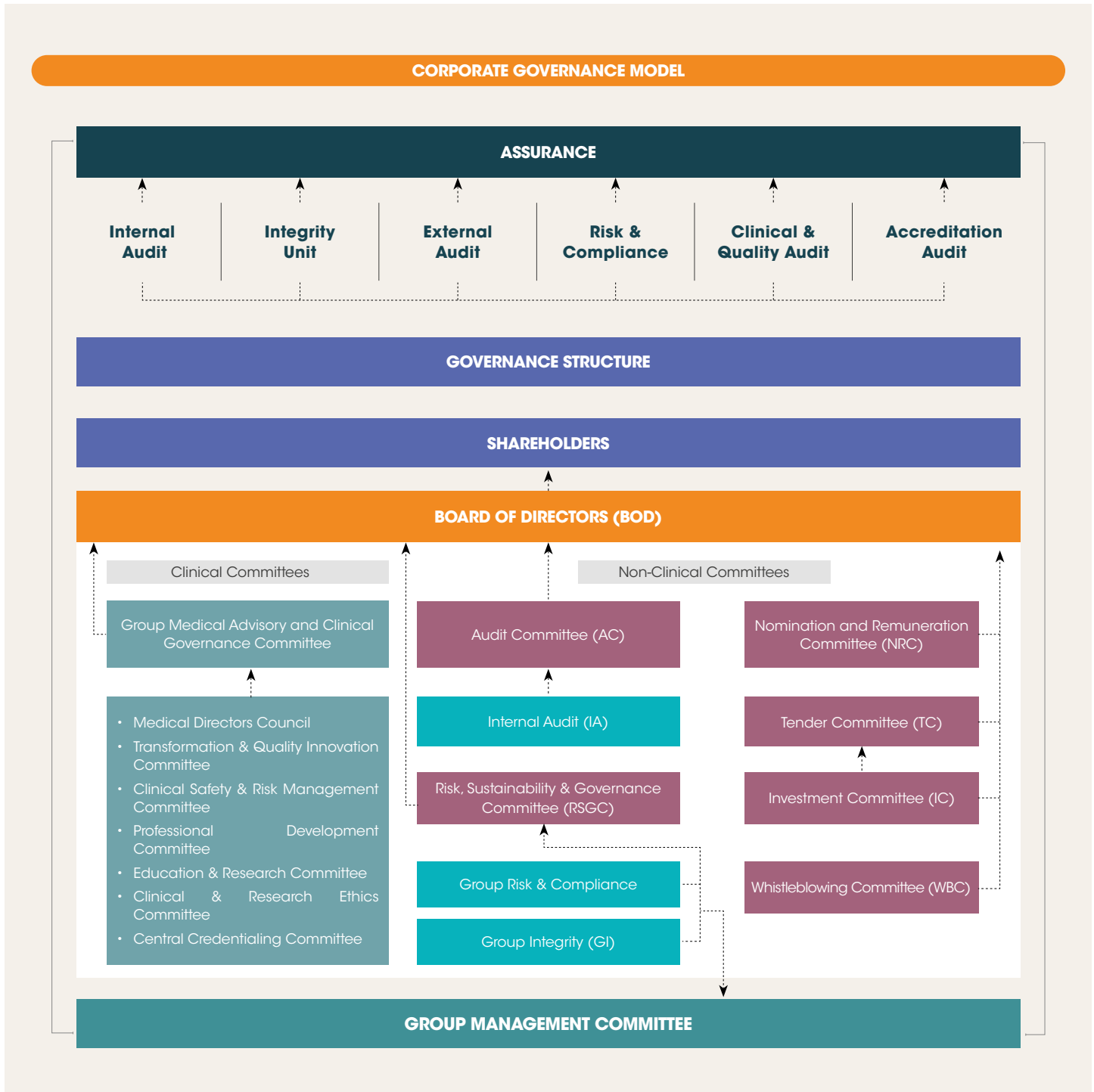
Pages 149 to 151

### PRINCIPLE C

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

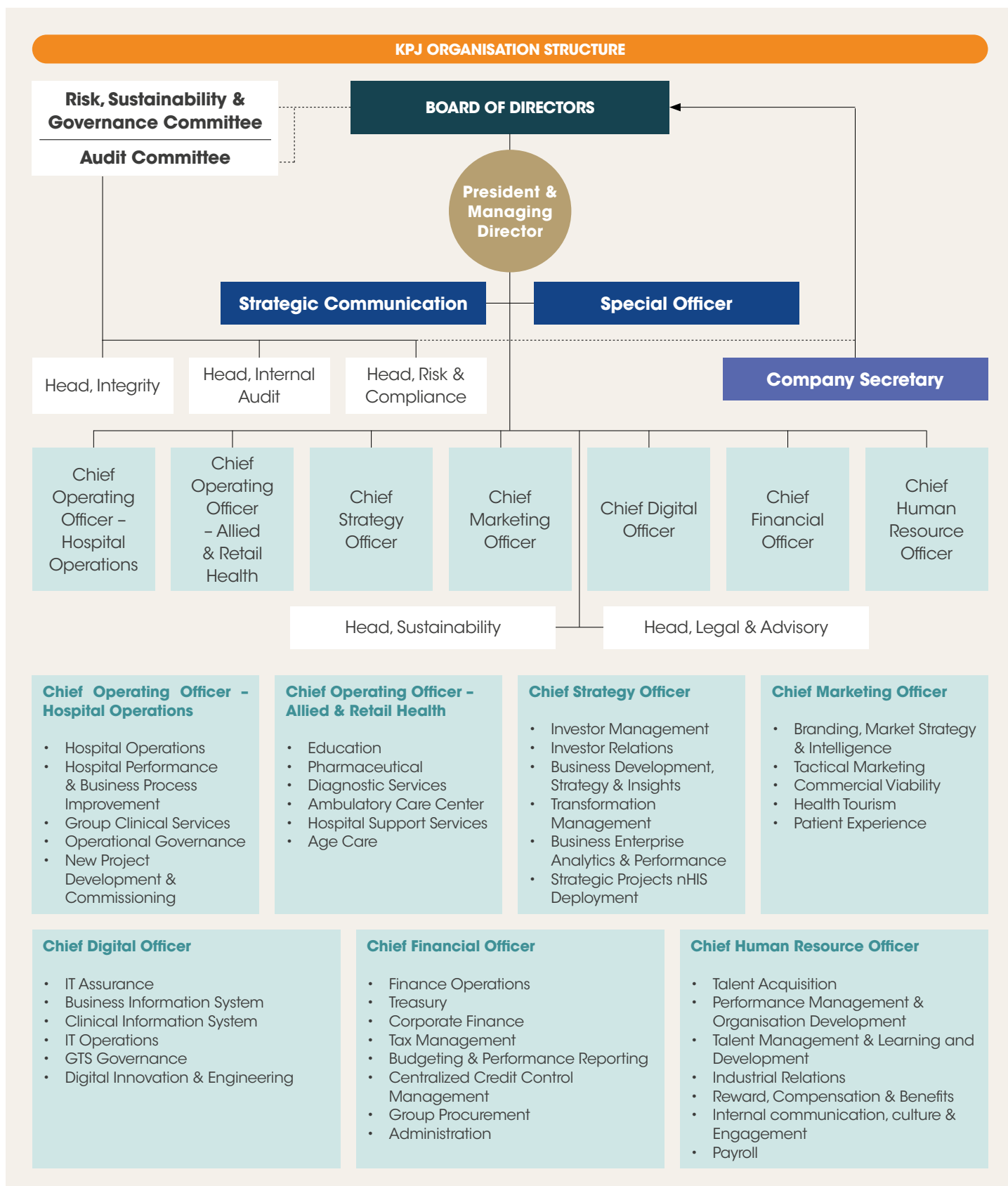
The Board has considered and takes guidance from the key Corporate Governance (CG) Principles as set out in the MCCG. A gap analysis was undertaken and the findings were tabled to the Risk, Sustainability and Governance Committee (RSGC). As at 31 December 2023, we have applied all the Practices in the MCCG save for that which has been 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](https://kpj.listedcompany.com/corporate_governance.html).





# CORPORATE GOVERNANCE OVERVIEW STATEMENT



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A | Board Leadership & Effectiveness

#### STRUCTURAL CHANGE TO THE BOARD COMPOSITION

NAME OF DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
Chin Keat Chyuan	President and Managing Director	1 September 2023

All members of the Board contributed meaningfully to the areas of formulation of strategic objectives and policies, governance, performance monitoring, allocation of resources and compliance. Each Director brought with him/her vast experience and astute insights to enable the Board to function effectively in discharging its duties and responsibilities in accordance with the Terms of Reference of the respective committees.

The roles of the Chairman of the Board, the President and Managing Director (PMD) as well as the Non-Executive Directors (NEDs) are kept separate with a clear division of responsibilities, in line with best practices. The functions of the Chairman as well as those of the PMD are clearly segregated to ensure that there is a balance of power and authority.

The PMD of the Company is responsible for leading the Management in the execution of broad policies, strategies and action plans approved by the Board. He regularly engages the Board to report and discuss the Group's business performance and developments, including all strategic matters affecting the Group. The PMD is supported by the KPJ Group Management Committee (KGMC) and other management committees established under the Group's CG model.

Puan Norhaizam Mohammad, KPJ's Chief Financial Officer (CFO), started serving as the Officer in Charge (OIC) of the Company, effective 7 September 2022 following the resignation of Dato' Mohd Shukrie Mohd Salleh, who had served as the PMD from 1 April 2022 to 7 September 2022.

On 1 September 2023, KPJ has appointed Mr. Chin Keat Chyuan as its new PMD. He took the helm from Puan Norhaizam Mohammad, who was the OIC for the Group. Puan Norhaizam Mohammad assumed her role as CFO on the same day.

The Board had also approved the Balanced Scorecard for 2023. With the strategic objectives in place, the PMD played a key role in leading and ensuring the senior management team executes strategic objectives to achieve them. Successful attainment of these goals becomes the basis of KPJ management's performance evaluation.

The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, the Companies Act 2016, the Board's policies, procedures and compliance with the relevant regulatory requirements, including codes or guidance and legislation. The Company Secretary support the Board in managing the Group's Governance Model, ensuring it is effective and relevant. Each Board member has unrestricted access to the advice and services of the Company Secretaries.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership &amp; Effectiveness

## BOARD OF DIRECTORS

## Roles and Responsibilities

The Board is committed to delivering sustainable value and determining long-term goals through its leadership with support from a dedicated Management Team. The Board is responsible for overseeing how Management best serves the interests of shareholders and other stakeholders on the environmental, social, and governance fronts, as well as in the areas relating to risk management, regulatory and governmental changes, plus global trends. The Board also promotes a Group culture based on KPJ's core values and defines its role in society.

The Board's activities in 2023 and its priorities in 2024 are set out below:

## ACTIVITIES IN 2023

- Reviewed and approved the Group's quarterly financial results and audited financial statements;
- Reviewed and approved quarterly interim dividends and special dividend;
- Reviewed and approved Recurrent Related Party Transactions and Related Party Transactions;
- Reviewed the Group's Key Performance Indicators achieved for the year 2022;
- Deliberated and approved the Group's Balanced Scorecard for the year 2023;
- Deliberated and provided feedback on the Group's Strategic Planning/Business Plan 2024-2028;
- Reviewed and approved the re-appointment and re-election of Directors;
- Reviewed the Board Composition and the Board Effectiveness Evaluation;
- Reviewed and approved the appointment of senior management (PMD, Chief Strategy Officer, Chief Human Resource Officer and Chief Marketing Officer);
- Approved KPJ's Organisation Structure Alignment;
- Approved KPJ's Sustainability Framework & Roadmap;
- Deliberated on KPJ's Digital Strategy 2023;
- 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;
- Reviewed and approved the Group's Budget for year 2024; and
- Reviewed and provided views on the Group's Operational Report for hospital and non-hospital businesses.

## Priorities in 2024

To further strengthen the Group's core business and pursue new growth opportunities. The Board is cognizant that monitoring of the Group's performance and business planning remain a priority in view of challenges and a competitive landscape.

## 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 documented clear policies for identifying and separating the functions and responsibilities between the Board and Management, as well as between the Chairman and the PMD in ensuring the smooth running of the Group's business and operations.

*These are enshrined in the Board Charter, which is available on the Company's website at*

[https://kpj.listedcompany.com/misc/board\\_charter.pdf](https://kpj.listedcompany.com/misc/board_charter.pdf)

## Corporate Integrity

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board has, since 2020, established an Anti-Bribery / Corruption Policy which has been implemented throughout the Group. The Policy was last reviewed and approved by the Board in April 2022.

The Group is obligated to amongst others, inculcate and practice ethical virtues in the organisation, hinder any possibilities that could lead to unethical or untruthful practices, and to take necessary action against employees and other interested parties contravening the law, regulations, policy and other requirements.

Another integral component of KPJ's unyielding emphasis on ethical and high integrity is the Group's Whistleblowing Policy. This policy enables employees and other stakeholders (i.e., shareholders/suppliers/patients), or any other parties to report genuine concerns about unethical behaviour, malpractice, illegal acts, or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

A dedicated whistleblowing channel at [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my) is available for reporting. To encourage a conducive environment for effective whistleblowing, the policy also provides assurances on the preservation of identity, the confidentiality of information, and protection of whistleblowers from possible retaliation.

The address and contact details of the above are stated in the policy at: <https://kpj.listedcompany.com/whistleblowing.html>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership & Effectiveness

### CONTINUING EDUCATION PROGRAMMES

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board Members.

The Directors also receive further training from time to time through Continuous Education Programme (CEP). During the year 2023, the Board members attended training sessions/programmes organised by various parties as disclosed under Practice 2.1 of the CG Report.

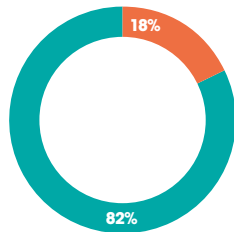
### 2023 DIRECTORS' TRAINING FOCUS AREAS

Corporate Governance	Leadership	Business Management	Data Governance	Sustainability	Health
<b>10</b> (91%)	<b>10</b> (91%)	<b>3</b> (27%)	<b>3</b> (27%)	<b>7</b> (64%)	<b>2</b> (18%)

### BOARD DIVERSITY

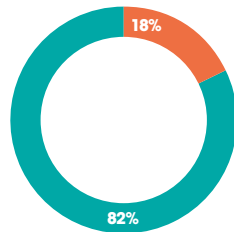
The analysis on the composition of the Board of Directors is as follows:

#### Gender Diversity



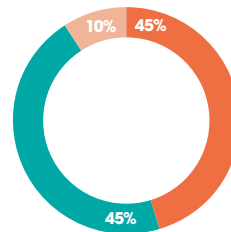
- Male 9
- Female 2

#### Racial Diversity



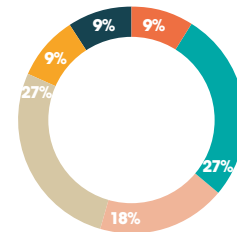
- Malay 9
- Chinese 2

#### Tenures



- 0 - 3 Years 5
- 3 - 6 Years 5
- 6 - 9 Years 1

#### Age Profile



- 45 - 50 Years 1
- 51 - 55 Years 3
- 56 - 60 Years 2
- 61 - 65 Years 3
- 66 - 70 Years 1
- > 70 Years 1

#### Board Composition

**45.5%**  
Non-Independent  
Non-Executive Director 5

**45.5%**  
Independent  
Non-Executive Director 5

**9%**  
President and  
Managing Director 1

#### Skill & Experience

Accounting/Finance/Banking/Investment/Audit 55% 6

Legal/Risk/Sustainability 27% 3

Marketing/Branding 9% 1

Medicine/Healthcare 9% 1

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership &amp; Effectiveness

The present size and composition of the Board remain well-balanced. The Board is made up of professionals with a wide range of knowledge and experience in business and operations as well as medical, legal, finance and investment analysis acumen all relevant to the direction of a large, expanding group, as well as sustainability matters, including material matters on environmental, social and governance (ESG) as outlined in the Fit and Proper Policy for the Board of Directors. These are available in the Fit and Proper Policy for the Board of Directors, which is available on the Company's website at [https://kpj.listedcompany.com/misc/KPJ\\_Fit\\_&\\_Proper\\_Policy\\_\(For\\_website\)\\_29.06.2022.pdf](https://kpj.listedcompany.com/misc/KPJ_Fit_&_Proper_Policy_(For_website)_29.06.2022.pdf).

The profiles of all Board members are disclosed on pages 108 to 120 of this Integrated Annual Report 2023.

The Board, through the Nomination and Remuneration Committee (NRC), undertakes a rigorous evaluation each year in order to assess how well the Board, its Committees, the individual Director and the Chairman are performing as per Fit and Proper Policy for the Board. This includes assessing the independence of Independent Directors, taking into account the individual Director's capability to exercise independent judgement at all times as well as for recommendation to the shareholders for re-election at the Annual General Meeting (AGM). The current composition of the Board members has the appropriate mix of diversity, skills, experience and capabilities.

The Board is also guided by KPJ's Diversity & Anti-Discrimination Policy, which was introduced on 1 September 2022. The Policy is applied in overall people practices at work for all levels inclusive of Board and senior management, including but not limited to career opportunities, training and development, recruitment, compensation and benefits, talent identification, retention, performance management, promotions, job assignments, succession planning and engagement activities.

## MEETING CALENDAR 2023

The Board members' attendance at meetings throughout the year are indicated below:

NO.	DIRECTOR	BOD	AC	TC	RSGC	NRC	IC	WBC
<b>Non-Independent Non-Executive Chairman</b>								
1	<b>Datuk Md Arif bin Mahmood</b>	7/7						
<b>Independent Non-Executive Directors</b>								
2	<b>Dato' Mohd Redza Shah bin Abdul Wahid</b>	7/7	10/10	8/8		11/11	6/6	2/2
3	<b>Mohamed Ridza bin Mohamed Abdulla</b>	7/7			6/6	11/11	6/6	2/2
4	<b>Khairuddin bin Jafus</b>	7/7	10/10	8/8	5/6			
5	<b>Hisham bin Zainal Mokhtar</b>	7/7	10/10		6/6		6/6	2/2
6	<b>Lee Lai Fan</b>	7/7		8/8		11/11		
<b>Non-Independent Non-Executive Directors</b>								
7	<b>Rozaini bin Mohd Sani</b>	7/7	10/10	8/8	5/6			
8	<b>Shamsul Anuar bin Abdul Majid</b>	7/7				11/11	6/6	
9	<b>Prof Dato' Dr Azizi bin Haji Omar</b>	7/7			6/6	11/11		
10	<b>Annie binti Rosle</b>	6/7		6/8			6/6	
<b>President and Managing Director</b>								
11	<b>Chin Keat Chyuan <sup>(a)</sup></b>	2/2						
<b>TOTAL NUMBER OF MEETINGS</b>		<b>7</b>	<b>10</b>	<b>8</b>	<b>6</b>	<b>11</b>	<b>6</b>	<b>2</b>

Chairman

Notes:

<sup>(a)</sup> Appointed as PMD with effect from 1 September 2023

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE A | Board Leadership & Effectiveness

#### BOARD REMUNERATION 2023

The Board believes that the levels of remuneration offered by the Group are sufficient to attract Directors of caliber with sufficient experience and talent to contribute to the performance of the Group. The Non-Executive Directors (NEDs) are remunerated based on fixed annual fees and fixed meeting allowances.

NO.	DIRECTOR	FEES (RM)		ALLOWANCE (RM)		SALARY (RM)	BONUS (RM)	BENEFITS-IN-KIND (RM)	OTHER EMOLUMENT (RM)	GRAND TOTAL
		COMPANY	SUBSIDIARY	COMPANY	SUBSIDIARY					
<b>Non-Independent Non-Executive Chairman</b>										
1	<b>Datuk Md Arif bin Mahmood</b>	220,000	-	36,000	-	-	-	31,150	-	287,150
<b>Independent Non-Executive Directors</b>										
2	<b>Dato' Mohd Redza Shah bin Abdul Wahid</b>	120,000	36,000	231,000	4,500	-	-	-	-	391,500
3	<b>Mohamed Ridza bin Mohamed Abdulla</b>	120,000	-	154,000	-	-	-	-	-	274,000
4	<b>Khairuddin bin Jaffus</b>	120,000	35,456	171,000	10,500	-	-	-	-	336,956
5	<b>Hisham bin Zainal Mokhtar</b>	120,000	-	187,400	-	-	-	-	-	307,400
6	<b>Lee Lai Fan</b>	120,000	-	103,000	-	-	-	-	-	223,000
<b>Non-Independent Non-Executive Directors</b>										
7	<b>Shamsul Anuar bin Abdul Majid*</b>	120,000	-	154,600	-	-	-	-	-	274,600
8	<b>Rozaini bin Mohd Sani*</b>	120,000	-	144,000	-	-	-	-	-	264,000
9	<b>Prof. Dato' Dr Azizi bin Haji Omar</b>	120,000	36,000	187,400	4,500	-	-	-	216,000	563,900
10	<b>Annie binti Rosle**</b>	120,000	-	72,000	-	-	-	-	-	192,000
<b>Executive Director</b>										
11	<b>Chin Keat Chyuan***</b>	-	-	53,000	-	592,000****	-	8,200	-	653,200

- Notes:**  
Meeting allowances were paid directly to all NEDs.
- \* The payment of Directors' fees for nominee and are employees of Johor Corporation (JCorp) were paid to JCorp as Corporate Fee.
- \* The payment of Committee fees for nominee and are employees of JCorp for Q1 and Q2 of 2023 were paid to JCorp as Corporate Fee. The payment of Committee fees for Q3 and Q4 of 2023 were paid directly to the NEDs.
- \*\* 50% of the Directors fees and Committee fees for nominee Director representing Employees Provident Fund (EPF) were paid to EPF as Corporate Fee.
- \*\*\* The payment of Directors' fees for nominee Director representing and employee of KPJ were paid to KPJ as Corporate Fee.
- \*\*\* Appointed as PMD on 1 September 2023.
- \*\*\*\* Inclusive of Group's contribution to provident fund.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership &amp; Effectiveness

## SENIOR MANAGEMENT

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

- A member has resigned her role as Chief Corporate Officer (CCO);
- Four new appointments were made during the year, namely:
  - Chief Human Resources Officer (CHRO)
  - President & Managing Director (PMD)
  - Chief Strategy Officer (CSO)
  - Chief Marketing Officer (CMO)
- An appointment from existing Regional CEO (RCEO) to Chief Operating Officer (COO) Hospital Operations.

The Company is committed to providing competitive total compensation opportunities to attract, retain, motivate and reward its employees. Performance is measured based on the relative performance of the Company and individual employees' attainment of business needs and objectives.

The range of remuneration of the top five Senior Management (including salary, bonus, benefits in kind and other emoluments) for the financial year ended 31 December 2023 is as follows:

NO	NAME	DESIGNATION	SALARY (RM)	ALLOWANCE (RM)	BONUS (RM)	BENEFITS (RM)	OTHER EMOLUMENTS	TOTAL (RM)
1	<b>Norhaizam Mohammad</b>	Chief Financial Officer	550,001-600,000	100,001-150,000	150,001-200,000	0-50,000	300,001-350,000	1,150,001-1,200,000
2	<b>Dato' Farid Salim</b>	Chief Operating Officer, Hospital Operations	550,001-600,000	50,001-100,000	100,001-150,000	0-50,000	0-50,000	850,001-900,000
3	<b>Nantha Kumar Subramaniam</b>	Chief Digital Officer	700,001-750,000	50,001-100,000	-	0-50,000	-	800,001-850,000
4	<b>Dr. Nik Fawaz Nik Abdul Aziz</b>	Chief Operating Officer, Group Allied and Retail Health Operations	550,001-600,000	50,001-100,000	-	0-50,000	-	700,001-750,000
5	<b>Norhamijah Mohd Hanafiah</b>	Chief Human Resource Officer	400,001-450,000	0-50,000	-	0-50,000	-	450,001-500,000

## BOARD COMMITTEES

The Board, as part of its leadership role, coordinates and delegates specific responsibilities to several Committees to facilitate the operations of the Group at the Board and Management level. Each Committee has written terms of reference defining its scope, powers and responsibilities.

These Committees have the authority to examine particular issues and report to the Board with their findings and recommendations. The ultimate responsibility for the final decisions and recommendations on all matters emanating from these Committees, however, lies with the entire Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership & Effectiveness

### NOMINATION AND REMUNERATION COMMITTEE



*Chairman:*

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

*Members:*

**Mohamed Ridza bin Mohamed Abdulla**  
*Independent Non-Executive Director*

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

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

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

#### ROLES AND RESPONSIBILITIES

The Nomination and Remuneration Committee (NRC) manages the nomination and remuneration process for the Board and Board Committees, Senior Management as well as key positions of KPJ Group. KPJ remuneration matters are governed by the Board of Directors through its NRC which convenes quarterly. Continuous collaboration with the PMD and Group Human Resources Management with the NRC committee ensures our remuneration practices not only comply with regulatory frameworks but also support our strategic vision for long-term value creation. The committee's activities are guided by the principle of ensuring that the remuneration and rewards align with KPJ's strategic objective and regulatory standards, plus a competitive environment aiming to foster sustainable long-term performance. The main key functions include:

- Ensuring compliance with relevant regulations in remuneration practices.
- Balancing commercial needs with fiscal risks through robust internal controls.
- Supporting the board with strategic and operational insights on remuneration policies.

#### 2023: A YEAR OF STRATEGIC MILESTONES

The past year was marked by significant achievements under the stewardship of the NRC, including:

- Strategic Board and Management Alignments: Assessment and recommendation of candidates for key roles within the Board and Senior Management, ensuring leadership alignment with KPJ's strategic direction.
- Performance and Reward Optimization: Comprehensive review of KPJ Group's 2022 KPIs and subsequent formulation of the 2023 KPIs, alongside recommendations for performance bonuses, underscoring our commitment to excellence.
- Talent Management Excellence: Approval and implementation of the Talent Validation Programme, affirming our dedication to nurturing and recognizing our invaluable human capital.

#### PRIORITIES IN 2024

- Innovative Remuneration Philosophies: Spearheading the implementation of a nuanced remuneration philosophy and structure, tailor-made to enhance employee engagement and performance.
- Elevated Performance Standards: Setting new benchmarks for performance standards and management processes, aimed at fostering a culture of accountability and excellence.
- Talent Management and Development: Expanding the talent management framework to deepen our bench strength and ensure a pipeline of future leaders ready to take KPJ Group to new heights.
- Sustainability and Resilience Integration: Deepening our commitment to sustainability, with a focus on embedding sustainability-driven policies and practices into our corporate ethos, thereby enhancing long-term resilience.

The NRC's diligent efforts in 2023 have laid the necessary foundation for KPJ Group's continued success. As we move forward, our commitment to robust corporate governance, aligned with our strategic vision and ethical standards, will continue to drive KPJ Group's journey towards achieving sustainable growth and operational excellence. We remain dedicated to producing a high quality human capital that upholds the highest standards of integrity and transparency, ensuring KPJ Group's position as a leader in the healthcare industry.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership &amp; Effectiveness

## INVESTMENT COMMITTEE



**Chairman:**

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

**Members:**

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

**Mohamed Ridza bin Mohamed Abdulla**  
Independent Non-Executive Director

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

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

## ROLES AND RESPONSIBILITIES

To review and recommend to the Board on matters pertaining to the business, potential investments, acquisitions, divestments, disposals, termination, joint ventures and/or other forms of corporate exercises. The approvals/recommendations to the Board are as per the authority limits of the Terms of Reference.

## ACTIVITIES IN 2023

- Reviewed KPJ Group's hospitals expansion and future development proposals and recommended to the Board for its approval;
- Reviewed and recommended to the Board the divestments of businesses within its authority limit;
- Deliberated and discussed on the KPJ Group of Companies' Business Plan which includes Investment Requirement & Returns; and
- Deliberated on and recommended for Board approval several potential corporate exercises for the KPJ Group of Companies.

## PRIORITIES IN 2024

The KPJ Investment Committee will continue to deliberate on proposals for new business opportunities, existing assets expansion, disposal of assets and closure of business as recommended by KPJ's Management by ensuring the following for each exercise:

- Explore new investment opportunities to achieve targeted returns.
- Cultivate sustainable business growth through strategic initiatives.
- Safeguard initial capital, mitigate excessive risks, and prevent losses in the investment portfolio.
- Stay abreast of industry trends to guide our strategic decisions and investment approach.
- Monitoring and assessing the performance of investments and business ventures post-implementation to ensure they align with expected outcomes.
- Ensuring thorough due diligence is conducted on all proposed business opportunities and asset transactions.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A | Board Leadership & Effectiveness

### TENDER COMMITTEE



*Chairman:*

**Khairuddin bin Jafius**  
*Independent Non-Executive Director*

*Members:*

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

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

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

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

#### ROLES AND RESPONSIBILITIES

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

The TC oversees the timeline and cost of each project undertaken by the Group and addresses any issues relating to these projects.

#### ACTIVITIES IN 2023

- Oversaw significant matters related to procurement of the Group;
- Reviewed, deliberated on and made recommendations to the Board pertaining the strategic matters surrounding new projects, sick projects with mitigation plans, and the project update dashboard report;
- Held Eight (8) meetings in 2023 to undertake its responsibilities; and
- Conducted site visits to check on and evaluate the progress of hospital renovation projects.

#### PRIORITIES IN 2024

- Primarily focus on enhancing and strengthening the procurement process and methodology for all KPJ expenditure within its authority limits, which includes all hospital projects (new, extension and renovation), medical equipment purchases, pharmaceutical and all facilities and maintenance contracts of KPJ hospitals and support services companies;
- Ensure the timely completion of all projects within the projected completion date and budget allocated;
- Assess and evaluate all vendors, contractors and suppliers conducting business with KPJ with the primary aim of enhancing and improving their deliverables and service level agreements;
- Mentor and guide personnel to raise the competency levels of all those involved in the different aspects of the procurement process; and
- Proposal to focus on this year:
  - New Hospital Information System (NHIS) contract and implementation.
  - New Enterprise Resource Planning (ERP) System contract and implementation.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B | Effective Audit &amp; Risk Management

## AUDIT COMMITTEE

The AC currently comprises one (1) Senior Independent Non-Executive Director (INED), two (2) INED and one (1) NINED who are financially literate.

Company Secretary (CoSec) will arrange the meetings' schedule in advance to coincide with the dates within the financial reporting cycle.



*Chairman:*

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

*Members:*

**Khairuddin bin Jafus**  
Independent Non-Executive Director

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

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

## ROLES AND RESPONSIBILITIES

The Audit Committee (AC) ensures transparency, integrity and accountability in the Group's activities to safeguard the rights and interests of the shareholders. At the same time assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices.

The AC is also responsible to improve the Group's business efficiency, the quality of the accounting and audit function as well as strengthening public confidence in the Group's reported financial results. AC also ensures the independence of the External and Internal Audit functions within the Group.

## ACTIVITIES IN 2023

- Reviewed the quarterly financial results before recommending the same to Board for approval.
- Reviewed the Financial Result for the year ended 2023 and issues raised by the External Auditor on their review of KPJ operations and internal control system.
- Reviewed the External Audit Plan on the scope and focus area of the External Auditor
- Reviewed the related party transactions and recurrent related party transactions.
- Assessed the effectiveness of the mitigation action taken for the assessment on the technological risks identified in KPJ's computing environment to support the Hospital's Operation.
- Assessed the effectiveness of the process and adherence to SOP by the Management and staff at all Hospitals/Subsidiaries in order to ensure efficient and sound control systems. The reviews of the internal controls system were focused on central procurement (tender), credit management, stock management and asset facilities management as part of the monitoring of the hospital licensing.
- Reviewed the performance of the Head of Internal Audit Services (IAS) and the department against the Internal Audit Plan for 2023.
- Reviewed the Internal Audit Plan for 2024 to ensure that high-risk auditable areas are being covered in the audit scope.
- Reviewed and approved the Audit Charter in line with the International Standards for Professional Practice of Internal Auditing by the Institute of Internal Auditors (IIA).
- Reviewed and recommended to the Board the revised Terms of Reference for the AC to ensure that it remains relevant and in line with the Malaysian Code on Corporate Governance (MCCG) and the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia).



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B | Effective Audit & Risk Management

### AUDIT COMMITTEE (continued)

#### PRIORITIES IN 2024

- In line with the 2024 Internal Audit Theme on "Process Improvement and Efficiency", the Internal Audit Services would emphasize assisting the Management of KPJ in making the KPJ Group of Companies operate more efficiently and recommends process improvement.
- Internal Audit Services continues to review the effectiveness of the internal control structures over the Group's activities by focusing on high-risk areas that are determined using a risk-based approach.
- All high-risk activities in each auditable area are audited annually following the approved Audit Plan. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.
- Monitor the implementation of the Self-Audit Checklist by the KPJ Group of Hospitals in which the Management of the KPJ Hospitals self-assesses the adequacy of the controls as well as to ensure compliance with the existing policies and procedures.
- Continually assess the third parties/ suppliers' cyber risk as the cyber threats by the third parties are an emerging risk that may lead to data leakages and security breaches.
- Sustaining the auditors' knowledge of new auditable areas and emerging risks by identifying the required training based on the auditors' Training Need Analysis; i.e. Environmental, Social and Governance (ESG) Reporting Audit, Forensic Audit etc.

#### REVIEW OF THE PERFORMANCE OF AC

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

#### RELATIONSHIP WITH EXTERNAL AUDITORS

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

In the year 2023, the External Auditors attended five (5) out of ten (10) meetings which were held on 16 February 2023, 23 May 2023, 25 August 2023, 29 August 2023 and 26 November 2023 respectively.

Separate private sessions were conducted without Management's presence at two (2) out of five (5) of the meetings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B | Effective Audit &amp; Risk Management

## RISK, SUSTAINABILITY &amp; GOVERNANCE COMMITTEE



**Chairman:**

**Mohamed Ridza bin Mohamed Abdulla**

*Independent Non-Executive Director*

**Members:**

**Khairuddin bin Jaffus**

*Independent Non-Executive Director*

**Hisham bin Zainal Mokhtar**

*Independent Non-Executive Director*

**Prof Dato' Dr. Azizi bin Haji Omar**

*Non-Independent Non-Executive Director*

**Rozaini bin Mohd Sani**

*Non-Independent Non-Executive Director*

## ROLES AND RESPONSIBILITIES

The Risk, Sustainability and Governance Committee (RSGC) oversees the overall risk exposure and risk management matters relating to any material clinical and non-clinical risks identified as well as governance processes within the Group. The RSGC will recommend to the Board any changes in the policy, framework, standards and procedures where applicable.

The RSGC also monitors the appropriateness of KPJ's strategies in addressing material stakeholder sustainability concerns and ensures their compliance with sustainability policy, practices and reporting requirements.

## ACTIVITIES IN 2023

- Reviewed the Group's Enterprise Risk Management (ERM) reports – which covered the ERM reporting status, risk profile, key risk highlights, risk priorities, mitigation plans and mitigation performance – to ensure that the Group's business activities as well as risk management methodologies were aligned and supplemented on an ongoing basis. This is to proactively manage the key risk areas that arise in view of the planning and execution of Group strategic objectives as well as with the developments in the external operating environment;
- Deliberated on and made recommendations relating to the implementation of the new Hospital Information System and operational readiness of the new hospital from risk perspectives;
- Reviewed the reports of clinical and non-clinical incidents including action plans and initiatives undertaken;
- Reviewed the Anti-Bribery Management System (ABMS) framework and implementation plan and ensured its compliance with applicable laws, standards and regulatory requirements;
- Oversaw the development and implementation of the Integrity plans intending to enhance the integrity culture (internally and externally) throughout the KPJ Group;
- Approved the revision of KPJ Whistleblowing Policy and Procedures;
- Reviewed the reports on Medical and Clinical incidents reporting updates including action plans and initiatives to drive quality improvement activities. Matters in respect of the Group's medico-legal litigation cases, as well as trends of serious reportable events that highlighted problem areas in clinical performance and opportunities for improvement, were also reviewed;
- Reviewed and endorsed the Future Risk Operating Model for Group Risk Management.
- Reviewed and recommended for Board's approval on the Statement on Risk Management and Internal Control in the Integrated Annual Report 2022;
- Oversaw the implementation of the Sustainability Roadmap, plan and initiatives;
- Oversaw the implementation of initiatives in the area of cybersecurity, information management, data security and Security Roadmap;
- Monitored the status and progress of hospital licensing efforts, ensuring compliance with regulatory requirements, and facilitating ongoing operational excellence;
- Monitored the status of implementation of the Business Continuity Management (BCM) based on the revised Business Continuity Framework;

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B | Effective Audit & Risk Management

#### RISK, SUSTAINABILITY & GOVERNANCE COMMITTEE (continued)

- Approved the implementation of a matrix reporting structure for Risk & Compliance Officers across all KPJ hospitals and subsidiaries, to report to the Group Risk & Compliance; and
- Oversaw the implementation of customisation of CURA system, a Governance, Risk and Compliance system for a better governance, risk and compliance assessment and monitoring.

#### PRIORITIES IN 2024

- Augment KPJ's risk strategy and appetite in alignment with KPJ's business objectives and strategy;
- Promote and improve the integration of risk thinking and risk culture within KPJ through necessary steps in aligning to KPJ's corporate strategy;
- Integrate efforts with other lines of defense for a better view and focus of risks and seamless reporting and monitoring;
- Oversee the Business Continuity Management (BCM) live simulation – for better preparedness, response, and recovery strategies in real-time scenarios and monitor the Group-wide implementation of the programme;
- Growth and development of risk officers through professional certification and upskilling programme;
- Strengthening of compliance culture and compliance management;
- Enhancement of annual risk and compliance management plan and execution; and
- The Committee, together with the management, to manage ESG risks and opportunities through its strong sustainability governance structure.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B | Effective Audit &amp; Risk Management

## GROUP MEDICAL ADVISORY &amp; CLINICAL GOVERNANCE COMMITTEE



**Chairman:**

**Prof. Dato' Dr. Azizi bin Haji Omar**  
Chairman, Central Credentialing Committee

**Members:**

**Chin Keat Chyuan**  
President and Managing Director

**Dato' Mohamad Farid bin Mohd Salim**  
Chief Operating Officer

**Dr Mohd Hafetz Ahmad**  
Chairman, Group Medical Directors Council

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

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

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

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

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

**Dr. Rusli Arshad**  
Medical Director, KPJ Johor Specialist Hospital

**Dr. David Ling**  
Medical Director, KPJ Kuching Specialist Hospital

**Dr. Munirah Khudri**  
Head, KPJ Group Clinical Services

**Dr. Mohamed Ahsan Mohamed Ismail**  
Head, Medical Affairs

**Dr. Aliza Jamaluddin**  
Head, Clinical Governance

**Jayanthi a/p Marimuthu**  
Group Chief Nursing Officer

**Zarihasyum Wan Zein**  
Head, Pharmacy and Allied Health Services

**Dr. Rafiza Mohamed Nazir**  
Manager, KPJ Group Clinical Services

## GMACGC MEETING ATTENDANCE

Details of the attendance of Group Medical Advisory and Clinical Governance Committee (GMACGC) members can be found in the Group Medical Advisory and Clinical Governance Committee Report on pages 167 to 181 of this Integrated Annual Report.

## ROLES AND RESPONSIBILITIES

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

## ACTIVITIES IN 2023

- Developed new Medical Bylaws with alignment to Private Healthcare Facility and Safety Act (PHFSA);
- Developed new policies and guidelines as well as reviewed and updated all existing policies/guidelines to ensure evidence-based processes are in place. Five (5) guidelines were approved and fourteen (14) policies/guidelines were updated;
- Restructured the clinical governance committee.
- Reviewed the activities for clinical compliance including accreditation standards and clinical survey results of twenty-nine (29) hospitals in seventeen (17) areas;
- Monitored performance and patient outcomes by monitoring the clinical and quality indicators;
- Established Cardiac Rehabilitation Service in KPJ Damansara;
- Implemented the Lean Management principles to streamline processes, reduce waiting times, and provide more efficient and effective rehabilitation experiences to patients while receiving a physiotherapy intervention post Total Knee Replacement (TKR);
- Initiated a collaboration with University Malaya Medical Centre (UMMC) by sending the dietitians for clinical dietetic attachments at the General Paediatric Clinic, Type 1 Diabetes Clinic and wards to enhance dietitians' skills in paediatric nutrition, aligning with the launch of Child Growth Clinic at KPJ Damansara;
- Ensured the involvement of KPJ dietitians in Nutrition-Focused Physical Examination (NFPE) course to improve the patient's clinical outcomes;
- Implemented the electronic medical certificate (E-MC) in three hospitals; KPJ Selangor, KPJ Perdana and KPJ Perlis;
- Standardized and streamlined the Health Information Management System (HIMS) across the KPJ hospitals;
- Installed a Pharma-Loc; a smart locker equipped with electronic lock and integrated with cloud management and reporting which is another initiative for medication delivery besides the delivery via post or medication drive-through at KPJ Ampang Puteri;

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE B | Effective Audit & Risk Management

### GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE (continued)

- Organised trainings to upskilling Pharmacy professionals in Antimicrobial Stewardship for KPJ Ampang Puteri at Hospital Sungai Buloh.
- Implemented Code STEMI to fourteen hospitals that perform percutaneous coronary intervention. This is in line to improve the outcome for Door to Balloon time, ECG for AML/STEMI to be done within 10 mins of A&E admission, Patient-reported experience measures (PREM) and Patient-reported outcome measures (PROM).

#### PRIORITIES IN 2024

- Publishing the KPJ Medical ByLaw and the KPJ Rules and Regulation.
- Enhancing collaboration between KPJ Healthcare and Mayo Clinic with two of KPJ hospitals; KPJ Damansara Specialist Hospital and KPJ Damansara Specialist Hospital 2.
- Revisiting the Resident Consultant Agreement (RCA)
- Introducing the medical benefit for Resident Consultant who converted into Sessional/Visiting Rights.
- Developing the Centre of Excellence; Oncology Centre, Stroke Centre, Orthopedic Centre, Total Knee Replacement Centre and Fertility Centre.
- Recruiting of top-tier consultants for ensures delivery of high-quality patient care, promotes innovation, and maintains a competitive edge in the dynamic healthcare industry;
- Partnering with Human Resources to enhance KPJ nurses' recruitment and retention efforts;
- Collaborating with the Ministry of Health to organise inaugural Malaysia International Healthcare (MIH) Megatrends 2024;
- Standardizing the Processes and Practices in Pharmacy and Allied Health Services;
- Focusing on Lean Management and Total Patient Experience projects involving selected key service areas (Nursing, Pharmacy, Allied Health, Clinical indicators);
- Enhancing the expansion of the services; Rehabilitation Services, Audiology Services and Dietetic Services;
- Introducing medication safety and Root Cause Analysis (RCA) workshop;
- Introducing external certification for Aseptic Technique for Pharmacy Services;
- Aligning silo practices to Cluster practices.

- a) Diabetic Management Cluster (2023):  
The management of Diabetic patients to be holistic in nature with support from multidisciplinary Consultants and services.
- b) Hearing Care and Cochlear Transplant (2023).
- c) Stroke Cluster (2024).
- d) Joint Management Cluster (2024).
- e) Digestive Management Cluster (2024).
- f) Women health (2024)
- g) Children's Development (2024)

#### FUNCTION OF SUB-COMMITTEE OF GROUP MEDICAL ADVISORY AND CLINICAL GOVERNANCE COMMITTEE:

COMMITTEES	FUNCTIONS
<b>Medical Directors' Council Committee</b>	1. Work closely with GCGAC to improve clinical governance hospital levels
<b>Transformation and Quality Innovation Committee</b>	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
<b>Clinical Safety and Risk Management Committee</b>	1. Monitor, analyse and report scientifically safety incidents, safety goals and clinical indicators 2. Develop quality and safety dashboards using SPCC 3. Analyse and report mortality and morbidity incidents and incidence
<b>Professional Development Committee</b>	1. Review and update current clinical policies 2. Develop and introduce professional enhancement for doctors and all healthcare professionals 3. Develop and implement clinical audits
<b>Education and Research Committee</b>	1. Integrate KPJ Healthcare University and Hospitals into a single platform to train and educate healthcare professionals of all levels 2. Enhance research activities in hospitals 3. Elevate major hospitals into academic health centres
<b>Clinical and Research Ethics Committee</b>	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
<b>Central Credentialing Committee</b>	1. Act as oversight body to credentialing approvals of hospital credentialing committees

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**PRINCIPLE C** | Integrity in Corporate Reporting & Meaningful Relationships with Stakeholders

The Group understands that one of its major responsibilities is to provide sufficient and timely information to its shareholders and investors as this reflects good corporate governance practice. It is imperative to maintain transparency, build trust and understanding in the relationship through active dialogue and communication with shareholders and investors. As part of the Group's commitment to promote a high level of communication and transparency with the investment community, senior level management personnel are directly involved in the Group's investor relations (IR) function.

The PMD, supported by KPJ senior management team hold discussions with analysts, investors and shareholders from time to time on the Group's result and performance.

The key senior management personnel involved in the IR during the year were:

**Chin Keat Chyuan** - *President & Managing Director*

**Norhaizam Binti Mohammad** - *Chief Financial Officer; and*

**Michael Leddin** - *Chief Strategy Officer*

Presentations are made, where appropriate, to explain the Group's strategies, performance and major developments. However, any information that may be regarded as privileged material information about the Group will be safeguarded until such time that such information has been announced to Bursa Malaysia as required by 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 Malaysia;

KPJ Healthcare Investor Relations Website and KPJ Investor Presentations

Annual General Meeting;

Quarterly results briefings with analysts and investors;

Face to face engagement at investor conferences, site visits and frequent 1 on 1 & group investor meetings

**Annual General Meeting (AGM)**

- The 30<sup>th</sup> AGM was held on a virtual basis on 22 June 2023 in accordance with the Securities Commission Malaysia's Guidance Note on the Conduct of General Meetings for Listed Issuers (SC Guidance Note);
- Pursuant to the SC 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. The AGM was conducted via the TIH online meeting platform in Malaysia at <https://tiih.online> or <https://tiih.com.my>;
- All shareholders were required to register their attendance at the AGM remotely by using the Remote Participation and Voting (RPV) facilities at <https://tiih.online>;
- The Administrative Guide of the AGM was circulated to the shareholders more than 28 days prior to the AGM together with the Notice of the AGM;
- The business presentation was made by the Officer-In-Charge;
- The Chairman encouraged shareholders to post questions and these were answered during the Q&A session, with the independent moderator from Tricor Business Intelligence & Solutions Sdn Bhd presenting the questions received for the AGM;
- Electronic poll voting was conducted on all resolutions and announcements of the voting results were made instantaneously at the AGM. The outcome of the AGM is released to public via Bursa Malaysia on the same day after the AGM; and
- The minutes of the AGM were uploaded on the Company's website within 30 business days after the 30<sup>th</sup> AGM at the Company's website.

**Communication via Mass Media**

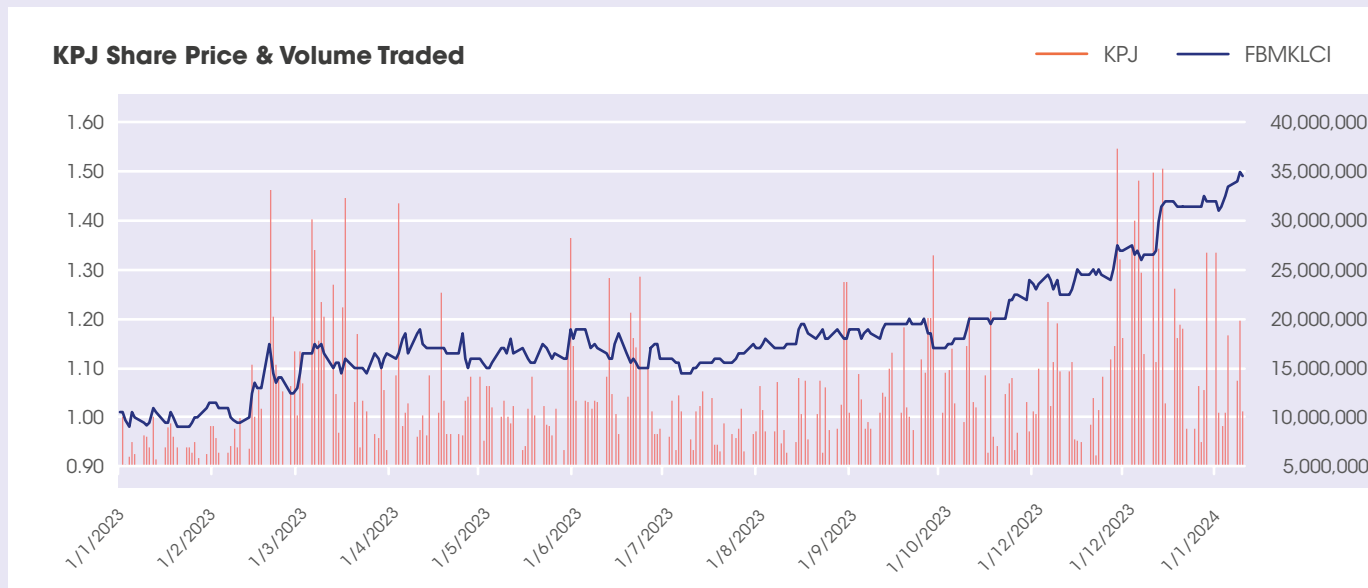
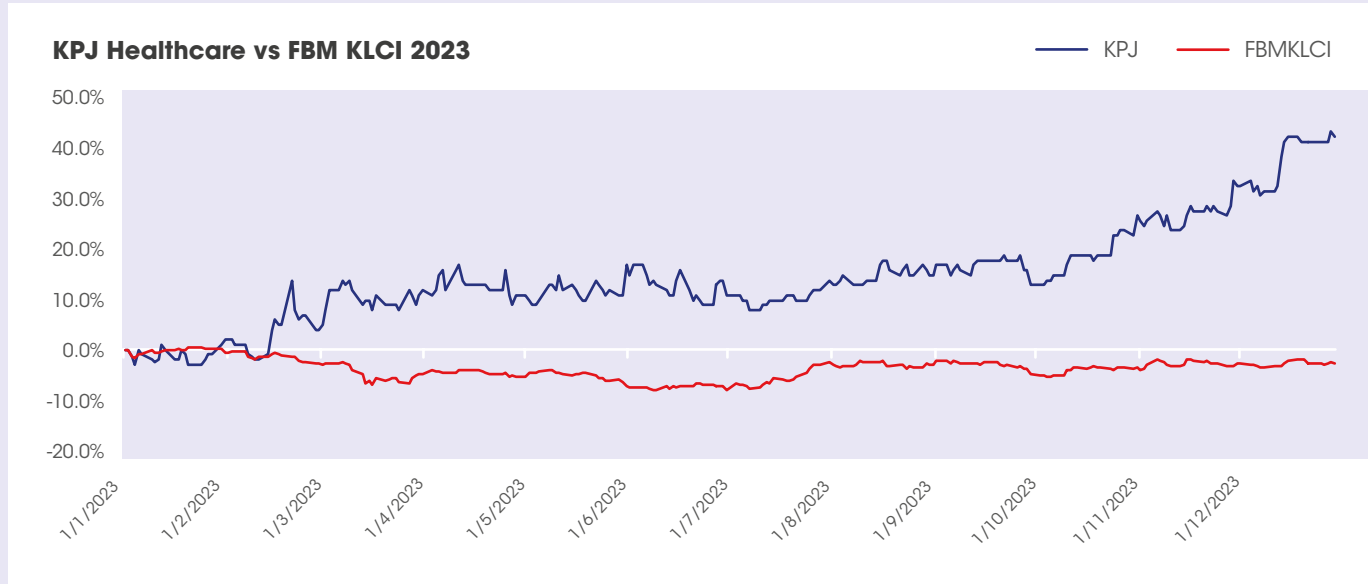
- Media interview on corporate developments;
- Press releases on key issues; and
- Social media platforms at the Group and subsidiary levels.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE C | Integrity in Corporate Reporting & Meaningful Relationships with Stakeholders

### KPJ Share Performance



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE C | Integrity in Corporate Reporting &amp; Meaningful Relationships with Stakeholders

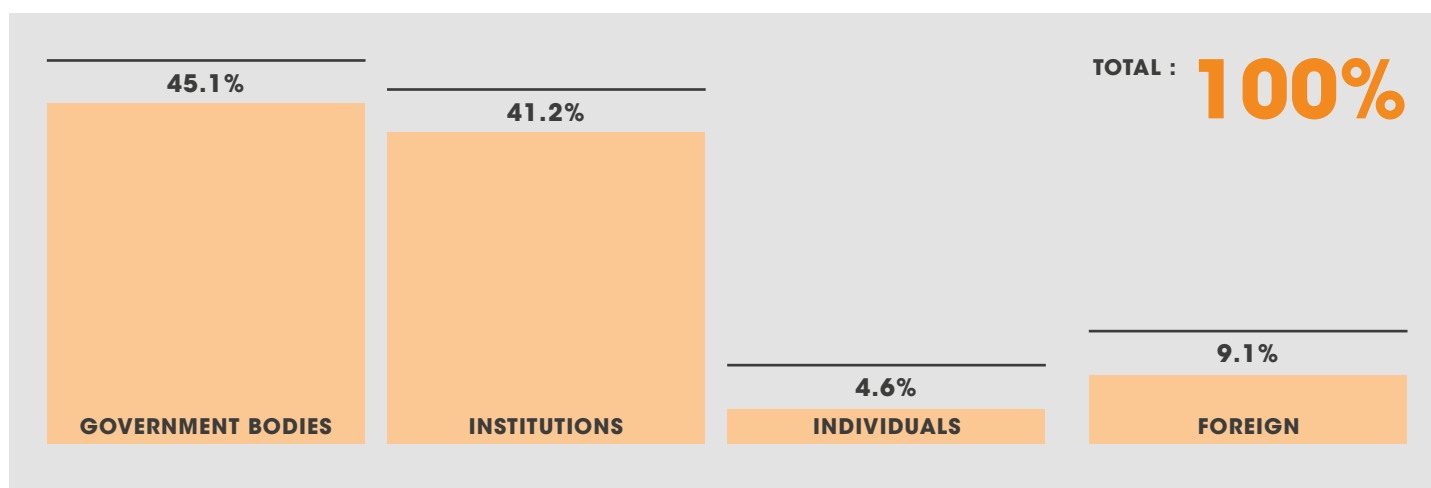
## KPJ Quarterly Volume and Trading

	4Q 2023	3Q 2023	2Q 2023	1Q 2023
<b>Total Volume</b>	797,615,464	471,210,179	545,253,338	511,447,708
<b>Daily Average Volume</b>	12,271,007	7,249,387	8,388,513	7,868,426
<b>Closing Price</b>	1.44	1.14	1.12	1.13
	4Q 2023	3Q 2023	2Q 2023	1Q 2023
<b>High</b>	1.45	1.20	1.18	1.15
<b>Low</b>	1.14	1.09	1.10	0.98
<b>Trading</b>	0.31	0.11	0.08	0.17

## KPJ Share Price 5 Years

	2023	2022	2021	2020	2019
<b>Market Cap (RM Billion)</b>	6.52	4.55	5.00	4.40	4.20
<b>Closing Price</b>	1.44	1.01	1.11	1.00	0.95
<b>High</b>	1.45	1.15	1.21	1.04	1.10
<b>Low</b>	0.98	0.79	0.92	0.72	0.87
<b>Foreign Shareholding</b>	9.09	0.36	6.81	5.94	6.29

## Shareholders Composition as at 31 December 2023



# AUDIT COMMITTEE REPORT

## COMPOSITION AND ATTENDANCE

### 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. This satisfies the requirements of Paragraph 15.09 (1)(a) and (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR).

The composition of the AC and the record of their attendance at AC meetings held during the financial year 2023 are as follows:

NAME OF MEMBER	STATUS OF DIRECTORSHIP	NO. OF MEETING ATTENDED
<b>Dato' Mohd Redza Shah Bin Abdul Wahid</b> <i>Chairman</i>	Senior Independent Non-Executive Director	10/10
<b>Khairuddin Bin Jafus</b> <i>Member</i>	Independent Non-Executive Director	10/10
<b>Hisham Bin Zainal Mokhtar</b> <i>Member</i>	Independent Non-Executive Director	10/10
<b>Rozaini Bin Mohd Sani</b> <i>Member</i>	Non-Independent Non-Executive Director	10/10

The Chairman of the AC, Dato' Mohd Redza Shah Bin Abdul Wahid, is an Associate Chartered Accountant and a member of the Institute of Chartered Accountants in England and Wales. This meets the requirement of Paragraph 15.09 (1)(c) of the MMLR which stipulates at least one of the AC members fulfills the financial expertise requisite.

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

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

### Attendance

- AC meetings for 2023 were pre-arranged in December 2022 and communicated to the members early to ensure their time commitment. A minimum of four (4) meetings a year were planned, although additional meetings were called as and when required.
- During the financial year, the quorum for all ten (10) meetings held during the financial year 2023 was fulfilled. The meetings were held on 9 February 2023, 16 February 2023, 23 May 2023, 29 May 2023, 21 June 2023, 25 August 2023, 29 August 2023, 16 November 2023, 26 November 2023 and 8 December 2023 respectively.
- The Company Secretaries act as the AC's Secretary in all AC meetings. The President & Managing Director, Senior Management together with the Head of Internal Audit, and External Auditors normally attend the meetings. Other Directors, Regional Chief Executive Officers of the hospitals and employees of the company and/or Group may attend any particular meeting upon invitation where appropriate.
- Minutes of the AC meetings are circulated to all members and extracts of the decisions made are escalated to relevant process owners for action. The Chairman of the AC provides a summary report and highlights significant points on the decisions and recommendations from the AC meetings to the KPJ Board.

### Meetings with External Auditors

- In the year 2023, the External Auditors attended five (5) out of ten (10) meetings which were held on 16 February 2023, 23 May 2023, 25 August 2023, 29 August 2023 and 26 November 2023 respectively.
- Separate private sessions were conducted without Management's presence at two (2) out of five (5) of the AC meetings.

# AUDIT COMMITTEE REPORT

## TERMS OF REFERENCE

The duties and responsibilities of the AC are outlined in its Terms of Reference (TOR) which is available online in the Corporate Governance section at [https://kpi.listedcompany.com/audit\\_committee.html](https://kpi.listedcompany.com/audit_committee.html)

## FOCUS AND ACTION PLAN

The AC received updates on key governance matters and issues across the Group at each AC meeting. During the financial year, the AC focused on the following areas, among others:

- a) Financial statements compliant with the Malaysia Financial Reporting Standards (MFRS) Framework. Management's adoption and the impact arising from implementation of the new and amended accounting standards such as MFRS 17 Insurance Contract and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors.
- b) A review on the effectiveness of the process and adherence to SOP by the Management and staff at all KPJ Group of Companies to ensure an efficient and sound internal control system i.e. adequacy of the central procurement/ tendering process, enhanced credit management process as well as stock management process; and
- c) Recent developments in tax laws and regulations i.e. e-Invoice initiative by the Inland Revenue Board in digitizing tax administration activities.

## SUMMARY OF WORK

During the year 2023, the AC carried out the following principal activities in discharging its responsibilities:

AREA OF FOCUS	MATTERS CONSIDERED
<b>Financial Results</b>	<ul style="list-style-type: none"> <li>• Reviewed the quarterly unaudited financial result announcements before recommending the same to the Board for approval;</li> <li>• Reviewed the Company's compliance, in particular the quarterly and year-end financial statements, with Malaysian Financial Reporting Standards, applicable disclosure provisions in the MMLR, and other relevant legal and regulatory requirements; and</li> <li>• Reviewed the impact of changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.</li> </ul>
<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>• Reviewed and approved the annual audit plan for the year 2024 to ensure adequate resources, competencies as well as comprehensive audit scope and coverage over the significant and high-risk audit activities;</li> <li>• Deliberated on the Internal Audit Reports that were tabled and appraised the adequacy of Management's responsiveness to the audit findings and recommendations;</li> <li>• Evaluated the results of scheduled follow-ups, investigations and special audits performed and confirmed that appropriate actions were taken to correct the weaknesses;</li> <li>• Assessed the status of audit activities as compared to the approved annual audit plan; and</li> <li>• Approved the annual revision of the Internal Audit Charter and recommended to the Board for approval on the annual revision of the AC's TOR.</li> </ul>

## AUDIT COMMITTEE REPORT

AREA OF FOCUS	MATTERS CONSIDERED
<b>External Audit</b>	<ul style="list-style-type: none"> <li>Reviewed the audit plan, audit strategy and scope of work for the year;</li> <li>Reviewed the results of the interim and annual audit, audit reports, Management Letter together with Management's response to their findings;</li> <li>Assessed the independence and objectivity of the External Auditors during the year. The AC also received from the External Auditors their policies and written confirmation regarding their independence and the measures used to control the quality of their work;</li> <li>Deliberated on the developments relating to financial reporting and the regulatory environment;</li> <li>Assessed the performance of the External Auditors and recommended their appointment and remuneration to the Board of Directors; and</li> <li>Met with the External Auditors without the presence of Management on 16 February 2023 and 26 November 2023.</li> </ul>
<b>Related Party Transactions</b>	<ul style="list-style-type: none"> <li>Reviewed the related party transactions and recurrent related party transactions entered into by the Group as well as any conflict-of-interest situations that arose within the Group.</li> </ul>
<b>Annual Reporting</b>	<ul style="list-style-type: none"> <li>Reviewed and recommended the Audit Committee Report for inclusion in the Integrated Annual Report to ensure compliance with the relevant regulatory reporting requirements, prior to Board approval.</li> </ul>
<b>Other Matters</b>	<ul style="list-style-type: none"> <li>Reviewed the write-off for bad debts exercise prior to recommending this to the Board for approval;</li> <li>Deliberated on the progress and status of IT-related strategic issues;</li> <li>Reviewed and deliberated on the subsidiaries' performance; and</li> <li>Deliberated on the status and updates on the credit management of the Group.</li> </ul>
<b>Continuous Professional Development</b>	<ul style="list-style-type: none"> <li>For the year under review, the relevant AC members have attended various conferences, seminars and training. Details of all training sessions attended are reported under the Corporate Governance Report, Practice 2.1 published on KPJ's website.</li> </ul>

### INTERNAL AUDIT SERVICES

- The Groups' in-house Internal Audit Services (IAS) team carries out KPJ's internal audit function in assisting the Board to oversee that Management has in place sound risk management, internal control and governance systems.
- IAS is headed by a Chief Internal Auditor, En. Mohd Firdaus Mohamed Din. He is a Certified Credit Professional (Business), Certified Credit Professional – Islamic (Business), Chartered Member of the Chartered Institute of Islamic Finance Professionals Malaysia, and an associate member of CPA Australia. He holds a Bachelor of Commerce (Accounting) from the Australian National University, Canberra.
- There are a total of 18 internal auditors who performed audits across the KPJ Group including the Group's Overseas Operations. The auditors are segregated into two (2) teams comprising Financial and Operational auditors, as well as IT auditors.
- Various physical and virtual in-house training programmes and external courses were provided to staff members in the areas of auditing skills, technical skills, leadership, data analytic, business acumen, strategic management and personal development to enhance their skills and align them with the desired competency levels.

### Roles and Functions

- IAS, as the third line of defence, reviews the effectiveness of the internal control structures over the Group's activities by focusing on high-risk areas that are determined using a risk-based approach.
- All high-risk activities in each auditable area are audited annually in accordance with the approved Audit Plan. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.
- IAS reports functionally to the AC and administratively to the President & Managing Director.

## AUDIT COMMITTEE REPORT

### Summary of Work by IAS

- The IAS within its terms and reference, undertook the following scope-of-work for the financial year 2023:-
  - i) Reviewed and appraised the adequacy and integrity of the internal financial controls and information system controls to ensure that these provide a reasonable but not absolute assurance that KPJ's assets are properly safeguarded;
  - ii) Collaborated with other internal or external assurance providers, or consulting services to determine the scope-of-work to ensure proper audit coverage and to minimise duplication efforts; i.e., External Auditors, Compliance Services, etc;
  - iii) Ascertained the level of compliance with the Group's plans, policies, procedures and adherence to laws and regulations;
  - iv) Appraised the effectiveness of the administrative and financial controls applied and the reliability and integrity of data that is produced within the Group;
  - v) Performed follow-up reviews of outstanding audit findings to ensure that the necessary actions have been taken/are being taken to remedy any significant gaps identified on the governance, risk management and internal control;
  - vi) Carried out special reviews/ investigations requested by the AC and/or Management;
  - vii) Witnessed the tender opening and validated the evaluation process for procurement of goods and services to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner;
  - viii) Prepared and tabled the annual audit plan including its financial budget and required resources to the AC for their review and approval; and
  - ix) Prepared the Audit Committee Report for the Company's Integrated Annual Report for financial year ended 31 December 2023.
- During the financial year ended 31 December 2023, IAS accomplished a total of 85 audits comprising scheduled financial and operational audits as well as IT audits at the hospitals, support companies and headquarters. These audits included special audit reviews and ad hoc assignments. Reviews on compliance with established procedures, guidelines and statutory obligations were also performed.
- The audit reports which provide the results of the audit conducted are submitted to the AC for review and deliberation. Key control issues, significant risks and recommendations are highlighted, along with Management's responses and action plans for improvement and/or rectification, where applicable. This enables the AC to execute its oversight function by reviewing and deliberating on the audit issues, audit recommendations as well as Management's responses to these recommendations.

- Where appropriate and applicable, the AC directs Management to take cognisance of the issues raised and to establish the necessary steps to strengthen the system of internal control based on IAS' recommendations.
- All findings resulting from the audits were reported to the AC, Senior Management and relevant Management of the operating hospitals and support companies. Management of the operating hospitals and support companies were accountable for ensuring proper rectification of the audit findings and for implementing action plans within the timeframe specified.
- Follow-up by IAS on the actions taken is updated in the subsequent audits. In addition, the IAS plays an advisory role in the course of performing its audit activities.

### Independence of IAS

- IAS functions independently of the activities or operations of other operating units. IAS' authority, scope and responsibilities are governed by its revised Audit Charter which was approved by the AC on 15 March 2024 in alignment with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA).
- All Internal Audit personnel are to sign an Independence Statement as well as a declaration on compliance with the Code of Ethics of the IIA in carrying out their duties.

### Quality Assurance and Improvement Programme

- IAS shall maintain a quality assurance and improvement programme to uphold the conformance of internal audit activities with the International Standards for Professional Practice of Internal Auditing (Standards) issued by the IIA.
- The said programme includes the IAS function's self-assessment process and assessment by a qualified independent assessor once in five years.
- The Strategic, Quality and Development (SQD) Unit has begun the implementation of the Audit Management System (AMS). The SQD Unit continues to monitor the auditors' utilisation of the AMS and assists them by providing feedback and relevant training.
- IAS also concentrated its efforts on reviewing the auditors' competencies and professionalism by continuing the Certified Internal Auditor (CIA) programme. All auditors are encouraged to enrol in the CIA training and certification programme which forms part of the auditor's Key Performance Indicators (KPIs).



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

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

## BOARD RESPONSIBILITY

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

The Audit Committee (AC) reviews the effectiveness of the internal control structure over the Group's activities focusing on high-risk areas which are determined using a risk-based internal audit approach. The Risk, Sustainability, And Governance Committee (RSGC) evaluates and reviews the assessment of identified risks, the effectiveness of the Enterprise Risk Management (ERM) Framework, as well as the process for accessing and managing the Group's principal risks. Issues raised and actions taken by Management to address these issues are deliberated on at the RSGC and AC meetings. The RSGC also provides oversight on the governance and in the overall effectiveness of the Group's sustainability strategies, priorities and targets. It ensures the Group not only complies and align with the Group's commitment towards integrating sustainable practices but also strives for an industry-leading position in sustainability.

## MANAGEMENT RESPONSIBILITY

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

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

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

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

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

## RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

### Integrity and Ethical Values

The Group is committed to upholding the utmost standards of ethics and integrity, exemplifying honesty, fairness, transparency, and accountability in all aspects of its business and operations. Performing duties with integrity is a fundamental core value embraced by the KPJ Group.

Our values encapsulate the philosophy of our organisation, serving as guiding principles for all decision-making and actions. We aim to cultivate a patient-centred environment, prioritizing compassionate care, grounded in our inherent commitment to Care for Life throughout every facet of our operations.

Aligned with the implementation of the KPJ Group's Anti-Bribery Management System (ABMS), the newly appointed employees must express their dedication to maintaining elevated levels of integrity and ethical standards. This commitment is affirmed through the Staff Integrity Pledge in the Employee Self-Service Portal and during the refresher training programme conducted by the Integrity Unit and Integrity Ambassadors for existing employees.

KPJ has implemented a comprehensive Whistleblowing Policy that articulates the Group's dedication to upholding the highest standards of governance, ethics, and integrity across all aspects of its business operations. An exclusive whistleblowing channel at [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my) is accessible for employees and other stakeholders who wish to report any unethical practices or perceived wrongdoings. To foster an environment conducive to effective whistleblowing, this policy ensures the preservation of the whistleblowers' identity, the confidentiality of information, and protection from potential retaliation.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

The policy serves as a platform for employees and stakeholders to raise concerns or report any violations or suspected breaches of laws and regulations. The revision from a 3-tier reporting system to the establishment of the Whistleblowing Committee (WBC) in March 2023 reflects our unwavering commitment to continuous improvement in governance and transparency. The Senior Independent Non-Executive Director ("SINED") serves as the Chairman of the WBC, with members comprising Independent Non-Executive Directors ("INED") from the Risk, Sustainability, and Governance Committee.

Since 2011, the Group has also been a signatory to the Malaysian Corporate Integrity Pledge, an initiative introduced by the Malaysian Institute of Integrity (MII) to align with the Government's endeavours in combating corruption and unethical practices.

The Group's No Gifts and Entertainment Policy has been in place since 2014, whilst the Asset Declaration Policy and Conflict of Interest Declaration which applies to all employees have been in effect since 2017 and 2020 respectively. These policies aim to maintain ethical and responsible conduct among all KPJ employees, ensuring the avoidance of conflict of interest scenarios in any existing or potential business engagements between the Group and its diverse suppliers and service providers.

The Group has adopted Integrity Pact implementation guidelines as a tool to prevent corruption in the procurement processes. It comprises a set of declaration processes by KPJ employees, the procurement committees involved in procurement activities as well as Vendors/Suppliers/Agents/Contractors. The Group requires its Vendors/Suppliers/Agents/Contractors to adhere to the laws, rules and regulations in all of their activities. The Group expects the Vendors/Suppliers/Agents/Contractors to abide by the integrity agreement when conducting business with or for the Group.

## KPJ's Anti-Bribery Management System (ABMS)

KPJ established the Integrity Unit (IU) in February 2020 as part of its preparation to meet the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Prime Minister's Directive of 2018 (Arahan YAB Perdana Menteri no 1 Tahun 2018). The IU's primary role is to drive and embed integrity as a key factor in governance and ensure all the ABMS policies and procedures are in place.

KPJ obtained ISO 37001:2016 Anti-Bribery Management System (ABMS) certification in October 2020, with a renewed certification for an additional three years in 2023. This certification aids the Group in effectively managing corporate liability risks and

ensures compliance with the provisions of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), which was enforced on June 1, 2020. Subsequently, KPJ's subsidiary companies began implementing these practices under the same Act in January 2021.

The Group upholds good business value ethics by preventing and eliminating all forms of bribery/corruption to achieve the Company's vision and mission to safeguard the interests of its stakeholders.

The ABMS objectives are as follows:

- To inculcate and practice ethical virtues;
- To hinder any possibilities that could lead to unethical or untruthful practices;
- To comply with the Malaysian Anti-Corruption Commission Act 2009, regulations and Anti-Bribery Management System (ISO 37001:2016);
- To take the necessary action against employees and other interested parties contravening the law, regulations, ABMS Policy and other requirements;
- To cooperate with the relevant agencies to combat threats of bribery and fraud;
- To leverage the ABMS Committee and IU to monitor and ensure the ABMS is implemented and to report their findings to the RSGC for continuous improvement;
- To comply with the Policy on Work Ethics and Code of Conduct and practice good values based on moral principles whilst performing our duties as well as making continuous improvements; and
- To provide a channel of reporting as per the Whistleblowing Policy for any forms of bribery/corruption risks.

In addition, Integrity Ambassadors were appointed at all the Group's companies to assist the IU in inculcating and promoting ethical values among the Group's employees and stakeholders.

To foster a culture of zero tolerance for bribery and corruption, the IU and Integrity Ambassadors conducted a continuous series of both physical and online awareness sessions throughout the year 2023. These sessions, along with refresher training on the ABMS and related Standard Operating Procedures (SOPs), included collaborative integrity talks with the Malaysian Anti-Corruption Commission (MACC). The engagement with MACC commenced in 2021, and ongoing interactions are planned for 2024, extending to collaborations with other regulatory bodies.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

This initiative aims to provide anti-bribery awareness and refresher training to our workforce, promoting transparency, accountability, and a culture of integrity throughout our value chain.

Quarterly sessions with the Integrity Ambassadors have been arranged to oversee the Groupwide implementation progress of ABMS SOPs. Additionally, an annual process is in place for the development, review, and monitoring of the identification of bribery risks for hospitals and subsidiary companies.

Introduced in 2021, the ABMS Compliance Checklist Reporting serves as a control mechanism to oversee the Groupwide implementation of ABMS SOPs. The IU conducts regular monitoring through on-site validation at hospitals and subsidiaries, ensuring the implementation and maintenance of ABMS Policy and Procedures progress as scheduled. This verification process also assesses the level of compliance to meet the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The existing governance framework, combined with ABMS, is robust, adequate, and effective in addressing bribery and corruption activities.

The Guidance on Good Practice and Checklist for Adequate Procedures, along with the Employers' Handbook (For Small & Medium Enterprises) on Corporate Liability Provision (Section 17A of MACC Act 2009) and the Ministerial Guidelines on Adequate Procedures, has been communicated and distributed to all internal stakeholders. These documents, published by Transparency International Malaysia (TI-M) in February and March 2022, respectively, serve as references and are integrated into the training materials for ABMS awareness and refresher programmes.

The application of the Guidance on Good Practice and Checklist for Adequate Procedures involves benchmarking against the existing Compliance Checklist Reporting. This process aims for continuous improvement in integrity governance.

The administration of KPJ's whistleblowing channels falls under the purview of the Head of IU, with reports submitted to the Whistleblowing Committee (WBC), presided over by the Senior Independent Director. A notable surge in whistleblowing reports signifies heightened awareness of the channel and increased trust among individuals in reporting their concerns. This surge acts as a preventive measure in effectively managing integrity.

### CONTROL STRUCTURE

Effective 4 December 2023, the Board has approved a new structure for KPJ, chaired by the President & Managing Director with members as follows:

- Chief Operating Officer, Hospital Operations;
- Chief Financial Officer;
- Chief Strategy Officer;
- Chief Operating Officer, Allied & Retail Health Operations;
- Chief Digital Officer;
- Chief Human Resource Officer;
- Chief Marketing Office
- Head of Group Risk & Compliance
- Head of Integrity
- Head of Internal Audit
- Head of Legal & Advisory;
- Head of Sustainability

The new structure was designed to enhance KPJ operational excellence, fostering increased efficiency and synergy across the entire Group.

#### 1. Streamlining the Operations Structure

The streamlining plan clearly demarcates roles between hospital and non-hospital businesses under the new structure led by the Chief Operating Officer, Hospital Operations, and the Chief Operating Officer, Allied & Retail Health Operations. This aims to achieve operational excellence and alleviate growth across our network of 29 hospitals and diverse non-hospital businesses, including Ambulatory and Wellness, Pharmaceutical, Diagnostic Services, Assisted Living and Confinement Services, Education Services, and Healthcare Support Services.

#### 2. Realignment of Group Strategy Structure

The Group Strategy led by the Chief Strategy Officer will spearhead the Company's strategy and transformation agendas, focusing on fostering alignment across the Group towards shared strategic goals. Key components of the realignment involve the movement of Business Development, Data Analytics, and Transformation functions from Group Commercial, and the Strategic Project – NHIS function from Group Operations. This realignment is essential for success, enabling end-to-end coordination of strategic and transformation management and optimising resources.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

## 3. Segmentation of Group Marketing & Strategic Communication Structure

In pursuing enhanced specialisation and efficiency, KPJ have segmented Group Marketing and Strategic Communication into two distinct functions. This strategic move is designed to create clear boundaries and demarcation, allowing each division to focus on its core responsibilities and contribute more effectively to our overall objectives.

### • Group Marketing

This important function led by the Chief Marketing Officer, will spearhead the Company's product and service marketing initiatives, lead the Company's rebranding exercise, strengthen our digital marketing strategy, conduct outreach initiatives, and drive revenue expansion through health tourism. It ensures a focused approach toward implementing revenue generating strategies.

### • Strategic Communication

This dedicated function led by the Covering Head of Strategic Communications, will orchestrate KPJ's communication strategy and take charge of safeguarding the Company's image, reputation and brand through the execution of targeted and effective public relations, corporate events, and communications campaigns. It plays a pivotal role in elevating the corporate identity and leaving a significant impact on the overall success and image of the Company for its stakeholders and shareholders.

As the largest Malaysia's private hospital network, the regional groupings were organised across five geographically based regions, i.e., Northern & East Coast Region, Central Region I, Central Region II, Southern Region, and East Malaysia Region. The Chief Executive Officer (CEO)/ General Manager (GM) of each hospital reports to the Regional Chief Executive Officer (RCEO). The role of Medical Directors remains to oversee the clinical operations and governance at the hospitals.

At the Corporate level, the Group exercises its governance oversight via the Group Medical Advisory and Clinical Governance Committee (GMACGC) formerly known as Group Medical Advisory Committee (MAC), on clinical matters and the KPJ Group Management Committee (KGMC) on all hospital operations matters and strategic matters.

## 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 134 to 148.

The Board also assigns authority and responsibility to the President & Managing Director. The KGMC that is chaired by the President & Managing Director 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 (RSGC)

The RSGC is a Board Committee chaired by an Independent Non-Executive Director of the Board. The RSGC is entrusted with evaluating and reviewing the assessment of identified risks, the effectiveness of the ERM Framework, as well as the process of assessing and managing the Group's principal risks. In addition, the committee reviews and evaluates the Group-level risk exposures and manages significant identified clinical and non-clinical risks. The committee also oversees the overall effectiveness of the Group's strategies, targets, policies and roadmap pertaining to sustainability recommended by the Group Sustainability Services.

### 2. Group Medical Advisory and Clinical Governance Committee (GMACGC)

The Group Medical Advisory Committee (MAC) was renamed as the Group Medical Advisory and Clinical Governance Committee (GMACGC) in 2023. While the duties and functions of the Committee remain unchanged, there were changes in the terms of reference for its seven subcommittees.

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.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

The GMACGC is chaired by a Senior Medical Professional who sits on the KPJHB Board of Directors as a non-independent non-executive director. The appointment of the GMACGC Chairman is deliberated at the Nomination & Remuneration Committee and approved by the Board.

In addition to the revamp of the GMACGC, four out of six central clinical governance committees were dissolved, namely:

1. Clinical Governance Policy Committee (CGPC)
2. Clinical Governance Action Committee (CGAC)
3. Clinical Risk Management Committee (CRMC)
4. Research and Quality Innovation Committee (RQIC)

The two clinical committees that were unchanged were renamed i.e. the Clinical and Research Ethics Review Committee (CRERC) was renamed as the Clinical and Research Ethics Committee (CREC) and the Medical Directors' committee was renamed as the Medical Directors' Council.

There were five new Clinical Committees established with effect from January 2023, namely:

1. Clinical Safety and Risk Management Committee (CSRMC)
2. Transformation and Quality Innovation Committee (TQIC)
3. Professional Development Committee (PDC)
4. Education and Research Committee (ERC)
5. Central Credentialing Committee (CCC)

### 3. Tender Committee (TC)

The TC is a Board Committee chaired by an Independent Non-Executive Director of the Board. The TC oversees the timeline and costing of each project undertaken by the Group and addresses any issues relating to these projects. The TC evaluates, deliberates, and approves all major procurement contracts within the authority limits set by the Board, for the amount between RM5.0 million to RM20.0 million.

### 4. Clinical Safety & Risk Management Committee (CSRMC)

The Chairman of the CSRMC is a Senior Medical Professional who is appointed jointly by the Management and the GMACGC of KPJ. The newly established CSRMC are an amalgamation of the now-defunct Clinical Governance Action Committee and the Clinical Risk Management Committee.

The Clinical Safety and Risk Management Committee is the platform to discuss various clinical issues and to initiate clinical governance activities recommended by the Medical Advisory and Clinical Governance Committee (GMACGC). The activities include the following:

- i. To identify the problems that are hindering implementation of the agreed policies/programmes,
- ii. Training and development of clinical staff to support the clinical governance activities;
- iii. Overseeing the implementation of the Clinical Audit, Mortality review, Clinical Performance Indicators and others;
- iv. To analyse, evaluate and monitor activities, policies and procedures that need to be carried out with regards to ensuring quality in clinical care;
- v. Improve the quality of care received by the patients,
- vi. Ensure the maintenance of a safer environment for patients, employees, and visitors,
- vii. Reduce losses to a minimum, and
- viii. Enable achievement of clinical operational and strategic objectives.

All major clinical risk incidents related to patient and staff safety are presented to the CSRMC. Additionally, Statistical Process Control Charts (SPCC) are used to analyse the medication error and patient fall trends.

Medication errors under the category D – F as well as hospitals with high number of incidents are given particular attention. Risk reduction action plans (RRAP) are closely looked into. The Corporate Pharmacist and Head of Pharmacy and Allied Health engage with hospital representatives for root cause analysis discussions in order to identify mitigation plans and improvement activities to prevent recurrence of the medication errors. The mitigation and improvement activities are shared for implementation at other hospitals as well. The Good Catch Initiative involves monitoring near misses.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

There have been intensified efforts to improve patient safety in terms of falls prevention. Fall prevention programmes with teaching toolkits for the patient and caregivers, the establishment of interdisciplinary falls prevention team, and exploring technology to reduce falls are some of the risk reduction strategies employed.

All strategic corrective and preventive measures discussed and decided by the CSRMC are escalated to the GMACGC for its notation and endorsement.

## 5. Tender Evaluation Committee (TEC)

The TEC is a management committee chaired by Chief Operating Officer (COO) together with RCEO and Manager from the corporate office. The TEC is responsible for deliberating procurement evaluation report presented to them and gave recommendation to the MTC & TC for their consideration and approval.

## 6. Management Tender Committee (MTC)

The MTC is appointed by the Board of Directors of the Group and a management committee chaired by President & Managing Director together with Chief Financial Officer (CFO), Chief Operating Officer (COO), Head of Group Risk and Compliance and Head of Group Legal and Advisory services. This committee is established to oversee the tendering process and monitor the hospital development and expansion projects of the Group, ensuring alignment with good corporate governance practices.

MTC has the authority to approve procurement proposals based on the limit of authority as approved by the Board, for the amount between RM1.0 million to RM5.0 million. Proposal exceeding RM 5.0 million, MTC shall recommend for TC's approval.



*The Terms of Reference (TOR) for all the aforementioned committees are available at [www.kpjhealth.com.my](http://www.kpjhealth.com.my)*

## COMMITMENT TO CONTINUOUS LEARNING

Being in a service-oriented industry, the KPJ Group recognises the importance of continuous investment in improving the skills and competencies of its employees. In 2023, the Group spent RM10 million (2022: RM6.4 million) to implement its employees' training and development plan.

In supporting employee skills and capabilities enhancement, Group Human Resources Management, in collaboration with KPJ Healthcare University (KPJU) teaching professionals as well as external trainers have facilitated and conducted an average of 40 training hours/staff per year in 2023 (target 30 training hours/staff per year). The programmes, which were centred on functional and leadership-related disciplines such as customer service, clinical safety, and leadership, were mostly conducted via online learning (virtual), given the COVID-19 pandemic.

In supporting employees' career advancement, Group Human Resources Management offers educational sponsorship assistance in the following areas:

1. To qualified employees to further their studies in various post-graduate programmes with local and overseas institutions (priority is given to hospital management and clinical disciplines); and
2. To all diploma holder Nurses, representing almost half of the Group's total workforce, to further their studies either for the Degree in Nursing or post-basic courses in Operation Theatre (OT), Intensive Care Unit (ICU), Cardiac Intensive Care Unit (CICU), renal, midwifery, and paediatric nursing at KPJU or at any reputable institutions.

Since the programme's initiation in 2005, a total of 113 staff have benefited from this programme.

## RISK MANAGEMENT FRAMEWORK

### Enterprise Risk Management

The Enterprise-wide Risk Management or ERM Framework remains an integral part of the Group's governance process in ensuring all inherent and emerging risks are assessed, mitigated and monitored to safeguard the Group's interests.

KPJ Risk Management Guidelines has been updated in October 2023 and issued to all business units. The 2023 KPJ Risk Management Guidelines, in accordance with ISO 31000:2018 and the COSO framework, represent an upgraded iteration of prior guidelines, aligning with industry best practices. The objective of the KPJ Risk Management Guideline is to provide structured and consistent approach to risk management across the Group for informed decision making.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

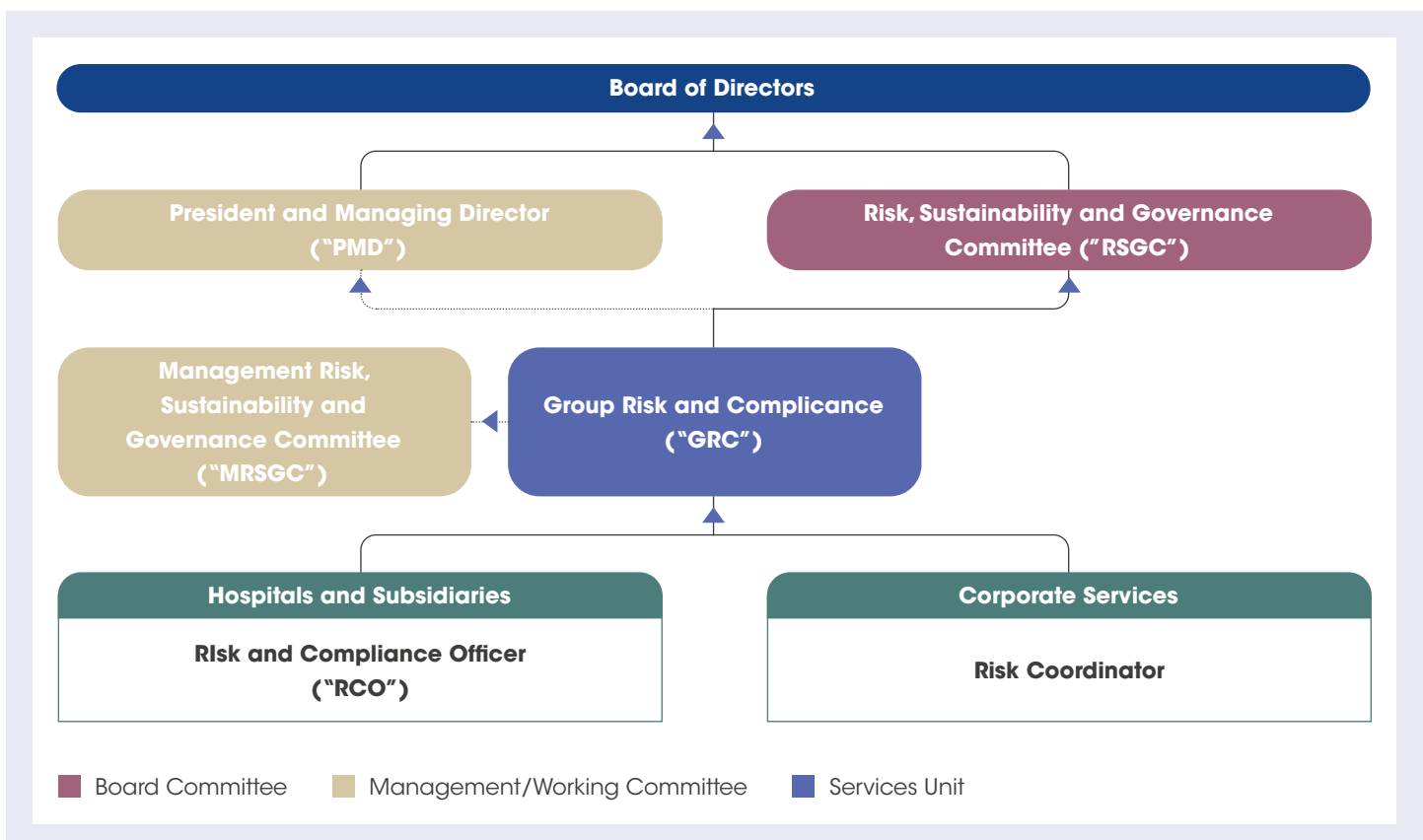
The Group has put in place an ERM Framework for managing risks associated with its business and operations and robust ERM practice have been implemented throughout KPJ to support our organisational business and strategic objectives. Group Risk is structured to provide adequate support to business units and subsidiaries in relation to risk management practices and implementation as well as to guide the priorities and direction of group risk management activities.

A reporting format by risk category has been enhanced in which risks have been categorised and prioritised based on their rating and impact, namely Strategic Risk, Financial Risk, Operational Risk and Compliance Risk. KPJ's RSGC and Management continue to provide oversight and appraise the adequacy and the effectiveness of the ERM practices in view of the increasingly challenging operating environment.

The KPJ Business Continuity Management (BCM) Framework was revised and approved by President & Managing Director on 1 October 2023. The revised framework has been cascaded to all Business Unit and alignment made to all established Business Continuity Plan (BCP). This framework facilitates a structured and scalable approach for designing and executing a Business Continuity Plan (BCP). It also provides a one-stop reference for BCM concepts, expectations and deliverables to be adopted across the Group. The Framework was formulated based on ISO 22301 - Business Continuity Management standard.

As part of its strategy to improve data quality management and streamline risk governance practices and reporting across the companies and subsidiaries, KPJ embarked on a Governance, Risk Management and Compliance (GRC) software for a systematic and structured monitoring and reporting of risks within KPJ. On 1 November 2023, KPJ CURA system has gone live and currently being utilised by KPJ Group.

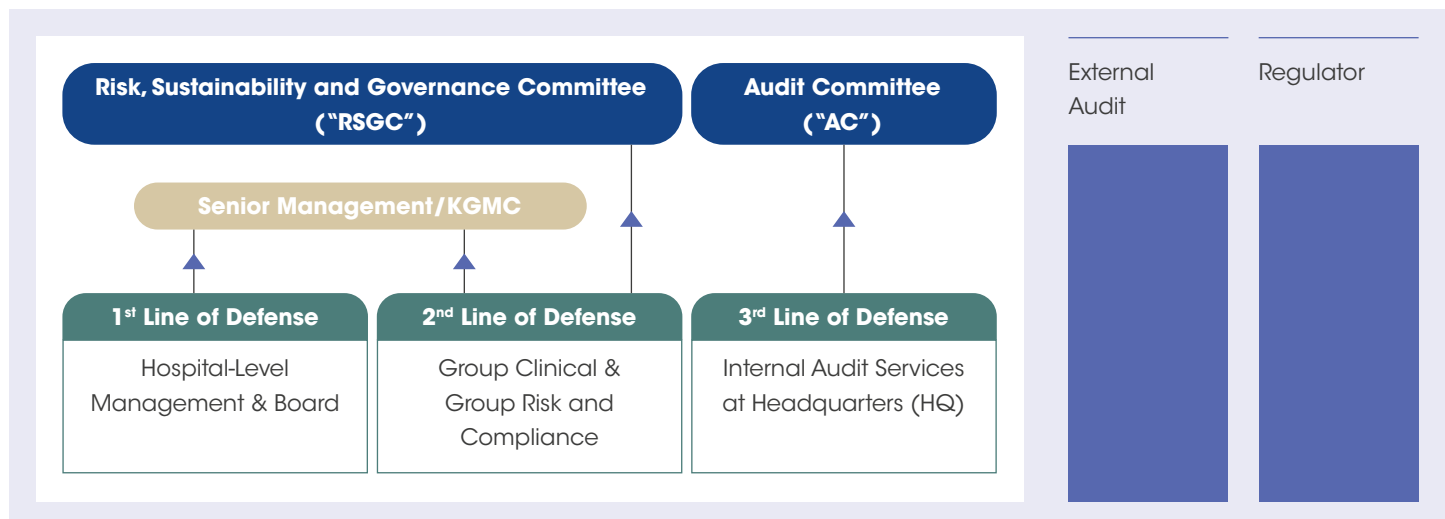
## KPJ's ERM Framework for Risk Governance



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

The ERM governance structure adopted by KPJ comprises three levels of defence 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 have been appointed at all hospitals to coordinate and monitor the implementation of risk management activities across all operations. All hospitals and subsidiaries are required to identify and mitigate relevant risks that may affect the achievement of the Group's objectives and report all significant risks arising from operations to Group Risk.

The Group coordinates its risk management activities through a risk reporting and escalation framework called the Incident Reporting and Root Cause Analysis framework. This is to ensure that all risk incidents are documented, investigated and root causes are identified to prevent future recurrence and ensure patient safety is given top priority. Our Incident Reporting and Root Cause Analysis are conducted via the Q-Radar online risk reporting system which was rolled-out to all hospitals in June 2017. Today, all hospitals have access to report incidents (clinical and non-clinical) via this online risk reporting system.

As a healthcare service provider, clinical risk forms the biggest risk class that the Group faces. Therefore, the Board has entrusted the 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 GMACGC, which is the apex-committee for all clinical matters of the Group.

Both clinical and non-clinical risk matters are also reported to the RSGC which has oversight authority on all risk management and internal control issues of the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

## CONTROL ACTIVITIES

### Policies and Procedures

Policies and procedures are documented accordingly with the objective to ensure that appropriate authority limits are in place, that business activities are carried out according to set standards, and that the necessary actions are taken to address and minimise risks and ensure the orderliness and continuity of business functions.

### Segregation of Duties

The delegation of responsibilities by the Board to the Management and Operating Units are clearly defined and authority limits are strictly enforced and reviewed regularly. The Authority Limit was revised and approved by the Board on 20 December 2023. Different authority limits are set for different areas of procurements such as capital expenditure and operational expenditure. Similarly, cheque signatories and authority limits are clearly defined and enforced.

### Key Performance Indicators (KPIs)

KPIs with detailed balance scorecards are monitored and tracked to ensure the Group achieves the financial, strategic, operational and customer perspective targets that were set at the beginning of the financial year. The KPIs are cascaded down to all the operating subsidiaries in the Group.

## INFORMATION AND COMMUNICATION

### Information Communication Technology (ICT)

Within the dynamic area of Information Communication and Technology, KPJ remains steadfast in its commitment to perpetually navigate the ongoing evolution. KPJ remains at the forefront by seamlessly integrating Artificial Intelligence, the Internet of Things, Cloud technology, Robotic Process Automation, and Big Data into its strategic framework. Following KPJ's overarching vision and five-year business objectives, KPJ's Group Technology Services (GTS) is proactively moulding its Technological strategies for the year 2023.

In the pursuit of our goal to become an Integrated Healthcare Provider, seamlessly blending physical and virtual care, strategic initiatives are underway. Firstly, work is underway to upgrade and modernise KPJ's infrastructure to be future-ready whilst fortifying our cybersecurity posture. This is to ensure sustainability of our operations and resilience against evolving threats and cyber-attacks.

Another area of focus is the integration of Artificial Intelligence (AI) and new technologies into KPJ, influencing both clinical practices and improving business operations. This strategic move positions KPJ at the forefront of innovation, enhancing operational efficiency and patient care through state-of-the-art solutions.

In 2023, KPJ implemented an innovative solution known as 5G Holomedicine. This medically certified software platform revolutionizes medical images, clinical workflows, and medical education by transforming them into an AR/VR mixed-reality environment. The platform provides a three-dimensional visualization, allowing doctors and patients to collaboratively view and discuss surgical procedures with enhanced precision.

Additionally, recognizing the pivotal role of patient relations and communication, KPJ has ventured into the development of a Mobile App with future enhancements in phases. This initiative aims to elevate the patient experience by providing a user-friendly interface for streamlined communication, appointment management, and access to relevant healthcare information.

KPJ is currently undertaking a re-tendering process for its Hospital Information System (HIS), seeking the most efficient and cutting-edge solution to replace the existing system. This strategic initiative is of paramount importance as it ensures the future-proofing of hospital efficiency, aligning with our commitment to providing patients with an exceptional customer experience. The selection of an advanced HIS will not only streamline internal processes but also contribute significantly to enhancing the overall quality and effectiveness of healthcare services across the KPJ network.

These strategic advancements underscore KPJ's commitment to staying at the forefront of technological innovation, ensuring that our technology infrastructure aligns seamlessly with our vision for the future.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

## Communication and Information Sharing

The Group fosters a culture of effective communication and information dissemination among its hospitals and key subsidiaries by orchestrating functional group meetings and conferences. These gatherings serve the purpose of sharing and reinforcing vital business strategies, evaluating performance, addressing current issues, communicating new policies and procedures, and fostering transparency throughout the organisation.

These meetings, occurring on a monthly, quarterly, or annual basis, bring together diverse functional groups such as hospital management, chief nursing officers, finance managers, pharmacists, and risk officers.

On February 22, 2023, the group convened a town hall meeting where management provided updates on company progress, reported on financial and operational performance, and outlined business targets for the upcoming financial year.

Subsequently, on September 6, 2023, following the appointment of a new lineup in the KPJ Senior Management team, including the President & Managing Director (PMD), Chief Strategy Officer (CSO), and Chief Human Resource Officer (CHRO), a special session was organised to introduce them to all employees. This event coincided with the National Day Celebration 2023.

In line with our commitment to building a robust community of employees, the group has transitioned from Google to Microsoft Office, adopting the latest version of communication channels for all KPJ employees. This transition includes migrating KPJ Buzz from Google Site to Microsoft SharePoint Online, facilitating enhanced connectivity. This shift aims to improve communication, build a stronger network, and provide more opportunities and updates for our employees.

## Insurance Coverage

The Group is working closely with the insurance broker to ensure optimum coverage with competitive premium rates to protect its major assets against any mishaps that could result in material loss.

The coverage is reviewed yearly taking into account the changes in risk profiles (acquisitions and claims, among other things). All the staff in Group are covered by the Group Personal Accident Policy for injuries resulting from incidents or accidents.

All directors, medical officers and professionals of the KPJ Group have been covered by the Liability Insurance (Medical Malpractice Policy and Directors and Officers Policy) in respect of their potential exposure to any personal liability which may arise in the course of performing their duties.

Cyber Liability Insurance is in place to protect KPJ Group from the financial and reputational risks associated with cyberattacks.

Directors, Senior Management and Staff of KPJ Group are also covered by the Business Travel Protector Insurance for all their business travels.

## 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 Group Risk. Risk updates are consolidated and analysed for monitoring and reporting to the RSGC on a quarterly basis.

The effectiveness of the ERM Framework in relation to clinical domains is provided primarily by Clinical Services through onsite reviews. In the 2023 Annual Clinical Survey, a total of 29 hospitals were surveyed in 17 service areas by the clinical team assisted by nurses, pharmacists, dieticians, physiotherapists and HIMS staff.

The assurance activities of the Group are primarily undertaken by the Level 3 line of defence function. The effectiveness of internal control systems implemented throughout the Group is assessed primarily by Internal Audit Services through the conduct of regular audits on KPJ's hospitals and key subsidiaries. Reports generated by Level 2 and Level 3 lines of defence are presented to the CSRMC, RSGC and AC respectively for deliberation.

The Group's risk management framework and internal control systems do not apply to the associate companies where we do not exercise management control over their operations. The Group's interests are served through representation on the Board of Directors of these associate companies as well as through regular review of management accounts that they provide to the Group. The Board is satisfied with the information provided to assess the associates' performance for informed and timely decision-making on the Group's investments in these associates.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (SORMIC)

(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)

## Independent Evaluation

Currently, 19 hospitals in the Group have received their accreditation certifications from the Malaysian Society for Quality in Health (MSQH), with the addition of KPJ Perlis Specialist which have been accredited in 2023. Four (4) hospitals, namely KPJ Johor Specialist, KPJ Seremban Specialist, KPJ Ampang Puteri Specialist and KPJ Penang Specialist, have also been certified by the Joint Commission International (JCI) with the internationally-recognised "JCI Accreditation". It is the Group's aspiration that all hospitals in its network receive this accreditation upon reaching operational maturity.

All hospitals certified with MSQH and JCI accreditations have to undergo stringent surveillance surveys by the respective surveyors to ensure compliance with accreditation standards and requirements before accreditation certification can be renewed. This is usually done every three (3) years for JCI accreditation and every four (4) years for MSQH accreditation. The accreditation programme plays a vital role in supporting KPJ by ensuring our ongoing adherence to healthcare regulations and staying abreast of industry standards.

## Review of this Statement by the External Auditors

This Statement on Risk Management and Internal Control has been reviewed by the External Auditors as required by Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the inclusion in the Annual Report for the year ended 31 December 2022. The limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 (Revised November 2022), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of risk management and internal controls systems of the Group.

## ASSURANCE

The Board has received assurance from the President & Managing Director and Chief Financial Officer, that the Group's risk management framework and internal control system are operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report, based on the risk management and internal control system adopted by the Group.

The Board is of the view that the system of internal controls instituted throughout the Group is sound and effective and provides a level of confidence on which the Board relies for assurance. In the year under review and up to the date of this report, there was no significant control failure or weakness that would result in any material separate disclosure in the Annual Report. The Board ensures that the internal control system and the risk management practices of the Group are reviewed regularly to meet the changing and challenging operating environment.

The Board is therefore pleased to disclose that the system of internal control and risk management of the Group is sufficient, appropriate, effective and in line with the Malaysian Code of Corporate Governance and the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer.

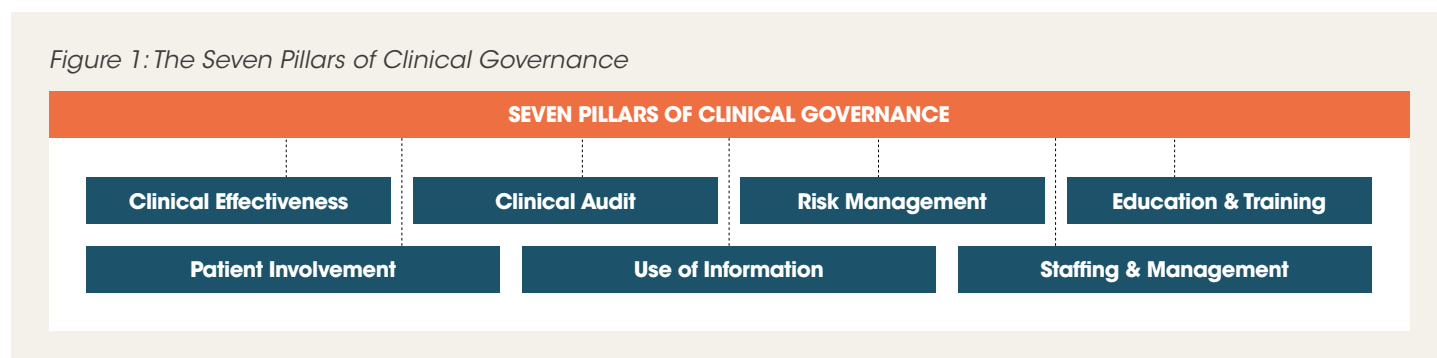
# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

**Clinical governance is an integral component of corporate governance within a health service organisation. It ensures that all those responsible - from frontline clinicians to managers and members of governing bodies, such as boards - are accountable to patients and the community for the delivery of health services that are safe, effective, integrated, of a high quality and are continuously being improved upon.**

In short, it is about **the right person** (be it an appropriately trained and resourced individual or team), **doing the right thing, at the right time** via the application of the best evidence to a patient's problem, in the way the patient wishes. The individual or team must also work within an organisation that is accountable for the actions of its staff, values its staff (appraises and develops them), minimises risks, and learns from good practice as well as any mistakes made.

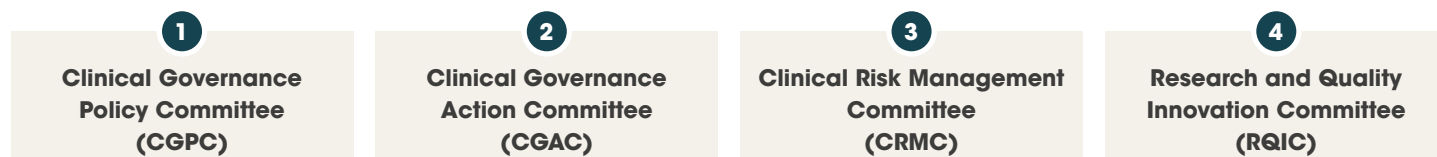
Here at KPJ, we bring our clinical governance framework, namely our **Seven Pillars of Clinical Governance** (Figure 1) into play to ensure our hospitals are accountable for continually improving the quality of their services and according to patients high standards of care by creating an environment in which excellence in clinical care will flourish. KPJ's framework embodies three key attributes: recognisable high standards of care, responsibility and accountability for those standards in a transparent manner, and constant, dynamic improvement.

Figure 1: The Seven Pillars of Clinical Governance



While KPJ's Board of Directors has overall oversight for Clinical Governance, at the Group level this is the responsibility of the Group Medical Advisory and Clinical Governance Committee (GMACGC). The GMACGC was formerly known as the Group Medical Advisory Committee. The GMACGC together with the central Clinical Governance Committees are responsible for developing the policies and guidelines to improve safety, outcomes, and the monitoring of clinical governance activities at our hospitals (Figure 2).

In the first quarter of 2023, there was a revamp of the central clinical governance committees, which resulted in the establishment of five new committees, with its corresponding framework and terms of reference, new chairpersons and members. These following four out of six central Clinical Committees were dissolved:



The two clinical committees that were unchanged were renamed i.e. the Clinical and Research Ethics Review Committee (CRERC) was renamed as the Clinical and Research Ethics Committee (CREC), and the Medical Directors' committee was renamed as the Medical Directors' Council (MDC).



# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

The five new Clinical Committees with effect from January 2023, are as follows:



Thus, a total of seven subcommittees are under the purview of the current GMACGC.

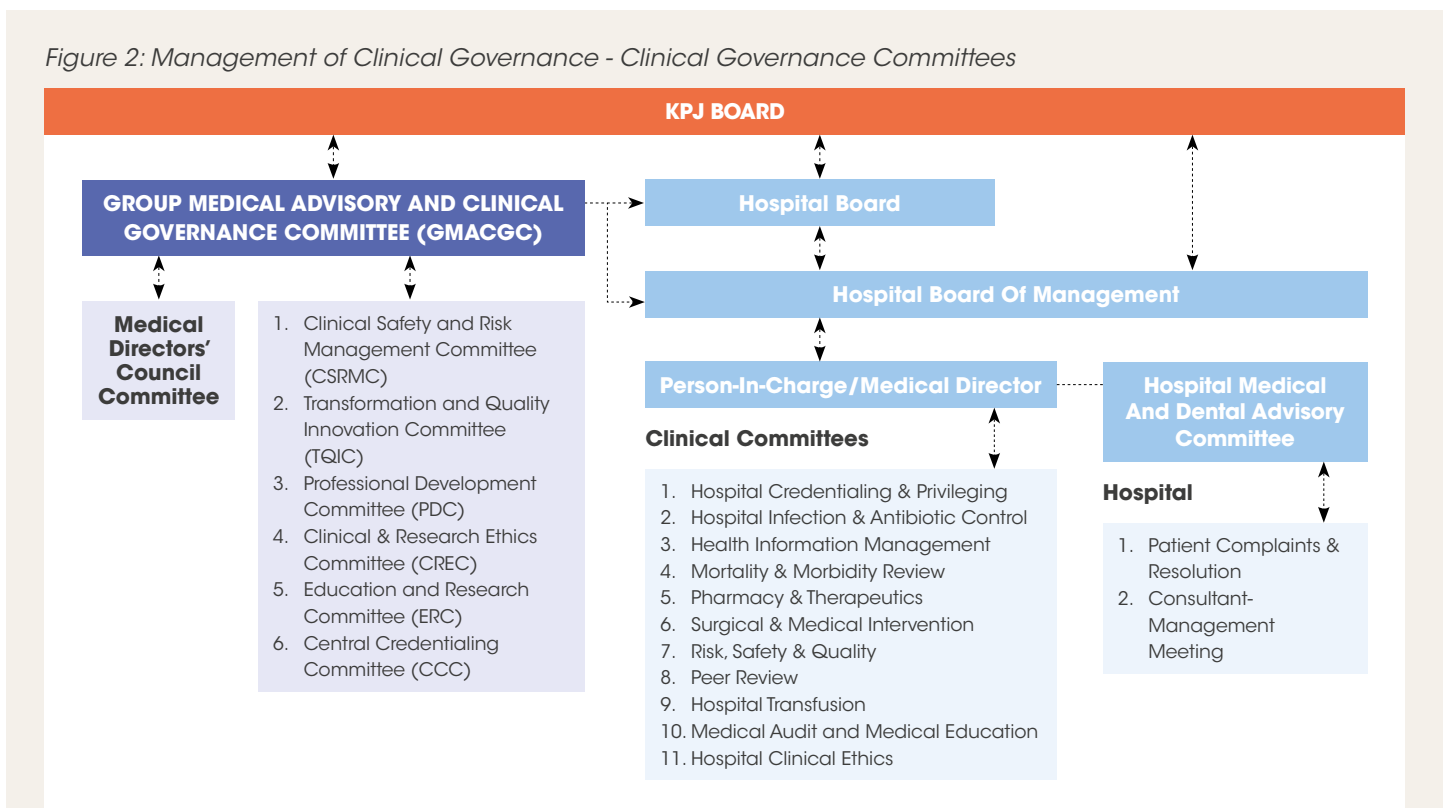
All our hospitals conduct Hospital Clinical Committee meetings as stipulated in the KPJ Medical Professional By-laws. The reports from the Hospital Clinical Committee meetings are compiled and discussed during various hospital meetings and presented to the Hospital Board of Management.

In 2023, the Terms of References for the Hospitals' Clinical Committees were drawn up. In addition to that, the Credentialing & Privileging, Education and Audit Committee was dissolved; two other committees underwent a name change i.e. Risk, Quality & Safety Committee was renamed Risk, Safety & Quality Committee, while the Ad-hoc Peer Review Committee was renamed the Peer Review Committee, and the Hospital Clinical Ethics committee was retained.

Three new Hospital Clinical Committees were introduced, as follows:



Figure 2: Management of Clinical Governance - Clinical Governance Committees



# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

## ACTIVITIES OF THE GROUP MEDICAL ADVISORY AND CLINICAL GOVERNANCE COMMITTEE AND ITS CENTRAL GOVERNANCE COMMITTEES IN 2023

### Development and Review of Policies and Guidelines

The clinical governance committees are tasked with developing new policies and guidelines as well as reviewing and updating all existing policies/guidelines to ensure evidence-based processes are in place.

In 2023, there were five new guidelines introduced while fourteen policies/guidelines were updated.

New Policies and/or Guidelines in 2023	Updated Policies/Guidelines in 2023
<ol style="list-style-type: none"> <li>Guideline for Privileging of Medical Practitioners and Healthcare Professionals</li> <li>Guideline on Medication Orders Via WhatsApp</li> <li>Guideline on Sharing of Medical Images via Email</li> <li>Guideline for Managing Psychiatry Patients</li> <li>Guideline on Management of Intrauterine Insemination (IUI)</li> </ol>	<ol style="list-style-type: none"> <li>Medical Professional By-Laws Part 1 and Part 2</li> <li>Central Credentialing Committee</li> <li>Guideline on Disposal of Inactive Medical Records</li> <li>Cardiac Protocol for Patients Going for Angiogram / Angioplasty</li> <li>Guideline on Management of IV Radiocontrast</li> <li>Guideline on Self-prescribing Narcotics/Sedatives</li> <li>Terms of Reference of Hospital Transfusion Committee</li> <li>Terms of Reference of Hospital Clinical Governance Committees</li> <li>Terms of Reference for Head of Specialist Department</li> <li>Guideline on Assessing Fitness for Practice of Doctors After the Age of Retirement (AFPDAR)</li> <li>My Professional Practice Development (MyPPD)</li> <li>Guideline on Management of Medico-Legal Records</li> <li>Guideline on Management of Medical Reports by a Doctor Who Is No Longer Practicing in the Hospital</li> <li>Guideline on Communication of Patient Data and Information.</li> </ol>

In 2023, four papers were approved by the GMACGC as shown below:

<b>1</b> <b>Transformation of Patient Experience and Patient Outcome - Transformation of Processes Through Lean Management</b>	<b>2</b> <b>Enhancing KPJ Dietitians Skills on Nutrition Focused Physical Examination (NFPE) through Micro-credential Course</b>	<b>3</b> <b>Sustainable Management of Plastic Waste from Hospital</b>	<b>4</b> <b>Diabetic Management Cluster (to be initiated at KPJ Damansara Specialist Hospital)</b>
---	---	--	---

### Strengthening Clinical Governance

Meetings with doctors encourage them to be more involved in clinical governance activities and motivate them to expand their reporting on clinical outcomes. During these meetings, suggestions for new products or services as well as the difficulty in executing certain policies or guidelines are also discussed.

- Medical Directors' Council Committee Meetings**  
 Three meetings were held in 2023. The meetings were held on 27<sup>th</sup> January 2023, 27<sup>th</sup> June 2023 and 25<sup>th</sup> October 2023.

- Specialty Meetings**  
 One specialty meeting was held in 2023 (Group Emergency Physician meeting on 23rd June 2023).

# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

## Ensuring Clinical Compliance

In this day and age, many people are concerned about whether their healthcare needs are being met by hospitals in the best manner possible. Accreditation is the process by which our compliance to legislation and regulatory requirements, service delivery and quality assurance are assessed against recognised reference standards.

Here at KPJ, the Malaysian Society for Quality in Health (MSQH) and Joint Commission International (JCI) standards are used to benchmark our services, thereby reassuring our patients of the outstanding care provided by our doctors, nurses, and clinical support teams.

- Accreditation by the Malaysian Society for Quality in Health (MSQH)**

A total of three KPJ hospitals underwent MSQH recertification in the year 2023 (KPJ Seremban Specialist Hospital, KPJ Johor Specialist Hospital, and KPJ Pasir Gudang Specialist Hospital).

- Accreditation by the Joint Commission International (JCI)**

In 2023, KPJ Penang Specialist Hospital and KPJ Johor Specialist Hospital underwent JCI recertification successfully.

- Annual Clinical Survey 2023**

This survey evaluates the Group's compliance with standards/guidelines from the Ministry of Health, MSQH and JCI, Malaysian Medical Council (MMC) and KPJ Governing Policies. This is a cross-hospital internal survey conducted by KPJ Clinical Services as well as hospital nursing, pharmacy, allied health and HIMMS managers.

In 2023, a total of 29 KPJ hospitals went for the clinical survey and there was a total of 17 service standards surveyed.

Table 1: Clinical Survey 2023 - Service Areas Surveyed

SERVICE AREAS SURVEYED	
1	Prevention and Control of Infection (PCI)
2	Haemodialysis Services (HD)
3	Central Sterilising Supply Services (CSSS)
4	Accident and Emergency Services (A&E)
5	Endoscopy Services
6	Intensive Care / Neonatal / Cardiac Intensive Care Services (ICU/NICU/CICU)
7	Labour Room / Maternity Services
8	Hospital Wide
9	General Ward Services
10	Operation Theatre Services (OT)
11	Pharmacy Services
12	Food and Dietetics Services
13	Physiotherapy Services
14	Medical Records (Case Notes)
15	Paediatric Services
16	A medication survey in the ward is done by the pharmacy
17	Diagnostic Imaging Services

**Average Percentage = 93.89%**

# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

## PERFORMANCE AND PATIENT OUTCOMES

The measurement of the outcomes of disease course and progression, the quality of clinical care being provided, the success of the procedure/interventions carried out, and the actual benefit perceived by patients can be used to strongly showcase patients' progress and the success of treatments. The continuous monitoring of outcomes also provides an opportunity to both assess and improve the quality of patients' health and care.

### Performance Outcomes

The following performance indicators were monitored in the year 2023:

- |  |  |  |
|--|--|--|
| 1. Rate of white appendix  | 11. Rate of maternal mortality   | 19. The occurrence of adverse events during the recovery period from the operation theatre   |
| 2. Mortality rate for a Glasgow Coma Scale of more than nine (GCS >9) coming in with a head injury | 12. Rate of vaginal tear (grade 3 and 4) for normal (including instrumental delivery) deliveries   | 20. Unplanned admission to the ICU from the OT   |
| 3. Rate of lower segment caesarean section (LSCS)  | 13. Percentage of death for cases related to catheterization laboratory (Cath Lab) procedure   | 21. Number of returns to ICU within 24 hours of ICU discharge  |
| 4. Percentage of complications related to LSCS; bladder injury                                     | 14. Percentage of myocardial infarction for cases related to Cath Lab procedure  | 22. Post-operative cataract surgery cases with a best corrected visual acuity (BCVA) of 6/12 or better three months after surgery (OR at the last visit if less than three months post-op) |
| 5. Percentage of complications related to LSCS; ureteric Injury                                    | 15. Percentage of stroke for cases related to Cath Lab procedure   | 23. Percentage of ischaemic stroke patients receiving thrombolytic treatment within 4.5 hours of symptoms upon arrival at A&E  |
| 6. Percentage of complications related to LSCS; uterine atony with hysterectomy                    | 16. Percentage of vascular complications related to Cath Lab procedure   | 24. Dengue fever fatality rate   |
| 7. Percentage of complications related to LSCS; uterine atony without hysterectomy                 | 17. Percentage of myocardial infarction patients receiving thrombolytic therapy within 30 minutes of their presentation at A&E                                 | 25. Rate of laparoscopic cholecystectomy discharged more than 48 hours   |
| 8. Percentage of complications related to LSCS; severe haemorrhage                                 | 18. Percentage of myocardial infarction patients receiving primary percutaneous coronary intervention (PCI) treatment within 90 minutes of presentation at A&E | 26. Rate of laparoscopic cholecystectomy deaths  |
| 9. Percentage of complications related to LSCS; foetal injury                                      |  |  |
| 10. Percentage of complications related to LSCS; bowel injury                                      |  |  |

#### • Clinical Indicators

In 2023, the clinical indicators monitored were similar as above.

## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

### ADDITIONAL DETAILS ON KPJ'S GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE (GMACGC) & CLINICAL GOVERNANCE COMMITTEES

The Group Medical Advisory Committee (MAC) was formed in 2002 to initiate as well as to oversee clinical governance activities undertaken by the Group. To meet the new demand for service excellence in healthcare and to turn KPJ into a high reliability, resilient and learning organisation, and to be a driver of improvement initiatives and transformation, the committee was renamed as the Group Medical Advisory and Clinical Governance Committee (GMACGC) in 2023.

The GMACGC met four (4) times in 2023.

No.	Group Medical Advisory and Clinical Governance Committee	Position in Committee	Attendance for the Year 2023			
			02.02.2023	08.05.2023	31.07.2023	30.10.2023
1	YBhg. Prof. Dato' Dr. Azizi Haji Omar	Chairman	√	√	√	√
2	Dr. Mohd Hafetz Ahmad	Member	√	√	√	√
3	YBhg. Dato' Dr. Sivamohan Namasivayam	Member	√	√	√	√
4	YBhg. Dato' Dr. Fadzli Cheah Abdullah	Member	√	√	√	√
5	Assoc. Prof. Dr. Ab. Razak Samsudin	Member	√	√	√	√
6	YBhg. Prof. Emeritus Dato' Dr. Lokman Saim	Member	√	X	√	X
7	Dr. Noor Hisham Mansor	Member	√	√	√	√
8	Dr. Rusli Arshad	Member	√	√	√	√
9	Dr. David Sylvester Ling Sheng Tee	Member	√	√	√	√

The GMACGC encompasses various sub-committees that carry out a variety of roles. The details of these sub-committees are as follows:

#### 1) CLINICAL SAFETY & RISK MANAGEMENT COMMITTEE (CSRMC)

The Clinical Safety and Risk Management Committee at the Group level was formed to discuss various clinical issues and to initiate clinical governance activities recommended by the Group Medical Advisory and Clinical Governance Committee (GMACGC):

- i. To identify the problems that are hindering implementation of the agreed policies/programmes;
- ii. Training and development of clinical staff to support the clinical governance activities;
- iii. Overseeing the implementation of the Clinical Audit, Mortality review, Clinical performance Indicators and others;
- iv. To analyse, evaluate and monitor activities, policies and procedures that need to be carried out with regards to ensuring quality in clinical care;
- v. Improve the quality of care received by the patients;
- vi. Ensure the maintenance of a safer environment for patients, employees and visitors;
- vii. Reduce losses to a minimum, and
- viii. Enable achievement of clinical operational and strategic objectives.

## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

The CSRMC met four (4) times in 2023.

No.	Clinical Safety and Risk Management Committee	Position in Committee	Attendance for the Year 2023			
			19.01.2023	19.04.2023	20.07.2023	16.10.2023
1	Assoc. Prof. Dr. Ab. Razak Samsudin	Chairman	√	√	√	√
2	Prof. Dato' Dr. Zulkifli Ismail	Member	√	√	√	X
3	Dr. Onn Akbar Ali	Member	√	√	X	√
4	Dr. Mahadhir Alhady Sulaiman	Member	√	√	√	√
5	Dr. Hari Ram Ramayya	Member	X	X	X	√
6	Dr. Hue Teck Lee	Member	√	√	X	√
7	Dr. Mohd Ali Salleh	Member	X	√	√	√
8	Dr. Muhammad Nazri Aziz	Member	√	X	√	√
9	Dr. Abraham Mathew George	Member	√	√	√	√
10	Dr. Nur Abd Karim	Member	X	√	√	X
11	Dr. Jamal Azmi Mohamad	Member	√	√	√	X

### 2) TRANSFORMATION AND QUALITY INNOVATION COMMITTEE (TQIC)

The Transformation and Quality Innovation Committee was formed to discuss more on care transformation providing innovations in the delivery of the triple aim encompassing the cost-effective evidence-based care, excellent patient experience and improved health of the community. Transformation is an active process that requires drive, guidance and support from the Group Medical Advisory and Clinical Governance Committee.

The TQIC met four (4) times in 2023.

No.	Transformation and Quality Innovation Committee	Position in Committee	Attendance for the Year 2023			
			26.01.2023	13.04.2023	17.07.2023	17.10.2023
1	Dr. Noor Hisham Mansor	Chairman	√	√	√	√
2	YBhg. Dato' Dr. Kamaruzaman Ali	Member	√	√	√	√
3	Assoc. Prof. Dr. Mohamad Ismail Ali	Member	√	√	√	√
4	Dr. Luis Chen Shian Liang	Member	X	√	√	√
5	Dr. Norazlina Bachik Ng	Member	√	X	√	√
6	Dr. Cheong Chee Yen	Member	√	√	√	√
7	Dr. Saharudin Abdul Jalal Ajma'in	Member	X	√	√	√
8	Dr. Zarin Ikmal Zan Mohd Zain	Member	√	√	√	√



## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

### 3) PROFESSIONAL DEVELOPMENT COMMITTEE (PDC)

The Professional Development Committee (PDC) was formed to assist the Group Medical Advisory and Clinical Governance Committee (GMACGC) to establish policies and guidelines related to good clinical practice to maintain and strengthen the framework/structure of clinical governance for the KPJ Group of Hospitals.

The PDC met four (4) times in 2023.

No.	Professional Development Committee	Position in Committee	Attendance for the Year 2023			
			30.01.2023	13.04.2023	13.07.2023	24.10.2023
1	YBhg. Dato' Dr. Sivamohan Namasivayam	Chairman	√	√	√	√
2	YBhg. Datuk Dr. Mohammad Iqbal Mohammad Sarwar	Member	X	X	X	X
3	YBhg. Brig. Gen. Dato' Dr. Suhaimi Che Mat	Member	X	√	√	√
4	Dr. Rozman Md Idrus	Member	√	√	√	√
5	Dr. Yap Yoke Yeow	Member	√	√	√	X
6	Dr. Mohd Namazie Ibrahim	Member	√	X	√	√
7	Dr. Siow Lee Roy	Member	√	X	√	√
8	Dr. Naveen Rajadurai	Member	√	√	√	√
9	Dr. Usha Devi A/P Arunasalam	Member	X	√	√	√

### 4) CLINICAL AND RESEARCH ETHICS COMMITTEE (CREC)

The concept of medical ethics has been present since the beginning of the practice of medicine. The principles of beneficence, non-maleficence, justice and autonomy have been ingrained in every practitioner. Clinical Ethics is a development from the traditional medical ethics. They refer in general to the activity or the discipline of identifying, analysing and resolving ethical issues arising from the patient care. Whereas Research Ethics review oversees the researcher to ensure adherence to ethical principles and protects the dignity rights and welfare of research participants.

The CREC met twice in 2023.

No.	Clinical and Research Ethics Committee	Position in Committee	Attendance for the Year 2023			
			25.01.2023	Q2	17.07.2023	Q4
1	YBhg. Dato' Dr. Fadzli Cheah Abdullah	Chairman	√	No Meeting	√	No Meeting
2	YBhg. Dato' Dr. Khaled Mat Hassan	Member	X		√	
3	Dr. Gunasegaran P.T Rajan	Member	X		√	
4	Assoc. Prof. (C) Dr. Tengku Saifudin Tengku Ismail	Member	X		X	
5	Dr. Mohd Nikman Ahmad	Member	√		√	
6	Dr. Hishamudin Masdar	Member	√		X	
7	Dr. Shamsuddin Abd Aziz	Member	X		√	
8	Dr. David Manickam	Member	X		X	
9	Dr. Azura Deniel	Member	X		X	

## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

### 5) EDUCATION AND RESEARCH COMMITTEE (ERC)

The ER Committee's responsibility is to facilitate scientific research and quality improvement innovations undertaken by all levels of healthcare professionals and staff that may positively impact patient care, safety and quality, service delivery, customer experience, the work environment, professionalism and culture.

The ERC met three times in 2023.

No.	Education and Research Committee	Position in Committee	Attendance for the Year 2023			
			14.03.2023	22.06.2023	Q3	15.12.2023
1	Prof. Emeritus Dato' Dr Lokman Saim	Chairman	√	√	No Meeting	√
2	Prof. Dr. Wan Hazmy Che Hon	Member	√	√		√
3	Prof. Dr. Primuharsa Putra Sabir Husin Athar	Member	√	X		√
4	Assoc. Prof. Dr. Syah Irwan Shamsul Bahari	Member	√	X		√
5	Assoc. Prof. Dr. Norhayati Mohd Zain	Member	√	√		X
6	Dr. Aminuddin Saim	Member	√	√		√
7	Dr. Mohd Shazli Draman @ Yusof	Member	√	X		X

### 6) CENTRAL CREDENTIALING COMMITTEE

The Central Credentialing Committee (CCC) was formed to oversee the credentialing of new consultants who wish to join the KPJ Group of Hospitals. The credentialing process ensures that the clinicians meet the minimum credentialing requirements prior to being appointed in the hospital. The proceedings of the CCC meeting may be done via circulation of papers (by email or otherwise) or convening a meeting whichever is convenient; to review the Curriculum Vitae of the Consultants that was received.

#### CLINICAL GOVERNANCE ACTIVITIES IN 2023

The following is a summary of the clinical governance activities for 2023:

#### Nursing services Activities for the year 2023

##### 1. Peripheral Intravenous Cannulation (PIVC)

PIVC is a frequent invasive procedure performed on a vast majority of patients who require medical attention. In fact, approximately 90% of hospitalized patients undergo IV infusion therapy, which is an integral component of their treatment regimen. Given the prevalence of PIVC and the critical role it plays in patient care, healthcare providers and clinicians must stay informed about the latest techniques and best practices to ensure the safety and efficacy of this procedure. KPJ Healthcare Group Nursing has recently launched a specialized programme known as Vascular Access Management (VAM). This programme offers a uniquely integrated approach to vascular access care that combines clinical practice assessments, a comprehensive portfolio of products, and expert clinical training and education. The aim of VAM is to achieve better outcomes for patients by ensuring that all aspects of vascular access care work together seamlessly. By optimizing clinical practices, providing a comprehensive selection of products, and offering expert training and education, the VAM programme strives to improve patient care and drive better results. The findings of the conducted programme have facilitated the achievement of our nursing vision of providing the best practices in IV infusions, resulting in a commendable 5% phlebitis rate at our hospital. The programme outcomes have helped us to enhance our patient safety measures, improve the quality of care, and elevate our institutional standards. This accomplishment is a testament to our commitment to delivering exceptional healthcare services to our patients while ensuring the highest level of professional excellence.

## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

### 2. Step Up Programme

This evidence-based programme has been proven effective in reducing falls among patients and ensuring a safe and secure hospital environment. The programme has been developed to provide a comprehensive approach to fall prevention, utilizing the latest research and best practices in the field. Our programme is tailored to meet the specific needs of each patient, considering their individual risk factors and medical history. Through a combination of education, environmental modifications, and personalized care plans, our programme has demonstrated significant success in reducing falls and improving patient safety outcomes. We are committed to providing the highest level of care and implementing evidence-based strategies to ensure the safety and well-being of our patients and this is reflected in the outcome of fall reduction seen at the KPJ hospital which is less than the target of 5 /1,000 inpatient days as per the target of Malaysia Patient Safety Goals 2.0 (MPSG).

### Allied Health Services

#### A. Rehabilitation Services

##### 1. Cardiac Rehabilitation

Cardiac Rehabilitation service was first established at KPJ Damansara Specialist Hospital. One of their staff was trained and credentialed to be the Cardiac Rehabilitation Therapist and currently leads the team. Another four (4) hospitals have been identified to establish the Cardiac Rehabilitation service based on the availability of a Cardiothoracic Surgeon/Cardiologist, Physiotherapist, Occupational Therapist, and Dietitian to make up the team.

KPJHB has collaborated with the Heart and Lung Centre, Hospital Canselor Tuanku Muhriz, Cheras, Kuala Lumpur to train and credential our staff. Commencing 17<sup>th</sup> July 2023, six staff (from four hospitals, namely KPJ Ampang Puteri Specialist Hospital, KPJ Ipoh Specialist Hospital, KPJ Johor Specialist Hospital and KPJ Penang Specialist Hospital) and one staff for refresher training from KPJ Damansara Specialist Hospital have been identified to undergo the Cardiopulmonary Training module under the supervision of Dr Katijjahbe Mohd Ali, the senior principal physiotherapist leading the Cardiorespiratory Stream at Hospital Canselor Tuanku Muhriz UKM.

The module consists of lectures (theory), practical (attachment) and dissertation (assessment). At the end of the course, the staff will be awarded with a certificate and credentialed as a Cardiorespiratory Rehabilitation Therapist.

##### 2. Lean Management - Post Total Knee Replacement (TKR)

One of the lean management projects was to study and analyse patient experience and patient outcome measure while receiving physiotherapy intervention post Total Knee Replacement (TKR). By implementing Lean Management principles, we could streamline processes, reduce waiting times, and provide a more efficient and effective rehabilitation experience for our patients.

#### B. Dietetic Services

##### 1. Continuous Dietetic Education (CDE)

Every month, each KPJ Hospital Dietitian will take turns to present case management studies as part of the CDE initiative among the KPJ dietitians. The interactive CDE is followed by product and nutritional updates from invited speakers of the nutritional companies.

##### 2. Clinical Dietetic Attachment at University Malaya Medical Centre (UMMC)

A collaboration with UMMC has been initiated, sending the dietitians for clinical dietetic attachments at the General Paediatric Clinic, Type 1 Diabetes Clinic and wards. This initiative enhances dietitians' skills in paediatric nutrition, aligning with the launch of Child Growth Clinic at KPJ Damansara Specialist Hospital.

##### 3. KPJ Dietitians Equipped with Nutrition Focused Physical Examination (NFPE) Skills through Micro-Credential Course

KPJ dietitians have attended Nutrition-Focused Physical Examination (NFPE) course – a micro-credential course to upskill KPJ dietitians. The course is designed to equip dietitians with specialized skills and knowledge to perform detailed nutritional assessments through physical examination skills, propose the suitable nutrition intervention and monitoring plan to improve patient's clinical outcomes.

## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

### C. Health Information Management System (HIMS)

#### 1. E-Medical Certificates

The initiative to implement the electronic medical certificate (E-MC) was piloted in three (3) hospitals as follows: KPJ Selangor Specialist Hospital, KPJ Perdana Specialist Hospital and KPJ Perlis Specialist Hospital. The primary objective of this pilot project was to test the effectiveness and feasibility of implementing the E-MC system. By transitioning from traditional paper-based medical certificates to a digital platform, the aim is to simplify and automate the process of issuing medical certificates, reducing administrative burden and improving efficiency.

#### 2. Streamlining the Health Information Management System (HIMS) group policies

HIMS policies have been standardized and streamlined across the group. Among the standardized policies are as follows: -

- i) Sharing of information via WhatsApp Application
- ii) Disposal of Inactive Medical Records
- iii) Management of Medical Reports by a Doctor Who Is No Longer Practicing in the Hospital
- iv) Certified True Copy of Medical Records
- v) Request to Amend the Personal Data
- vi) Communication of Patient Data and Information through Mobile Device
- vii) Control of Entry on Non-Medical Records Staff into Medical Records (HIMS) Library

### D. Clinical Information Systems - E-Medical Records

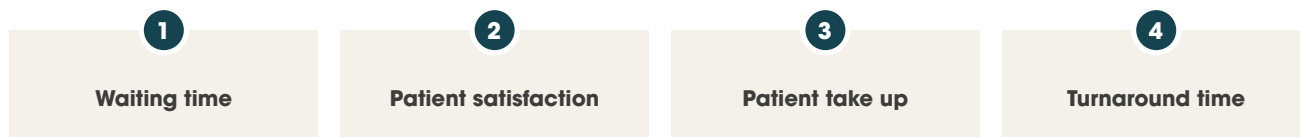
Groupwide, there is an aim to achieve 100% utilisation of the electronic medical record (EMR) system. By achieving 100% utilisation, the EMR system will enhance the overall efficiency of operations, allowing for streamlined documentation and easy access to patient information.

### E. Pharmacy Services

#### 1. Pharma-Loc: Medication Box for Self-Collection

Pharma-Loc is another initiative for medication delivery besides the delivery via post or medication drive-through. Self-collection of medications via medication box and other options of medication delivery may help hospitals to achieve the waiting time target.

Pharma-Loc, a smart locker equipped with electronic lock and integrated with cloud management and reporting, has been installed at KPJ Ampang Puteri Specialist Hospital in early July. Prior to the installation, suitable sites have been identified and factors such as security, ease of access, temperature and humidity of the locker locations have been considered. A questionnaire has been distributed to hospitals with long waiting time (namely KPJ Johor Specialist Hospital, KPJ Ampang Puteri Specialist Hospital, KPJ Pahang Specialist Hospital and KPJ Pasir Gudang Specialist Hospital) to study the acceptance of this value-added services among patients. Post-implementation questionnaire will be distributed to the patients who are utilizing this service to get their feedback and for further improvement. The following outcome measures will be monitored:



Other operational outcomes such as staff workload and reduction in errors/near misses will be monitored as well.

# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

## 2) Upskilling the Pharmacist Profession

The following trainings have been attended by the pharmacists: -

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Antimicrobial Stewardship training attended by the Pharmacists from KPJ Ampang Puteri Specialist Hospital in June and September 2023 at Hospital Sg Buloh</b>	<b>Training in Ward Pharmacy - 13-24 February 2023</b>	<b>Oncology Pharmacy - 1-14 March 2023</b>	<b>Nuclear Pharmacy - 17 March - 14 April 2023</b>

## LEAN HEALTHCARE MANAGEMENT

### Lean Healthcare Management activities:

<b>1</b> <b>Project:</b> Number of cases for Door to Balloon (DTB) time successfully achieved within 90 minutes  <b>Outcome:</b> As of 12 December 2023, all 14 hospitals which conduct percutaneous coronary intervention achieved DTB time within 90 minutes. Eleven hospitals have adopted the Code STEMI Policy and Procedures from KPJ Kajang Specialist Hospital and the Code STEMI drills. The Cardiac Rehab Workshop has been initiated (scheduled in mid-January 2024) following this initiative as a continuation of best practices in patient care.	<b>2</b> <b>Project:</b> Number of first ECG for AMI-STEMI cases done within the first 10 minutes of A&E admission (A&E Triage)  <b>Outcome:</b> All hospitals comply to the recommended best practices.	<b>3</b> <b>Project:</b> Number of inpatient plain X-rays and inpatient ultrasound reports reported within 1 hour of procedure during office hours  <b>Outcome:</b> The project was suggested to be discontinued as there were different online reporting imaging systems utilised in each hospital.
---	---	---

# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

## TOTAL PATIENT EXPERIENCE

### Total patient experience activities:

1

#### Project:

Patient-reported experience measures (PREM)/Patient-reported outcome measures (PROM) primary percutaneous coronary intervention (PCI) for ST-elevation myocardial infarction (STEMI).

#### Outcome:

Recommendations from the study were endorsed by GMACGC in May 2023 and disseminated to hospitals through CODE STEMI training in July 2023 with Lean Project. A standardized patient journey form was used in all hospitals with primary PCI, and post PCI care advice pamphlets were given to patients.

2

#### Project:

Project Huddles and bedside handover

#### Outcome:

Findings from the study in September 2023 were used in the Training of Trainers of all central hospitals conducted in October 2023. All central hospitals completed the cascade training, with full implementation and Plan-Do-Check-Action (PDCA) cycle by end of November 2023.

## MEETINGS WITH MINISTRY OF HEALTH (MOH)

Several meetings were conducted between KPJ and the MoH to discuss pressing issues and reach a resolution for all parties. Issues related to nursing, medical officers, CKAPS, and the Medical Fee Schedule.

## MOVING FORWARD

Several initiatives are underway to strengthen KPJ's capacity and capabilities. These include the following new projects planned for 2024:

1

### Standardization of Processes and Practices in Pharmacy and Allied Health Services

- a) Organisational structure – Reporting line for Clinical and Operational
  - i. Rehabilitation Services
  - ii. Audiology Services
  - iii. Dietetic & Food Services
- b) Establishment of assessment tools for Career Pathing
- c) Standardization of Privileging & Competency Assessment for Radiology, Rehabilitation Services
- d) Standardization of Radiology Consent Form and other forms

2

### Lean Management and Total Patient Experience projects in the pipeline involving selected key service areas (Nursing, Pharmacy, Allied health, Clinical indicators)

3

### Enhancement and expansion of the services

- a. Rehabilitation Services
- b. Audiology Services
- c. Dietetic Services



## GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

4

### Medication safety and root cause analysis workshop

5

### External certification for Aseptic Technique for Pharmacy Services

#### MALAYSIA INTERNATIONAL HEALTHCARE (MIH) MEGATRENDS

KPJ is in the progress of collaborating with the Ministry of Health to organise the inaugural Malaysia International Healthcare (MIH) Megatrends. This is in line with the Organisation's plans to expand the annual KPJ Healthcare Conference to a biennial healthcare megatrend conference.

#### RECRUITMENT & RETENTION STRATEGIES FOR KPJ DOCTORS

KPJ Healthcare Berhad Malaysia, a leading healthcare provider, recognises the critical role of consultants in delivering high-quality healthcare services.

The primary objectives of the consultant recruitment process are:

##### **a. Talent Acquisition**

Identify and attract highly skilled and experienced consultants to enhance the overall quality of healthcare services.

##### **b. Specialized Expertise**

Recruit consultants with specialized medical knowledge and expertise to strengthen the organisation's capabilities in various medical specialties.

##### **c. Diversity and Inclusion**

Promote diversity and inclusion by actively seeking consultants from diverse backgrounds, fostering a culture of equal opportunities.

##### **d. Succession Planning**

Identify and recruit consultants to address current and future healthcare needs, ensuring the organisation's long-term sustainability.

Consultants play a crucial role in delivering high-quality patient care. By recruiting experienced and skilled consultants, we aim to enhance the overall patient experience and outcomes. Attracting and retaining top-tier consultants fosters an environment of continuous learning and professional development, benefiting both the consultants and the organisation. The consultant recruitment process is a strategic initiative aimed at enhancing the organisation's healthcare capabilities. By recruiting top-tier consultants, it ensures delivery of high-quality patient care, promotes innovation, and maintains a competitive edge in the dynamic healthcare industry. The process is designed to align with the organisation's values, foster diversity and inclusion, and contribute to the overall success and sustainability in providing excellent healthcare services.

# GROUP MEDICAL ADVISORY & CLINICAL GOVERNANCE COMMITTEE REPORT

## **RECRUITMENT AND RETENTION STRATEGIES FOR KPJ NURSES**

The nursing profession, being the largest and most crucial backbone of the healthcare industry, plays a vital role in the ability of KPJ Healthcare to deliver quality treatment and services. However, the nursing sector faces a critical challenge in retaining its skilled workforce. Despite the increasing number of nurses joining the sector, there is still a significant gap between the supply and demand for nurses. Therefore, it is imperative for healthcare businesses to focus on retaining their current nursing personnel while also attracting new nurses.

KPJ Healthcare recognises the potential impact of a growing shortage of nurses on its operations and is actively developing and strengthening its strategies to address this issue. The company acknowledges that the key to retaining top talent in the nursing sector lies in creating a supportive and conducive work environment. KPJ Healthcare is committed to implementing policies and programmes that foster a nurturing and inclusive work environment that recognises the contributions of its nursing staff.

Furthermore, KPJ Healthcare recognises the importance of attracting new nurses to bridge the gap between supply and demand. The company is exploring various avenues to promote nursing as a rewarding and fulfilling career path. KPJ Healthcare is also investing in training and development programmes that facilitate the professional growth of its nursing staff.

In conclusion, KPJ Healthcare is taking proactive steps to address the growing shortage of nurses. By focusing on retaining its current nursing personnel while also attracting new nurses, the company is positioning itself to deliver quality treatment and services to its patients. Below are the steps taken to continue to strengthen the nursing workforce:

### **Recruitment strategies: Joining the KPJ Team**

- Our nursing team participated in the KPJ Night Career Fair with the aim of supporting our recruitment drive and showcasing the best that KPJ has to offer. This event gives us an ideal opportunity to interact with potential candidates and present our organisation's values, mission, and vision to them. We believe that through our participation in this event, we will be able to identify and attract the most talented individuals to join our team and contribute to our continued success. We are committed to delivering the highest level of service and care to our clients and patients, and we believe that by recruiting the best people, we can achieve this goal.
- Due to the COVID-19 epidemic, there is an increasing need for healthcare experts, and many healthcare systems are resorting to foreign recruitment as a means of augmenting their shrinking personnel. The addition of internationally trained nurses to the healthcare workforce broadens the pool of talent and experience; therefore, KPJ Healthcare is in the process of the foreign nurses' recruitment drive.

### **Partner with Human Resources to enhance nurse recruitment efforts**

- **Providing Opportunities:** Our primary objective lies in facilitating nurses with continuous opportunities for professional development and career advancement. To achieve this, we ensure that our programmes are tailored to enable nurses to excel in their jobs while working towards a clear career pathway. Our efforts are aimed at creating a workforce of highly skilled nurses who can contribute to the healthcare industry and make a positive impact on patient care.
- **Fresh graduate nurses' recruitment:** Group Nursing Services and Group Human Resource Management initiated mass recruitment in KPJ Healthcare University and KPJ International College since August 2022 to address this issue. This has been in continuity with an excellent networking in nursing industry in Malaysia, causing majority of the public and private university and colleges seek to introduce KPJ Healthcare to deliver career development pathway to the potential nurses.
- **Recruiting experienced nurses:** KPJ Healthcare University (KPJU) and KPJ International College (KPJIC) are committed to improving Group Nursing Services by consistently updating all KPJ Hospitals on essential post-basic offers in our own post-basic programme. The objective of this initiative is to bridge the gap between junior and senior nurses. Our programme is designed to equip junior nurses with the advanced knowledge and skills to perform their roles effectively, improve patient outcomes, and enhance their career prospects. By providing regular updates on the post-basic offer, we ensure that all KPJ Hospitals remain up to date on the latest developments in nursing education and practice. This helps us to maintain a high standard of care across all KPJ Hospitals and provide patients with the best possible outcomes.
- **Tiered options for part-time and late-career nurses.** Tiered employment initiatives are designed to provide a structured sequence of steps that enable employees to attain their career objectives. These programmes are particularly appealing to nurses who prefer part-time work and those approaching retirement, including Baby Boomers and late-career nurses. The collaboration between group nursing via human resources and KWAP Malaysia has facilitated this initiative.

### **Recruitment strategies: Innovative retention strategies**

#### **Knowledge and skills**

Fundamental knowledge and skills in a clinical setting are essential for KPJ nurses. To address these issues, decentralized training had been conducted on a scheduled basis for all the nurses. The objectives of the decentralized training will be to ensure all 29 KPJ hospital's nurses could upgrade themselves on the current evidence-based practice. Various training had been conducted such as Vascular Access Management, INFUZE project, fall prevention workshops, Intensive Course in Obstetric Emergency workshop (ICOE), Support Programme to Advance and Reinforce Knowledge and Skill (SPARK) in operating room and other essential training at the regional level and hospital level.

#### **Quality assessment**

Group Nursing Services conduct clinical services annually with the objectives to ensure clinical and non-clinical processes are implemented, are in accordance with, and maintained based on regulatory and accreditation standard requirements. The clinical survey comprises a multi-disciplinary team and selected leaders from the hospitals. The report of the survey will be shared with the hospital management team for continuous improvement. Guidance and coaching on MSQH and JCI is done on a scheduled basis as part of the Group Clinical team.

# COMPLIANCE INFORMATION

In conformance with the Bursa Malaysia Securities Berhad Listing Requirements, the following information is provided:

## 1. UTILISATION OF SUKUK PROGRAMME

KPJ Healthcare Berhad (KPJ, the Group or the Company) via Point Zone (M) Sdn Bhd ("PZSB") had in 2015 established a 10 year Islamic Medium Term Note programme with a size of RM1.5 billion based on the Shariah Principle of Murabahah (via Tawarruq Arrangement) (referred to as the "Sukuk Murabahah") for the purpose of refinancing the previous Islamic Commercial Papers/an Islamic Medium-Term Notes Programme of up to RM500.0 million and finance the expansion and working capital requirements of the Group's healthcare-related businesses.

As of 1 January 2023, the Group had RM650.0 million of Sukuk Murabahah outstanding. The initial tranche of RM450.0 million was due in the year 2023 which KPJ had refinanced via the issuance of the second tranche of the Sukuk Wakalah (as defined herein). The balance of the Sukuk Murabahah as at 31 December 2023 is as follows:

SUKUK MURABAHAH	AMOUNT UP TO (RM MILLION)
As at 1 January 2023	650.0
Payment made during the financial year	(450.0)
As at 31 December 2023	<b>200.0</b>

On 12 January 2022, PZSB established a new 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 Malaysian Rating Corporation Berhad ("MARC"). 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.

On 17 October 2022 MARC Ratings Berhad assigned a "Gold" Sustainability Sukuk Assessment to PZSB's Sustainability Sukuk Framework.

As of 1 January 2023, the Group had RM650.0 million of Sukuk Wakalah outstanding. On 13 March 2023, the Group issued the second tranche amounting to RM555.0 million via a sustainability issuance. This is KPJ's maiden Sustainability Sukuk offering and the proceeds shall be utilized by the Group in accordance with the criteria set out in the Sustainability Sukuk Framework. The balance of the Sukuk

Wakalah as at 31 December 2023 is as follows:

SUKUK WAKALAH	AMOUNT UP TO (RM MILLION)
As at 1 January 2023	650.0
Issued during the financial year	555.0
As at 31 December 2023	<b>1,205.0</b>

## 2. TREASURY SHARES

On 9 July 2020, at the 27th Annual General Meeting of KPJ, the shareholders of the Company renewed their approval for the Company to buy back its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company. The authority to buy back its own shares then lapsed on 22 June 2021 as the Company did not seek any authority renewal at the 28th Annual General Meeting of KPJ. The Company did not purchase any ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") during the financial year.

As at 31 December 2023, the Company held a total of 162,306,700 of its 4,526,608,066 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,152 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. OPTIONS, SHARE-BASED PAYMENTS OR CONVERTIBLE SECURITIES

### i. Share-Based Payments

An Employees' Share Option Scheme ("ESOS") was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Company. The ESOS was initially meant to be in force for a period of five (5) years. Upon approval from KPJ's Board of Directors on 3 December 2019, it was resolved that the tenure of the ESOS would be extended for another three (3) years.

The fair value of each share option on the grant date is RM0.25. The options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives. The exercise price of the share options granted under the ESOS is RM0.91 each. The options granted remained dividable into 5 equal tranches which vest on 14 April 2015, 27 February 2016, 27 February 2017, 27 February 2018 and 27 February 2019. The vesting condition is that the offeree must be an employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates. The fair value of ESOS issued is RM0.25 and the exercise price is RM0.91 (2022: RM0.91).

## COMPLIANCE INFORMATION

The options expired on 27 February 2023, whereby no additional options will be granted.

#### 4. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Company did not issue any ADR or GDR under the respective programmes.

#### 5. IMPOSITIONS OF SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

#### 6. AUDIT AND NON-AUDIT FEES

During the financial year, the amount of audit and non-audit fees for services rendered to the Group amounted to RM2,703,000 and RM5,911,000 respectively.

#### 7. PROFIT ESTIMATE, FORECAST OR PROJECTIONS

The Company did not make any release on the profit estimate, forecast or projections for the financial year.

#### 8. PROFIT GUARANTEE

There was no profit guarantee given by the Company in respect of the financial year in review.

#### 9. 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.

#### 10. RECURRENT RELATED PARTY TRANSACTIONS STATEMENT

At KPJ's AGM held on 22 June 2023, 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 2023 TO 31 DECEMBER 2023 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	363	Monthly
	Building management service fees payable for Menara KPJ in Kuala Lumpur	4,900	Monthly
	Insurance coverage payable	194	Contract basis
	Security services fees payable	423	Monthly
Al-'Aqar Healthcare REIT / Al-'Aqar Australia	Rental payable for renting of retirement village building and aged care facility in Australia and lease of hospital together with the land	10,495	Monthly
Al-Salam Real Estate Investment Trust (Al-Salam REIT)	Rental payable for renting of premises for the operations of KPJ Healthcare University and Malaysian College of Hospitality and Management	2,301	Monthly
Damansara Holdings Berhad (DBhd) and its subsidiaries and associated companies (DBhd Group)	Rental Income for renting of land for car park	3,005	Monthly
	Housekeeping contract fees payable	27,466	Monthly
	Rental income for renting of office	60	Monthly
		<b>49,207</b>	

# FINANCIAL STATEMENTS

<b>185</b>	DIRECTORS' RESPONSIBILITY STATEMENT
<b>186</b>	DIRECTORS' REPORT
<b>193</b>	STATEMENT BY DIRECTORS
<b>193</b>	STATUTORY DECLARATION
<b>194</b>	INDEPENDENT AUDITORS' REPORT
<b>198</b>	STATEMENTS OF COMPREHENSIVE INCOME
<b>201</b>	STATEMENTS OF FINANCIAL POSITION
<b>203</b>	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
<b>205</b>	COMPANY STATEMENT OF CHANGES IN EQUITY
<b>206</b>	STATEMENTS OF CASH FLOWS
<b>210</b>	NOTES TO THE FINANCIAL STATEMENTS

# DIRECTORS' RESPONSIBILITY STATEMENT

## FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (CA) to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs), and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.



# DIRECTORS' REPORT

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are mainly the operation of specialist hospitals.

Details of the principal activities of the subsidiaries are set out in Note 22 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## ULTIMATE HOLDING CORPORATION

The Directors regard Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995), as the ultimate holding corporation.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before tax	377,942	146,408
Tax	(75,345)	-
Profit for the financial year from continuing operations	302,597	146,408
Loss for the financial year from discontinued operations	(32,191)	-
Net profit for the financial year	270,406	146,408
Profit for the financial year attributable to:		
Owners of the Company		
- continuing operations	281,292	146,408
- discontinued operations	(17,884)	-
Non-controlling interest		
- continuing operations	21,305	-
- discontinued operations	(14,307)	-
Net profit for the financial year	270,406	146,408

## DIRECTORS' REPORT (CONTINUED)

**RESERVES AND PROVISIONS**

All material transfers to or from reserves and provisions during the financial year are shown in the statements.

**DIVIDENDS**

The dividends paid or declared by the Company since 31 December 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
First interim single tier dividend of 0.60 sen per share on 4,364,301,366 ordinary shares, declared on 17 February 2023 and paid on 14 April 2023.	26,186
Second interim single tier dividend of 0.65 sen per share on 4,364,301,366 ordinary shares, declared on 30 May 2023 and paid on 4 July 2023.	28,368
Third interim single tier dividend of 0.80 sen per share on 4,364,301,366 ordinary shares, declared on 29 August 2023 and paid on 3 October 2023.	34,914
Fourth interim single tier dividend of 1.05 sen per share on 4,364,301,366 ordinary shares, declared on 28 November 2023 and paid on 28 December 2023.	45,825
Special single tier dividend of 0.25 sen per share on 4,364,301,366 ordinary shares, declared on 28 November 2023 and paid on 28 December 2023.	10,911
	146,204

The Directors did not recommend the payment of a final dividend in respect of the financial year ended 31 December 2023.

**TREASURY SHARES**

On 9 July 2020, at the Annual General Meeting, the shareholders of the Company renewed their approval for the Company to buy-back its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company.

The Company did not purchase any ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") during the financial year.

As at 31 December 2023, the Company held a total of 162,306,700 of its 4,526,608,066 issued ordinary share as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,152 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.

**ISSUE OF SHARES AND DEBENTURES**

During the financial year, the Company's issued share capital was increased by RM22,860,623 through the issuance of 21,080,205 ordinary shares pursuant to the exercise of the Employees' Share Option Scheme ("ESOS") at an exercise price of RM0.91 per ordinary share.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing issued ordinary shares of the Company.

During the financial year, the Group made an issuance of RM555.0 million from its Sukuk Wakalah Programme. The Group also made payments amounting RM450.0 million for its Sukuk Murabahah Programme.

## DIRECTORS' REPORT (CONTINUED)

### EMPLOYEES' SHARE OPTION SCHEME

The Company implemented ESOS in 2015 for a period of 5 years for eligible employees and Directors of the Group. In 2019, the Board of Directors gave its approval for the ESOS period to be extended to another 3 years and expired on 27 February 2023. Details of ESOS are set out in Note 37 to the financial statements.

### 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:

Datuk Md Arif Bin Mahmood	(Chairman)
Chin Keat Chyuan*	(Managing Director, appointed on 1 September 2023)
Dato' Mohd Redza Shah Bin Abdul Wahid*	
Prof Dato' Dr. Azizi Bin Haji Omar*	
Mohamed Ridza Bin Mohamed Abdulla	
Khairuddin Bin Jaflus*	
Rozaini Bin Mohd Sani	
Shamsul Anuar bin Abdul Majid	
Annie Binti Rosle	
Hisham Bin Zainal Mokhtar	
Lee Lai Fan	

\* Directors who are also Directors of the subsidiaries

### LIST OF DIRECTORS OF SUBSIDIARIES

The list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to date of this report is as follows:

Prof Datuk Dr Zulkifli Bin Ismail*	Dr. Mohd Nikman Bin Ahmad*
Assoc Prof (C) Dato' Dr. Azlin Bin Azizan	Dr. Munirah Binti Khudri
Prof Dr. Fauziah Bin Sh Ahmad*	Dr. Nik Fawaz Bin Nik Abdul Aziz
Assoc Prof Dr. Thajunnisa Binti Hassan Mohd	Dr. Norazlina Binti Bachik
Datuk Hasmi Bin Hasnan	Dr. Pui Wei Chieng*
Datuk Syed Mohamed Bin Syed Ibrahim	Dr. Rafiza Binti Mohamed Nazir
Dato' Sri Muhamad Khanafi Bin Husin*	Dr. Toh Siu Gap
Dato' Dr. Khaled Bin Mat Hassan	Dr. Wong Chya Wei
Dato' Sr. Zamri Bin Ismail*	Abdul Halim Bin Mahalil
Dato' Mohamad Farid Bin Salim	Ahmad Adli Bin Kamaruzaman
Dato' Md Aini Bin Taib	Ahmad Firdaus Bin Mohd Nor*
Dato' Ngeng Eng Cheng	Ahmad Irwan Bin Baharuddin
Dato' Shamshudin Bin Nor	Ahmad Rafiquddin Bin Mohd Amran
Dato' Zabir Bin Bajuri	Asmadi Bin Mohd Bakri
Dr. Aliza Binti Jamaluddin	Azan Mukminah Binti Saffin*
Dr. David Sylvester Ling Sheng Tee	Badrul Hisham Bin Abdullah
Dr. Hari Ram a/l Ramayya	Badrul Hisyam Bin Ibrahim
Dr. Jamal Azmi Bin Mohamad*	Basar Bin Juraimi
Dr. Mahadhir Alhady Bin Sulaiman	Christopher Ting Yew Ping
Dr. Mohamad Bin Hamzah	Emerizal Ahmed Jaafar*
Dr. Mohamed Ahsan Bin Mohamed Ismail	Emily Hii San
Dr. Mohd Daud Bin Sulaiman*	Erniza Binti Md Badursah

## DIRECTORS' REPORT (CONTINUED)

## LIST OF DIRECTORS OF SUBSIDIARIES (CONTINUED)

Esther Woo Yann Fong	Sharian Binti Hussain*
Farahiyah Binti Badri	Thomas Ho Yee Jong
Fauziah Begum Binti Najibullah Khan	Wan Nur Amira Binti Wan Ariffin
Gunavathy A/P K Kalee	Yusmah Binti Salleh
Hafiz Bin Mohamed	Zabidi Bin Abdul Razak
Hafsah Binti Mukhtar	Zaiton Binti Sulaiman
Haliza Binti Khalid	Zalina Binti Osman
Hazarul Azly Bin Hamzah	Zamri Bin Yusof
Izzhar Putra Bin Amirudin	Zarihasyum Binti Wan Zein @ Md Zain
Kamal Azmi Bin Zainuddin*	Zawari Bin Abdullah
Khairul Hasanain Bin Abdul Hamid	Zulkifi Bin Abdullah
Liew Chai Sen	Prof (C) Dato' Dr. Shahrudin Bin Mohd Dun^
Lim Su Ying	Dr. Ahmad Syukri Bin Jamaluddin^
Mahazan Bin Kamis @ Maharan	Dr. Kok Chin Leong^
Maisarah Binti Omar	Dr. Mahayidin Bin Muhamad^
Md Zin Bin Md Yasin	Dr. Mohd Harris Lu @ Lu Ping Neng^
Mohamad Faizal Bin Mohamed	Dr. Mohd Hafetz Bin Ahmad^
Mohamad Sofian Bin Ismail	Dr. Muhammad Nazri Bin Aziz^
Mohammad Hafidz Bin Dato' Shamshudin (Alternate Director to Dato' Shamshudin Bin Nor)	Dr. Muhammad Zachruddin Habie^
Mohd Azhar Bin Abdullah	Dr. Ronald Nurjas^
Mohd Helmi Bin Daud	Dr. Zainal Abidin Bin Mohd Yusuf^
Mohd Nabil Fawzi Bin Ab Rani	Drg. Annie Trisusilo A. ^
Mohd Nuri Bin Abd Aziz	Ab Aziz Bin Yunus^
Mohd Taufik Bin Ismail	Agus Purwanto^
Muhamad Amin Bin Othman	Ariesza Noor^
Muhammad Iqbal Bin Ibrahim	Asmadi Bin Che Mat @ Abd Rahman^
Muhammad Samson Mikail Bin Abdullah	Beh Boon Ewe^
Nazmul Hassan Papon MP	Gordana Dermody^
Noor Haslina Binti Harun	Gunasingam Retnasabapathy^
Nor Aidil Ikram Bin Muhamad	Ibnu Mardini^
Nor Arfah Binti Arshad	Irfan Jasri^
Nor Azuwan Bin Saleh*	Mohamad Hafiz Bin Mustafaa Kamar^
Norhaizam Binti Mohammad	Muhammad Badri Bin Hussin^
Nurol Wahida Binti Othman*	Nor Azlina Binti Jemain^
Raja Syahiran Bin Raja Ahmad Supian	Noreen Binti Abdul Rashid^
Rajkumar S/O Rengaraju	Norherienda Bt Abdul Kadir^
Renuga A/P Muniandy	Ross David Morgan^
Ros Maliya Binti Mamat	Shah Ruddin Bin Abd Hamid^
Roslan Bin Ahmad	Yusri Bin Ali^
Shaharum Bin Ramli*	Zaharah Binti Osman^
(Alternate Director to Datuk Hasmi Bin Hassan)	

\* Appointed during the financial year and up to date of this report

^ Resigned during the financial year and up to date of this report

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any subsidiaries a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of the Company or any other body corporate.

### DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares, debentures, warrants or options over ordinary shares in the Company or its subsidiaries or its holding corporation or subsidiaries of the holding corporation during the financial year except as follows:

	Number of ordinary shares			At 31.12.2023
	At 1.1.2023	Newly appointed/ Acquired	Disposed	
<u>KPJ Healthcare Berhad</u>				
Datuk Md Arif Bin Mahmood	60,000	-	-	60,000
Prof Dato' Dr. Azizi Bin Haji Omar	330,000	-	-	330,000
Chin Keat Chyuan	-	100,000	-	100,000

### DIRECTORS' REMUNERATION

Directors' remuneration for current year are as follow:

	Group RM'000	Company RM'000
Fees	1,300	1,300
Salaries, allowances and bonuses	2,344	2,217
Contributions to defined contribution plan	84	84
Benefits-in-kind	41	41
	3,769	3,642

## DIRECTORS' REPORT (CONTINUED)

**INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS**

The total amount of insurance costs effected for Directors and Officers of the Group during the financial year is RM94,633.

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 business including the values of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written-off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the end of this report:
- (i) there are no charges on the assets of the Group or of the Company which have arisen since the end of the financial year which secures the liability of any other person; and
  - (ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.
- (d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.
- (e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the Directors:
- (i) the results of the operation of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (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	2,071	369
- Non-EY	632	-
- Other services		
- EY Malaysia	3,721	2,758
- PwC	1,020	478
- Non-EY/PwC	1,170	950
	8,614	4,555

### AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2023.

Signed on behalf of the Board in accordance with a resolution of the directors dated 16 February 2024.



**DATUK MD ARIF BIN MAHMOOD**  
DIRECTOR

Kuala Lumpur, Malaysia



**CHIN KEAT CHYUAN**  
DIRECTOR

# STATEMENT BY DIRECTORS

## PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Md Arif Bin Mahmood 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 198 to 306 are drawn up in accordance with Malaysian Financial Reporting 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 2023 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 16 February 2024.



**DATUK MD ARIF BIN MAHMOOD**  
DIRECTOR

Kuala Lumpur, Malaysia



**CHIN KEAT CHYUAN**  
DIRECTOR

# STATUTORY DECLARATION

## PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Norhaizam Binti Mohammad, Malaysian Institute of Accountants No. 45153, 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 198 to 306 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 Norhaizam Binti Mohammad  
at Kuala Lumpur in the Federal Territory  
on 16 February 2024.



NORHAIZAM BINTI MOHAMMAD

Before me,

COMMISSIONER FOR OATH



Lot 1.08, Tingkat 1,  
Bangunan KWSP, Jin Raja Laui  
50350 Kuala Lumpur.  
Tel: 010 662711

# 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 2023 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 a summary of material accounting policies, as set out on pages 198 to 306.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPJ HEALTHCARE BERHAD  
(INCORPORATED IN MALAYSIA) (CONTINUED)

## 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 2023 which amounted to approximately RM3,206 million, represented about 94% of total revenue of the Group.

The Group relies heavily on information technology systems in accounting for its revenue from healthcare services. Such information systems process large volumes of data with combinations of different products and services, which consist of individually low value transactions.

The above factors gave rise to higher risk of material misstatement in the timing and amount of revenue recognised. Accordingly, we identified revenue recognition to be an area of focus.

### How our audit addressed this matter

In addressing this area of focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the management's internal controls over the timing and amount of revenue recognised;
- We tested the relevant internal controls in place to address completeness and accuracy of revenue recognised including timely updating of approved billing rate changes in the system. We also involved our information technology specialist to test the operating effectiveness of automated controls over the billing system;
- We tested the data interface between the billing system and the general ledger;
- We inspected samples of documents which evidenced the rendering of services to customers;
- We tested samples of documents to establish whether transactions were recorded in the correct accounting period; and
- Using data analytics, we performed correlation analysis between revenue, trade receivables and cash and bank balances.

### *Information other than the financial statements and auditors' report thereon*

The directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPJ HEALTHCARE BERHAD  
(INCORPORATED IN MALAYSIA) (CONTINUED)

*Information other than the financial statements and auditors' report thereon (cont'd.)*

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 Malaysian Financial Reporting Standards, International Financial Reporting 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.
- 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.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPJ HEALTHCARE BERHAD  
(INCORPORATED IN MALAYSIA) (CONTINUED)

## Auditors' responsibilities for the audit of the financial statements (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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.

## 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

Kuala Lumpur, Malaysia  
16 February 2024



Ismed Darwis Bin Bahatiar  
No. 02921/04/2024 J  
Chartered Accountant



# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
<u>Continuing operations</u>					
Revenue	7	<b>3,418,701</b>	2,868,474	<b>288,324</b>	213,865
Cost of sales		<b>(1,986,783)</b>	(1,696,400)	-	-
Gross profit		<b>1,431,918</b>	1,172,074	<b>288,324</b>	213,865
Administrative expenses		<b>(980,264)</b>	(788,424)	<b>(122,047)</b>	(98,531)
Other Income		<b>67,336</b>	28,602	<b>5,103</b>	5,708
Zakat	8	<b>(3,063)</b>	(2,680)	<b>(300)</b>	(300)
Operating profit		<b>515,927</b>	409,572	<b>171,080</b>	120,742
Finance income	9	<b>20,149</b>	12,141	-	-
Finance costs	9				
- Borrowings		<b>(97,190)</b>	(91,853)	<b>(24,672)</b>	(21,146)
- Lease liabilities		<b>(107,701)</b>	(102,482)	-	-
Finance costs - net		<b>(184,742)</b>	(182,194)	<b>(24,672)</b>	(21,146)
Share of results of associates, net of tax		<b>46,757</b>	47,764	-	-
Profit before tax	10	<b>377,942</b>	275,142	<b>146,408</b>	99,596
Tax	13	<b>(75,345)</b>	(73,208)	-	254
Profit for the financial year from continuing operations		<b>302,597</b>	201,934	<b>146,408</b>	99,850
<u>Discontinued operations</u>					
Loss for the financial year from discontinued operations	14	<b>(32,191)</b>	(19,281)	-	-
Net profit for the financial year		<b>270,406</b>	182,653	<b>146,408</b>	99,850

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
<b>Other comprehensive income:</b>					
<u>Continuing operations</u>					
<b>Item that may be subsequently reclassified to profit or loss:</b>					
- Currency translation differences		<b>5,425</b>	2,400	-	-
<b>Items that will not be reclassified to profit or loss:</b>					
- Gains/(Reversal) on revaluation of land and building		<b>28,029</b>	(40)	-	-
- Deferred tax on revaluation (surplus)/deficit		<b>(6,372)</b>	5	-	-
- Fair value gain/(loss) on equity instruments classified as fair value through other comprehensive income		<b>266</b>	(217)	<b>582</b>	(217)
Other comprehensive income for the financial year, net of tax from continuing operations		<b>27,348</b>	2,148	<b>582</b>	(217)
<u>Discontinued operations</u>					
Other comprehensive income from discontinued operations		<b>4,215</b>	89	-	-
<b>Total comprehensive income for the financial year</b>		<b>301,969</b>	184,890	<b>146,990</b>	99,633

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Profit for the financial year attributable to:					
Owners of the Company					
- continuing operations		<b>281,292</b>	178,610	<b>146,408</b>	99,850
- discontinued operations	14	<b>(17,884)</b>	(11,629)	-	-
Non-controlling interests					
- continuing operations		<b>21,305</b>	23,324	-	-
- discontinued operations	14	<b>(14,307)</b>	(7,652)	-	-
		<b>270,406</b>	182,653	<b>146,408</b>	99,850
Total comprehensive income for the financial year attributable to:					
Owners of the Company					
- continuing operations		<b>308,640</b>	180,758	<b>146,990</b>	99,633
- discontinued operations	14	<b>(13,669)</b>	(11,540)	-	-
Non-controlling interests					
- continuing operations		<b>21,305</b>	23,324	-	-
- discontinued operations	14	<b>(14,307)</b>	(7,652)	-	-
		<b>301,969</b>	184,890	<b>146,990</b>	99,633
Earnings per share attributable to Owners of the Company:					
Basic (sen)	16(a)				
- continuing operations		<b>6.45</b>	4.11		
- discontinued operations		<b>(0.41)</b>	(0.27)		
Diluted (sen)	16(b)				
- continuing operations		<b>6.45</b>	4.02		
- discontinued operations		<b>(0.41)</b>	(0.26)		

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<u>Non-current assets</u>					
Property, plant and equipment	17	<b>2,774,474</b>	2,760,222	<b>4,663</b>	1,628
Right-of-use assets	18	<b>1,585,857</b>	1,577,039	-	-
Investment properties	19	<b>358,166</b>	360,420	-	-
Intangible assets	20	<b>198,470</b>	206,043	<b>3,010</b>	-
Investments in subsidiaries	22	-	-	<b>970,724</b>	1,037,253
Investments in associates	23	<b>513,857</b>	486,308	-	-
Equity Instruments classified as FVOCI	24	<b>1,507</b>	1,241	<b>36,547</b>	26,251
Deferred tax assets	25	<b>125,653</b>	114,281	<b>236</b>	236
Trade and other receivables	26	<b>19,262</b>	17,115	-	-
Amounts due from subsidiaries	26	-	-	-	7,224
		<b>5,577,246</b>	5,522,669	<b>1,015,180</b>	1,072,592
<u>Current assets</u>					
Inventories	27	<b>73,008</b>	65,872	-	-
Trade and other receivables	26	<b>673,649</b>	645,705	<b>5,368</b>	2,994
Amounts due from subsidiaries	26	-	-	<b>611,028</b>	631,426
Tax recoverable		<b>98,008</b>	126,380	<b>1,370</b>	848
Deposits, bank and cash balances	28	<b>785,227</b>	467,919	<b>3,901</b>	3,315
Dividend receivable		<b>3,873</b>	8,066	<b>86,307</b>	55,434
		<b>1,633,765</b>	1,313,942	<b>707,974</b>	694,017
Assets held for sale	29	<b>35,151</b>	157,455	-	-
		<b>1,668,916</b>	1,471,397	<b>707,974</b>	694,017
<b>Total assets</b>		<b>7,246,162</b>	6,994,066	<b>1,723,154</b>	1,766,609
<b>EQUITY AND LIABILITIES</b>					
<u>Current liabilities</u>					
Trade and other payables	30	<b>658,292</b>	720,220	<b>24,835</b>	19,722
Amounts due to subsidiaries	30	-	-	<b>102,729</b>	97,192
Contract liabilities	31	<b>87,779</b>	48,708	-	-
Current tax liabilities		<b>11,060</b>	4,321	-	-
Borrowings	32	<b>546,955</b>	839,415	<b>172,084</b>	214,941
Lease liabilities	33	<b>39,920</b>	44,677	-	-
Dividend payable		<b>3,200</b>	2,980	-	-
		<b>1,347,206</b>	1,660,321	<b>299,648</b>	331,855

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Liabilities associated with assets held for sale	29	<b>54,349</b>	13,163	-	-
		<b>1,401,555</b>	1,673,484	<b>299,648</b>	331,855
Net current assets/(liabilities)		<b>267,361</b>	(202,087)	<b>408,326</b>	362,162
<u>Non-current liabilities</u>					
Trade and other payables	30	-	1,743	-	-
Amounts due to subsidiaries	30	-	-	<b>325,722</b>	293,214
Borrowings	32	<b>1,364,964</b>	1,047,763	<b>42</b>	229
Lease liabilities	33	<b>1,870,338</b>	1,818,168	-	-
Deferred tax liabilities	25	<b>67,038</b>	84,530	-	-
Provision for retirement benefits	34	<b>2,069</b>	2,212	-	-
Deposits	35	<b>12,046</b>	11,948	-	-
		<b>3,316,455</b>	2,966,364	<b>325,764</b>	293,443
Total liabilities		<b>4,718,010</b>	4,639,848	<b>625,412</b>	625,298
Net assets		<b>2,528,152</b>	2,354,218	<b>1,097,742</b>	1,141,311
<u>Equity attributable to Owners of the Company</u>					
Share capital	36	<b>999,190</b>	976,329	<b>999,190</b>	976,329
Less: Treasury shares		<b>(155,310)</b>	(155,310)	<b>(155,310)</b>	(155,310)
Reserves		<b>1,539,284</b>	1,406,241	<b>253,862</b>	320,292
		<b>2,383,164</b>	2,227,260	<b>1,097,742</b>	1,141,311
Non-controlling interests		<b>144,988</b>	126,958	-	-
Total equity		<b>2,528,152</b>	2,354,218	<b>1,097,742</b>	1,141,311
Total equity and liabilities		<b>7,246,162</b>	6,994,066	<b>1,723,154</b>	1,766,609

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Non-Distributable	Distributable			
	Ordinary share capital (Note 36) RM'000	Treasury shares RM'000	Other reserves (Note 38) RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<u>Group</u>							
At 1 January 2023	<b>976,329</b>	<b>(155,310)</b>	<b>276,189</b>	<b>1,130,052</b>	<b>2,227,260</b>	<b>126,958</b>	<b>2,354,218</b>
Comprehensive income:							
Profit for the financial year	-	-	-	<b>263,408</b>	<b>263,408</b>	<b>6,998</b>	<b>270,406</b>
Other comprehensive income:							
Currency translation differences of foreign subsidiaries	-	-	<b>5,425</b>	-	<b>5,425</b>	-	<b>5,425</b>
Revaluation surplus	-	-	<b>21,657</b>	-	<b>21,657</b>	-	<b>21,657</b>
Fair value gain on equity instrument classified as FVOCI	-	-	<b>266</b>	-	<b>266</b>	-	<b>266</b>
Total other comprehensive income	-	-	<b>27,348</b>	-	<b>27,348</b>	-	<b>27,348</b>
Transactions with Owners:							
Issue of share capital:							
- ESOS	<b>22,861</b>	-	<b>(3,678)</b>	-	<b>19,183</b>	-	<b>19,183</b>
Acquisition of interest in subsidiaries	-	-	-	<b>(73)</b>	<b>(73)</b>	<b>73</b>	-
Disposal of interest in subsidiaries	-	-	<b>(26,908)</b>	<b>19,150</b>	<b>(7,758)</b>	<b>16,439</b>	<b>8,681</b>
Lapsed ESOS	-	-	<b>(36,598)</b>	<b>36,598</b>	-	-	-
Dividends on ordinary shares (Note 15)	-	-	-	<b>(146,204)</b>	<b>(146,204)</b>	-	<b>(146,204)</b>
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	<b>(5,480)</b>	<b>(5,480)</b>
Total transactions with Owners	<b>22,861</b>	-	<b>(67,184)</b>	<b>(90,529)</b>	<b>(134,852)</b>	<b>11,032</b>	<b>(123,820)</b>
At 31 December 2023	<b>999,190</b>	<b>(155,310)</b>	<b>236,353</b>	<b>1,302,931</b>	<b>2,383,164</b>	<b>144,988</b>	<b>2,528,152</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Ordinary share capital (Note 36) RM'000	Treasury shares RM'000	Non-Distributable	Distributable	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
			Other reserves (Note 38) RM'000	Retained earnings RM'000			
<u>Group (continued)</u>							
At 1 January 2022	959,521	(155,310)	279,298	1,051,921	2,135,430	115,078	2,250,508
Comprehensive income:							
Profit for the financial year	-	-	-	166,981	166,981	15,672	182,653
Other comprehensive income:							
Currency translation differences of foreign subsidiaries	-	-	2,489	-	2,489	-	2,489
Revaluation deficit	-	-	(35)	-	(35)	-	(35)
Fair value gain on equity instrument classified as FVOCI	-	-	(217)	-	(217)	-	(217)
Total other comprehensive income	-	-	2,237	-	2,237	-	2,237
Transactions with Owners:							
Issue of share capital:							
- ESOS	16,808	-	(1,913)	-	14,895	-	14,895
Acquisition of non-controlling interest	-	-	-	(5,420)	(5,420)	(392)	(5,812)
Lapsed ESOS	-	-	(3,433)	3,433	-	-	-
Dividends on ordinary shares (Note 15)	-	-	-	(86,863)	(86,863)	-	(86,863)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(3,400)	(3,400)
Total transactions with Owners	16,808	-	(5,346)	(88,850)	(77,388)	(3,792)	(81,180)
At 31 December 2022	976,329	(155,310)	276,189	1,130,052	2,227,260	126,958	2,354,218

# COMPANY STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Ordinary share capital (Note 36) RM'000	Treasury reserves RM'000	Share option reserves RM'000	Non- Distributable FVOCI reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<u>Company</u>						
At 1 January 2023	<b>976,329</b>	<b>(155,310)</b>	<b>40,276</b>	<b>(217)</b>	<b>280,233</b>	<b>1,141,311</b>
Total comprehensive income:						
Profit for the financial year	-	-	-	-	<b>146,408</b>	<b>146,408</b>
Other comprehensive income:						
Gain on fair value of equity instrument classified as FVOCI	-	-	-	<b>582</b>	-	<b>582</b>
Transactions with Owners:						
Issue of share capital:						
- ESOS	<b>22,861</b>	-	<b>(3,678)</b>	-	-	<b>19,183</b>
Dividends on ordinary shares (Note 15)	-	-	-	-	<b>(146,204)</b>	<b>(146,204)</b>
Lapsed ESOS	-	-	<b>(36,598)</b>	-	<b>(26,940)</b>	<b>(63,538)</b>
Total transactions with Owners	<b>22,861</b>	-	<b>(40,276)</b>	<b>582</b>	<b>(26,736)</b>	<b>(43,569)</b>
At 31 December 2023	<b>999,190</b>	<b>(155,310)</b>	-	<b>365</b>	<b>253,497</b>	<b>1,097,742</b>
At 1 January 2022	<b>959,521</b>	<b>(155,310)</b>	<b>45,622</b>	-	<b>263,813</b>	<b>1,113,646</b>
Total comprehensive income:						
Profit for the financial year	-	-	-	-	<b>99,850</b>	<b>99,850</b>
Other comprehensive income:						
Loss on fair value of equity instrument classified as FVOCI	-	-	-	<b>(217)</b>	-	<b>(217)</b>
Transactions with Owners:						
Issue of share capital:						
- ESOS	<b>16,808</b>	-	<b>(1,913)</b>	-	-	<b>14,895</b>
Dividends on ordinary shares (Note 15)	-	-	-	-	<b>(86,863)</b>	<b>(86,863)</b>
Lapsed ESOS	-	-	<b>(3,433)</b>	-	<b>3,433</b>	-
Total transactions with Owners	<b>16,808</b>	-	<b>(5,346)</b>	-	<b>(83,430)</b>	<b>(71,968)</b>
At 31 December 2022	<b>976,329</b>	<b>(155,310)</b>	<b>40,276</b>	<b>(217)</b>	<b>280,233</b>	<b>1,141,311</b>

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Operating activities</u>					
Profit before tax					
- Continuing operations		<b>377,942</b>	275,142	<b>146,408</b>	99,596
- Discontinued operations		<b>(31,752)</b>	(19,384)	-	-
		<b>346,190</b>	255,758	<b>146,408</b>	99,596
Adjustments for:					
Share of results of associates		<b>(46,757)</b>	(47,764)	-	-
Finance income		<b>(20,410)</b>	(12,259)	-	-
Finance costs:					
- Borrowings		<b>97,377</b>	92,084	<b>24,672</b>	21,146
- Lease liabilities		<b>108,501</b>	103,582	-	-
Dividend income from subsidiaries	7	-	-	<b>(195,373)</b>	(131,024)
Dividend income from equity instrument classified as FVOCI	7	<b>(6)</b>	-	<b>(1,801)</b>	-
Interest income	7	-	-	<b>(22,602)</b>	(24,129)
Allowance for ECL:					
- Trade receivables	26	<b>7,271</b>	(5,755)	-	-
- Amount due from subsidiaries	10	-	-	<b>1,386</b>	3,189
Gain on disposal of shares in subsidiaries		<b>(44,781)</b>	-	-	-
Property, plant and equipment:					
- Depreciation		<b>198,057</b>	189,933	<b>636</b>	399
- Written-off	10	<b>588</b>	1,875	-	-
- Loss/(Gain) on disposal	10	<b>865</b>	(2,064)	<b>(62)</b>	4
- Net impairment		<b>20,804</b>	(6,709)	-	-
Right-of-use assets:					
- Depreciation		<b>72,970</b>	67,313	-	-
Investment properties:					
- Net loss/(gain) on fair value	19	<b>2,733</b>	(3,280)	-	-
Intangible asset:					
- Amortisation of software development expenditure	20	<b>10,583</b>	10,408	-	-
- Written-off	20	-	3,559	-	-
Inventories written-off/(written back)	10	<b>394</b>	(64)	-	-
Provision for retirement benefits	34	<b>180</b>	197	-	-
Gain on disposal of assets held for sale	10	<b>(1,288)</b>	(4,353)	-	-
Operating changes before working capital changes		<b>753,271</b>	642,461	<b>(46,736)</b>	(30,819)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Operating activities (continued)</u>					
Changes in working capital:					
Inventories		<b>(7,530)</b>	(12,661)	-	-
Receivables		<b>(33,177)</b>	(171,562)	<b>(2,374)</b>	(2,102)
Payables		<b>(17,366)</b>	96,151	<b>5,113</b>	4,034
Contract liabilities		<b>39,071</b>	(2,233)	-	-
Related companies:					
- Amount due from subsidiaries		-	-	<b>63,860</b>	79,641
- Amount due to subsidiaries		-	-	<b>39,421</b>	55,055
<hr/>					
Cash flows generated from operations		<b>734,269</b>	552,156	<b>59,284</b>	105,809
Income tax refund		<b>19,634</b>	1,613	-	-
Income tax paid		<b>(96,051)</b>	(93,657)	<b>(522)</b>	(492)
Retirement benefits paid	34	<b>(323)</b>	(340)	-	-
Net cash generated from operating activities		<b>657,529</b>	459,772	<b>58,762</b>	105,317
<hr/>					
<u>Investing activities</u>					
Additions to property, plant and equipment		<b>(237,492)</b>	(234,181)	<b>(3,810)</b>	(776)
Additions to intangible assets	20	<b>(3,010)</b>	-	<b>(3,010)</b>	-
Additions to equity instruments classified as FVOCI	24	-	-	<b>(9,714)</b>	(25,010)
Additions to investment in associates		-	(25,010)	-	-
Proceeds from disposal of property, plant and equipment		<b>2,242</b>	3,266	<b>201</b>	3
Disposals of interest in subsidiaries: 22					
- Proceeds, net of cash and cash equivalents disposed		<b>19,807</b>	-	-	-
- Settlement of shareholders' Loan		<b>156,277</b>	-	-	-
Proceeds from disposal of assets held for sale		<b>20,082</b>	192,000	-	-
Interest received		<b>20,236</b>	12,259	<b>22,602</b>	24,129
(Increase)/Decrease in deposits with licensed banks with maturity of more than 3 months	28	<b>(99,989)</b>	663	-	-
Dividends received from associates/subsidiaries		<b>27,242</b>	25,193	<b>131,671</b>	40,698
Net cash (used in)/generated from investing activities		<b>(94,605)</b>	(25,810)	<b>137,940</b>	39,044

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Financing activities</u>					
Acquisition of non-controlling interests	22	-	(5,812)	-	(5,400)
Dividends paid to non-controlling interests		<b>(5,260)</b>	(1,494)	-	-
Issue of shares:					
- ESOS		<b>19,183</b>	14,895	<b>19,183</b>	14,895
Borrowings:					
- Drawdown		<b>707,641</b>	840,755	<b>80,000</b>	93,000
- Repayments		<b>(691,410)</b>	(817,437)	<b>(123,044)</b>	(84,335)
- Repayments to subsidiaries		-	-	<b>(1,379)</b>	(54,839)
Payment of lease liabilities		<b>(141,749)</b>	(133,815)	-	-
Interest paid		<b>(97,190)</b>	(92,084)	<b>(24,672)</b>	(21,146)
Dividends paid to shareholders		<b>(146,204)</b>	(86,863)	<b>(146,204)</b>	(86,863)
Designated account	28	<b>(79,744)</b>	(4,683)	-	-
Net cash used in financing activities		<b>(434,733)</b>	(286,538)	<b>(196,116)</b>	(144,688)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>128,191</b>	147,424	<b>586</b>	(327)
CURRENCY TRANSLATION DIFFERENCES		<b>7,446</b>	(531)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<b>416,866</b>	269,973	<b>3,315</b>	3,642
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	28	<b>552,503</b>	416,866	<b>3,901</b>	3,315

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Cashflows				Non-cash movement				At 31 Dec RM'000
	At 1 Jan RM'000	Drawdown RM'000	Repayments RM'000	Finance costs paid RM'000	Finance costs RM'000	Contra RM'000	Foreign exchange movement RM'000	Hire purchase/ leases RM'000	
<u>2023</u>									
<u>Group</u>									
Borrowings (exclude overdraft)	<b>1,870,710</b>	<b>707,641</b>	<b>(691,410)</b>	<b>(97,190)</b>	<b>97,190</b>	-	-	<b>6,572</b>	<b>1,893,513</b>
Lease liabilities	<b>1,862,845</b>	-	<b>(141,749)</b>	-	<b>107,701</b>	-	<b>3,460</b>	<b>78,001</b>	<b>1,910,258</b>
<u>Company</u>									
Borrowings	<b>215,170</b>	<b>80,000</b>	<b>(123,044)</b>	<b>(8,213)</b>	<b>8,213</b>	-	-	-	<b>172,126</b>
Amount due to subsidiaries	<b>390,406</b>	-	<b>(1,379)</b>	<b>(16,459)</b>	<b>16,459</b>	<b>39,424</b>	-	-	<b>428,451</b>
<u>2022</u>									
<u>Group</u>									
Borrowings (exclude overdraft)	1,810,991	840,755	(817,437)	(92,084)	92,084	-	-	36,401	1,870,710
Lease liabilities	1,319,261	-	(133,815)	-	103,582	-	(3,474)	577,291	1,862,845
<u>Company</u>									
Borrowings	206,505	93,000	(84,335)	(6,497)	6,497	-	-	-	215,170
Amount due to subsidiaries	390,190	-	(54,839)	(14,649)	14,649	55,055	-	-	390,406



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 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 16 February 2024.

### 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 Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the summary of material accounting policies below.

The preparation of the financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates and judgment are based on management's best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6. The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

#### 2.2 Amendments to standards that are effective and applicable to the Group and Company beginning on 1 January 2023

The amendments to standards that are effective and applicable to the Group and the Company are as follows:

Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies  
Amendments to MFRS 108: Definition of Accounting Estimates  
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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, except for the adoption of Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of accounting policies which have an impact on the Group's disclosures of accounting policies. The amendments require the disclosure of "material", rather than significant accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Amendments to standards that have been issued but not yet effective and have not been adopted early by the Group and the Company

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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.

### 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 2023 (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.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the income statement outside operating profit and represents the profit or loss after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss within 'Share of profit of an associate' in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Property, plant and equipment

Property, plant and equipment are initially stated at cost. Land and buildings are subsequently shown at fair value less subsequent depreciation and impairment losses. Valuations are performed in every five years by external valuers to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

When revalued assets are sold, the revaluation surplus included in equity is transferred directly to retained earnings when the asset is retired or disposed of.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight-line method to allocate the cost or the revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

Buildings	2%
Renovation	8% - 20%
Medical and other equipment	7.5% - 33.33%
Furniture and fittings	10% - 20%
Vehicles	10% - 20%
Computers	10% - 20%

Depreciation on assets under construction commences when the assets are ready for their intended use.

### 2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.10 Intangible assets

##### (a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit or loss.

Following initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination.

The CGU to which goodwill has been allocated is tested for impairment annually according to the basis set out in Note 2.11 and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.31.

##### (b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on the straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date.

##### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.10 Intangible assets (continued)

##### (b) Other intangible assets (continued)

###### Software development expenditure (continued)

When development is complete and the asset is available for use, it is amortised over the straight-line basis over a period of 5 to 10 years. During the period of development, the asset is tested for impairment annually. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11. Cost incurred in software development which have ceased to be technically viable, are written off.

#### 2.11 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, "CGU").

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

#### 2.12 Financial assets

##### (a) Classification

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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial assets (continued)

#### (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").

#### 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 investments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group classifies its debt instruments:

#### (i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost and are subject to impairment. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and recognised in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income as applicable.

#### (ii) Fair value through other comprehensive income ("FVOCI")

Debt instruments at fair value through other comprehensive income includes investments in quoted government and corporate bonds. The Group does not have any debt instruments at fair value through other comprehensive income.

#### (iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other gains/(losses) in the period which it arises.

#### Equity Instruments

The Group has elected to subsequently measures all equity investments at fair value through OCI. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial assets, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.12 Financial assets (continued)

##### (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.

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 measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 3(a)(ii) sets out the measurement details of ECL.

- (ii) Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Note 3(a)(i) sets out the measurement details of ECL.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial assets (continued)

#### (d) Subsequent measurement - Impairment (continued)

##### Significant increase in credit risk

The Group and the Company considers 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 compares 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

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial assets (continued)

#### (d) Subsequent measurement - Impairment (continued)

##### Groupings of instruments for ECL measured on collective basis

##### (i) Collective assessment

To measure ECL, trade receivables arising from hospital operations have been grouped based on shared credit risk characteristics such as type of receivables and the days past due.

##### (ii) Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

##### Write-off

##### (i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period after schedule payment was made.

Impairment losses on trade receivables are presented as impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

##### (ii) Other receivables

The Group's and the Company's assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

### 2.14 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9: Financial instruments and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15: Revenue from Contracts with Customers, where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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 option`s) are only included in the lease term if the lease is reasonably certain to be extended (or not to 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).

#### ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs, if any.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on the straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

While the Group revalues land and building (presented as part of property, plant and equipment) that it owns, it has chosen not to revalue the ROU building held by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.15 Leases (continued)

##### (a) Accounting by lessee (continued)

##### iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of comprehensive income.

##### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 Leases (continued)

#### (b) Accounting by lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included as revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised in the period in which they are earned.

### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for merchandise 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.

Assets and liabilities classified as held for sale are presented as 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.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.17 Non-current assets (or disposal groups) classified as assets held for sale and discontinued operations (continued)

The results of discontinued operations are presented as a single amount in the statement of comprehensive income.

Additional disclosures are provided in Note 14. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

#### 2.18 Inventories

Inventories are stated at the lower of cost (determined on the weighted average basis and includes expenditure incurred in bringing the inventories to its present location and condition) and net realisable value.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

#### 2.19 Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

In the statement of financial position, banks overdrafts are shown within borrowings in current liabilities.

#### 2.20 Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

#### 2.21 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.21 Borrowings and borrowing costs (continued)

#### (a) Borrowings (continued)

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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.22 Current and deferred income taxes (continued)

##### (b) Deferred tax

The Group has applied a temporary mandatory relief from deferred tax accounting related to Pillar Two income taxes.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The Group's accounting policy in respect of reinvestment allowance/investment tax allowance tax credit is to recognise the tax credit when it is utilised as a reduction of current income tax liability and no deferred tax asset is recognised when the tax credit arises.

#### 2.23 Employee benefits

##### (a) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as accruals in the statement of financial position.

##### (b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (c) Defined benefit plans

One of the subsidiary in the Group operates an unfunded lump-sum defined benefit plan for its eligible employees. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in profit or loss in employee benefit expense.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.24 Share-based payments - employee options

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specific period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to share option reserve in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as a capital contribution to the subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity of the Company.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised together with the share option reserve.

The Company recharges the subsidiaries the difference between the market price at the date of exercise and the exercise price. When the Company recharges its subsidiaries, it is treated as a return of the capital contribution by the subsidiaries, with a corresponding credit to profit or loss.

When options are not exercised and lapse, the share option reserve is transferred to retained earnings and/ or derecognised from investment in subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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.

#### Onerous contracts

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

The present value of future payments for surplus leased properties under non-cancellable operating leases, net of estimated sub-leasing revenue, is recognised as a liability (or, if lower, the costs of exiting from the contract) for the leased property that is no longer part of a cash-generating unit.

### 2.26 Contingent liabilities

The Group does not recognise contingent liabilities but discloses their existence in the notes to the financial statements. A contingent liability is a possible obligation that arises from past events whose crystallisation will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

#### Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

### 2.27 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.27 Current versus non-current classification (continued)

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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.30 Revenue recognition

Revenue from contracts with customers

(a) Revenue from hospital and healthcare charges

Revenue from hospital and healthcare charges comprises inpatient and outpatient hospital charges and sales of pharmaceutical products, medical supplies and surgical products. These revenue are recognised as follows:

i. Revenue from inpatient and outpatient hospital charges

Inpatient revenue is recognised on a daily basis, as services are provided or goods delivered to patients. These services are typically provided over a short time frame, such as the use of medical equipment, drugs, nursing procedures, room charges and others.

Outpatient cases generally do not involve surgical procedures and revenue is recognised on an individual component basis when performance obligations are satisfied. The outpatient revenue charges are identified as separate performance obligations as the services are separately identifiable.

Revenue is recognised at a point in time as services are rendered or goods delivered. Revenue will only be recognised to the extent that it is highly probable that a significant reversal will not occur, net of discounts. A receivable is recognised upon billing net of deposits received."

ii. Wellness packages / Aged care revenue

Revenue from wellness packages/aged care are recognised as and when the performance obligations are satisfied. Each service offered has been identified as a separate performance obligation.

Advance payment received are recognised as contract liabilities/deposit received.

(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.

(d) 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.

(e) Interest income

Interest income is recognised on the accrual basis using the effective interest method.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.30 Revenue recognition (continued)

Revenue from contracts with customers (continued)

(f) Rental income

Rental income receivable under operating lease is recognised on the straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease. Contingent rentals are recognised as income in the reporting period in which they are earned.

### 2.31 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred 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 2023 (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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.32 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purposes of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

### 2.33 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. parties are also considered related if they are subject to common control or common significant influence. related parties may be individuals including close members of the individuals, or corporate entities.

### 2.34 Zakat

This represents business zakat. The Group and Company recognise its obligation towards the payment of zakat on business income in the statement of comprehensive income. Zakat expense is derived from the net adjusted amount of zakat assets and liabilities used for or derived from business activities.

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises mainly from trade and other receivables, cash and cash equivalents, and deposits with financial institutions. Risk arising from these are minimised through effective monitoring of receivable accounts that exceeded the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses. The Group has no significant concentration of credit risk with any single customer.

The Group seeks to invest cash assets safely and profitability and buys insurance to protect itself against insurable risk in this regard, counterparties are assessed for credit limits that are set to minimise any potential losses. The Group's cash and cash equivalents and short-term deposits are placed with creditworthy financial institutions and the risks arising there from are minimised in view of the financial strength of these financial institutions.

The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and the repayment made by the subsidiary. As at the reporting date, there is no indication that the subsidiary would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition is not material.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Credit risk (continued)

##### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. In addition, the Company is exposed to credit risk arising from the financial guarantee contracts as disclosed in Note 3(a)(iii).

##### **Group impairment policy**

#### (i) Trade receivables using simplified approach

The historical loss rates are calculated based on the percentage of revenue that will turn into bad debts at the end of the period. The expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product ("GDP") and credit rating of each category of customers to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

#### (ii) Other receivables using general 3-stage approach

The Group and the Company use three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

**Group impairment policy (continued)**

(ii) Other receivables using general 3-stage approach (continued)

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

**Maximum exposure to credit risk**

(i) Trade receivables using simplified approach

The Group recognises the ECL allowance using provision rates that are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The loss allowance recognised as at 31 December 2023 is RM5,736,000 (2022: RM15,306,000).

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.

(iii) Financial guarantee contracts using general 3-stage approach

The following table contains an analysis of the credit risk exposure of financial guarantee contracts for which an ECL allowance is recognised. The total amount guaranteed below also represents the maximum amount that the Company has to pay if the guarantee is called on:

	Stage 1 12 month ECL RM'000	Stage 2 Lifetime ECL RM'000	Stage 3 Lifetime ECL RM'000	Total RM'000
Company's internal credit rating				
Performing	1,510,109	-	-	1,510,109
Underperforming	-	-	-	-
Non-performing	-	-	-	-
Total amount guaranteed	1,510,109	-	-	1,510,109
Loss allowance	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Cash flow forecasting is performed by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statements of financial position ratio targets.

Surplus cash held by the subsidiaries over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in financial instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

#### Analysis of financial instruments by remaining contractual maturities

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

	On demand or within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>2023</u>				
Group				
Trade and other payables	658,292	-	-	658,292
Borrowings	572,419	427,933	1,043,299	2,043,651
Lease liabilities	148,295	587,652	3,004,763	3,740,710
Deposits	-	-	12,046	12,046
<b>Total undiscounted financial liabilities</b>	<b>1,379,006</b>	<b>1,015,585</b>	<b>4,060,108</b>	<b>6,454,699</b>
<u>Company</u>				
Trade and other payables	24,835	-	-	24,835
Amounts due to subsidiaries	102,729	362,641	-	465,370
Borrowings	172,084	42	-	172,126
Financial guarantee contracts*	208,908	303,668	997,533	1,510,109
<b>Total undiscounted financial liabilities</b>	<b>508,556</b>	<b>666,351</b>	<b>997,533</b>	<b>2,172,440</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<u>2022</u>				
<u>Group</u>				
Trade and other payables	720,220	1,743	-	721,963
Borrowings	878,109	511,203	614,403	2,003,715
Lease liabilities	141,224	564,566	2,949,853	3,655,643
Deposits	-	-	11,948	11,948
<b>Total undiscounted financial liabilities</b>	<b>1,739,553</b>	<b>1,077,512</b>	<b>3,576,204</b>	<b>6,393,269</b>
<u>Company</u>				
Trade and other payables	19,722	-	-	19,722
Amounts due to subsidiaries	97,192	354,993	-	452,185
Borrowings	223,798	233	-	224,031
Financial guarantee contracts*	471,501	340,613	576,279	1,388,393
<b>Total undiscounted financial liabilities</b>	<b>812,213</b>	<b>695,839</b>	<b>576,279</b>	<b>2,084,331</b>

\* Related to Islamic Medium Term Notes (Note 32)

(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 (2022: 25 basis points) lower/higher, with all other variables held constant, the Group's profit before tax for the financial year would have been RM466,833 (2022: RM540,445) 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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.

### 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 divided by shareholders' funds.

The Group's gross gearing ratios as at 31 December 2023 and 2022 were as follows:

	Group	
	2023 RM'000	2022 RM'000
Current borrowings	546,955	839,415
Non-current borrowings	1,364,964	1,047,763
<b>Total borrowings (Note 32) - [A]</b>	<b>1,911,919</b>	1,887,178
Shareholders' funds - [B]	<b>2,383,164</b>	2,227,260
<b>Gross gearing ratio (%) - [A] / [B]</b>	<b>0.80</b>	0.85

Borrowings represent short-term borrowings and term loans from licensed banks, hire purchase creditors, Islamic Medium Term Notes and excludes lease liabilities.

The Group has complied with all material external financial covenants during the financial year as disclosed in Note 32.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 5. FAIR VALUE DISCLOSURE

(a) Determination of fair value of financial instruments

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

Current asset/liability	Note
Trade and other receivables and amounts due from subsidiaries	26
Deposits, bank and cash balances	28
Trade and other payables and amounts due to subsidiaries	30
Borrowings	32
Deposits	35

Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

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

The fair values of non-current financial liabilities, which primarily comprise advances to or from subsidiaries, borrowings and deposits, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangement at the reporting date. The fair value of these financial liabilities are disclosed in their respective notes.

Financial instruments that are carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

The fair values of the Group's non-current fixed-rate borrowings are determined by using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair values of these instruments are disclosed in Note 32.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Group</u>				
Equity instruments classified as FVOCI (Note 24)	<b>1,507</b>	1,241	-	-
Property, plant and equipment (Note 17):				
- Freehold land	-	-	<b>247,534</b>	247,534
- Buildings	-	-	<b>1,511,527</b>	1,454,790
Investment properties (Note 19)	-	-	<b>358,166</b>	360,420
	<b>1,507</b>	1,241	<b>2,117,227</b>	2,062,744
<u>Company</u>				
Equity instruments classified as FVOCI (Note 24)	<b>36,547</b>	26,251	-	-

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 2023 and 31 December 2022.

### 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 goodwill

The Group tests goodwill for impairment annually whether goodwill has suffered any impairment, in accordance with its accounting policy stated in Note 2.11. More regular reviews are performed if events indicate that this is necessary.

The recoverable amounts of cash-generating units have been determined based on value in use calculations. The calculations require the use of estimates as set out in Note 21.

(b) Extension and termination of options as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably not to be exercised.

The Group assesses, by applying significant judgement at lease commencement date, whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate it.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 7. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
<u>Revenue from contract with customers</u>				
Recognised at a point in time:				
Revenue from hospital and healthcare charges:				
- Revenue from inpatient and outpatient hospital charges:				
- Revenue from hospital	<b>3,205,741</b>	2,674,231	-	-
- Management fees from consultants	<b>113,828</b>	103,060	-	-
- Wellness packages	<b>4,683</b>	6,266	-	-
- Vaccine administration services	<b>15</b>	1,830	-	-
- Aged care revenue	<b>5,261</b>	3,414	-	-
	<b>3,329,528</b>	2,788,801	-	-
Recognised over time:				
Tuition fees	<b>40,722</b>	36,028	-	-
Management fees	<b>6,807</b>	4,353	<b>68,548</b>	58,712
	<b>47,529</b>	40,381	<b>68,548</b>	58,712
	<b>3,377,057</b>	2,829,182	<b>68,548</b>	58,712
<u>Revenue from other sources</u>				
Dividend income	<b>6</b>	-	<b>197,174</b>	131,024
Interest income	-	-	<b>22,602</b>	24,129
Rental income	<b>41,470</b>	39,190	-	-
Other revenue	<b>168</b>	102	-	-
	<b>41,644</b>	39,292	<b>219,776</b>	155,153
	<b>3,418,701</b>	2,868,474	<b>288,324</b>	213,865

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 7. REVENUE (CONTINUED)

Hospital and healthcare charges generally relates to contracts with patients in which performance obligations are to provide healthcare services. The performance obligations for inpatient services are generally satisfied over a short period, and revenue from inpatients is recorded when the healthcare services is performed. The performance obligations for outpatient and daycare services are generally satisfied over a period of less than one day, and revenue is also recorded when the healthcare services is performed. Revenue from sales of pharmaceutical products are recognised upon delivery to customers.

There are no unsatisfied performance obligations at the end of the financial year.

Revenue from tuition fees and management fees are recognised over time.

#### Disaggregation of revenue from contracts with customers

The following tables show the Group's revenue disaggregated by the Group's major services and provide reconciliations of the disaggregated revenue with the major market segments.

	Hospital and healthcare charges		Others		Total
	Malaysia RM'000	Others RM'000	Malaysia RM'000	Others RM'000	RM'000
2023					
Segment revenue	<b>3,941,782</b>	<b>29,141</b>	<b>482,510</b>	<b>41,318</b>	<b>4,494,751</b>
Intersegment revenue	<b>(641,395)</b>	<b>-</b>	<b>(434,089)</b>	<b>(566)</b>	<b>(1,076,050)</b>
Revenue from external customers	<b>3,300,387</b>	<b>29,141</b>	<b>48,421</b>	<b>40,752</b>	<b>3,418,701</b>
2022 (Restated)					
Segment revenue	3,354,554	20,974	371,180	36,631	3,783,339
Intersegment revenue	(586,727)	-	(327,572)	(566)	(914,865)
Revenue from external customers	2,767,827	20,974	43,608	36,065	2,868,474

### 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 2023 (CONTINUED)

### 9. FINANCE INCOME AND COSTS

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
<u>Finance costs</u>				
<u>Borrowings</u>				
Profit sharing on Islamic financing:				
- Islamic Medium Term Notes	<b>68,352</b>	64,278	-	-
- Term loans	<b>17,141</b>	10,715	-	-
- Revolving credits	<b>8,838</b>	7,640	<b>8,202</b>	6,479
- Hire purchase creditors	<b>2,140</b>	2,829	<b>11</b>	18
- Bank overdrafts	<b>1,299</b>	1,419	-	-
Interest expense on conventional financing:				
- Term loans	<b>157</b>	5,012	-	-
- Hire purchase creditors	<b>6</b>	10	-	-
- Interest on advances from subsidiaries	-	-	<b>16,459</b>	14,649
- Revolving credits	-	1,012	-	-
	<b>97,933</b>	92,915	<b>24,672</b>	21,146
Less: Interest expense capitalised in:				
- Property, plant and equipment (Note 17)	<b>(743)</b>	(1,062)	-	-
	<b>97,190</b>	91,853	<b>24,672</b>	21,146
Lease liabilities	<b>107,701</b>	102,482	-	-
	<b>204,891</b>	194,335	<b>24,672</b>	21,146
<u>Finance income</u>				
Profit sharing from deposits with licensed banks	<b>(20,149)</b>	(12,141)	-	-
Net finance costs	<b>184,742</b>	182,194	<b>24,672</b>	21,146

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 5% (2022: 5%).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 10. PROFIT BEFORE TAX

Profit before tax is arrived after charging/(crediting):

	Note	Group		Company	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Auditors' remuneration					
- Statutory audits					
- EY Malaysia		<b>2,071</b>	1,724	<b>369</b>	378
- Non-EY		<b>632</b>	621	-	-
- Other services					
- EY Malaysia		<b>3,721</b>	2,165	<b>2,758</b>	2,165
- PwC		<b>1,020</b>	3,296	<b>478</b>	3,296
- Non-EY/PwC		<b>1,170</b>	147	<b>950</b>	147
Allowance for ECL:					
- Trade receivables	26	<b>7,271</b>	(5,755)	-	-
- Amount due from subsidiaries	26	-	-	<b>1,386</b>	3,189
Contribution to Klinik Waqaf An-Nur	39	<b>3,855</b>	2,495	<b>1,025</b>	-
Directors' remuneration	12	<b>3,728</b>	5,620	<b>3,601</b>	5,620
Cost of medical supplies		<b>958,248</b>	808,985	-	-
Inventories written-off/ (written back)		<b>394</b>	(64)	-	-
Professional fees		<b>20,995</b>	7,847	<b>6,225</b>	3,544
Repair and maintenance		<b>115,208</b>	106,682	<b>2,592</b>	2,504
Investment properties:					
- Rental income		<b>(15,764)</b>	(15,625)	-	-
- Direct operating expenses		<b>11,773</b>	10,175	-	-
- Loss/(Gain) on fair value	19	<b>2,733</b>	(3,280)	-	-
Property, plant and equipment:					
- Depreciation		<b>195,556</b>	184,882	<b>636</b>	399
- Written-off		<b>588</b>	1,875	-	-
- Loss/(Gain) on disposal		<b>865</b>	(2,064)	<b>(62)</b>	4
- Loss/(Reversal) on impairment		<b>4,033</b>	(6,709)	-	-
Gain on disposal of assets held for sale		<b>(1,288)</b>	(4,353)	-	-
Right-of-use assets:					
- Depreciation		<b>69,183</b>	63,419	-	-
Rental expense of land and buildings	18	<b>8,977</b>	7,333	<b>4,220</b>	4,043
Rental of equipment and vehicles	18	<b>10,000</b>	7,596	-	-
Employee benefits costs	11	<b>1,059,193</b>	895,794	<b>61,355</b>	52,860
Intangible assets:					
- Amortisation of software expenditure	20	<b>10,583</b>	10,408	-	-
- Written-off	20	-	3,559	-	-



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 11. EMPLOYEE BENEFITS COST

	Group		Company	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000
Staff costs (excluding Directors' remuneration):				
- Salaries, allowances and bonuses	<b>951,730</b>	802,501	<b>51,928</b>	45,114
- Contributions to defined contribution plan	<b>107,283</b>	93,096	<b>9,427</b>	7,746
- Provision for retirement benefits (Note 34)	<b>180</b>	197	-	-
	<b>1,059,193</b>	895,794	<b>61,355</b>	52,860

### 12. DIRECTORS REMUNERATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Managing and Executive Directors				
- Salaries, allowances and bonuses	<b>561</b>	2,682	<b>561</b>	2,682
- Contributions to defined contribution plan	<b>84</b>	221	<b>84</b>	221
- Benefits-in-kind	<b>8</b>	45	<b>8</b>	45
	<b>653</b>	2,948	<b>653</b>	2,948
Non-Independent and Non-Executive Directors				
- Fees	<b>700</b>	700	<b>700</b>	700
- Allowances	<b>851</b>	558	<b>810</b>	558
- Benefits-in-kind	<b>31</b>	23	<b>31</b>	23
	<b>1,582</b>	1,281	<b>1,541</b>	1,281
Independent and Non-Executive Directors				
- Fees	<b>600</b>	620	<b>600</b>	620
- Allowances	<b>932</b>	839	<b>846</b>	839
- Benefits-in-kind	<b>2</b>	6	<b>2</b>	6
	<b>1,534</b>	1,465	<b>1,448</b>	1,465
	<b>3,769</b>	5,694	<b>3,642</b>	5,694

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 12. DIRECTORS REMUNERATION (CONTINUED)

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	
	2023	2022
<u>Managing and Executive Directors:</u>		
RM1 - RM900,000	1	-
RM1,000,001 - RM1,500,000	-	1
RM1,500,001 - RM2,000,000	-	1
<u>Non-Independent Non-Executive Directors:</u>		
RM1 - RM100,000	-	1
RM100,001 - RM200,000	1	1
RM200,001 - RM300,000	3	4
RM400,001 - RM500,000	1	-
<u>Independent Non-Executive Directors:</u>		
RM1 - RM100,000	-	2
RM100,001 - RM200,000	-	1
RM200,001 - RM300,000	2	2
RM300,001 - RM400,000	3	2
	<b>11</b>	15*

\*Including 5 Directors resigned during the financial year 2022.

### 13. TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Continuing operations</u>				
Malaysian income tax:				
- In respect of current financial year	113,590	61,822	-	-
- Over provision of prior years income tax	(639)	(1,024)	-	(170)
Foreign income tax:				
- In respect of current financial year	1,157	-	-	-
- Over provision of prior years income tax	(3,527)	(363)	-	-
	<b>110,581</b>	60,435	-	(170)
Deferred tax (Note 25)	<b>(35,236)</b>	12,773	-	(84)
Income tax expense recognised in the profit or loss	<b>75,345</b>	73,208	-	(254)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 13. TAX (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Discontinued operations				
Foreign income tax:				
- In respect of current financial year	<b>(796)</b>	583	-	-
- Under/(Over) provision of prior years income tax	<b>439</b>	(997)	-	-
	<b>(357)</b>	(414)	-	-
Deferred tax (Note 25)	<b>796</b>	311	-	-
Income tax expense attributable to a discontinued operation (Note 14)	<b>439</b>	(103)	-	-
Total income tax expense recognised in the profit or loss	<b>75,784</b>	73,105	-	(254)
Deferred tax related to other comprehensive income (Note 25)	<b>6,372</b>	(5)	-	-

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax				
- continuing operations	<b>377,942</b>	275,142	<b>146,408</b>	99,596
- discontinued operation (Note 14)	<b>(31,752)</b>	(19,384)	-	-
	<b>346,190</b>	255,758	<b>146,408</b>	99,596
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	<b>83,086</b>	61,382	<b>35,138</b>	23,903
Tax effects of:				
- Different tax rates	<b>(2,765)</b>	(685)	-	-
- Income not subject to tax	<b>(12,349)</b>	(3,705)	<b>(47,340)</b>	(33,741)
- Expenses non-deductible for tax purposes	<b>45,631</b>	22,538	<b>10,976</b>	8,352
- Share of results of associates	<b>(11,222)</b>	(11,463)	-	-
- (Over)/Under provision of prior years income tax	<b>(6,941)</b>	3,001	-	(170)
- Deductible temporary differences not recognised	<b>25,297</b>	29,892	<b>1,226</b>	1,402
- Utilisation/Realisation of deductible temporary differences previously not recognised	<b>(44,953)</b>	(27,855)	-	-
Income tax expense	<b>75,784</b>	73,105	-	(254)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 14. DISCONTINUED OPERATIONS

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

(a) Statement of comprehensive income of the discontinued operation is as follows:

	Group	
	2023 RM'000	2022 RM'000 Restated
Revenue	85,750	89,620
Cost of sales	<b>(84,165)</b>	(78,716)
Gross profit	<b>1,585</b>	10,904
Administrative expenses	<b>(37,538)</b>	(29,920)
Other income	<b>4,927</b>	844
Operating loss	<b>(31,026)</b>	(18,172)
Finance income	<b>261</b>	119
Finance costs	<b>(987)</b>	(1,331)
Finance costs - net	<b>(726)</b>	(1,212)
Loss before tax (Note 13)	<b>(31,752)</b>	(19,384)
Tax (Note 13)	<b>(439)</b>	103
Net loss for the financial year from discontinued operations	<b>(32,191)</b>	(19,281)
Other comprehensive income	<b>4,215</b>	89
Total comprehensive loss from discontinued operations	<b>(27,976)</b>	(19,192)
Loss for the financial year attributable to:		
Owners of the company	<b>(17,884)</b>	(11,629)
Non-controlling interests	<b>(14,307)</b>	(7,652)
	<b>(32,191)</b>	(19,281)
Total comprehensive loss for the financial year attributable to:		
Owners of the company	<b>(13,669)</b>	(11,540)
Non-controlling interests	<b>(14,307)</b>	(7,652)
	<b>(27,976)</b>	(19,192)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 14. DISCONTINUED OPERATIONS (CONTINUED)

(b) Statement of cash flows of the discontinued operation is as follow:

	Group	
	2023 RM'000	2022 RM'000 Restated
Net cash used in operating activities	<b>(8,024)</b>	(15,618)
Net cash generated from/(used in) investing activities	<b>18,396</b>	(1,802)
Net cash (used in)/generated from financing activities	<b>(5,363)</b>	11,953
Net changes in cash and cash equivalents	<b>5,009</b>	(5,467)

(c) Included in the profit or loss are the following expenses:

	Group	
	2023 RM'000	2022 RM'000 Restated
Auditors' remuneration:		
- Statutory audits	<b>192</b>	260
Cost of medical supplies	<b>16,275</b>	15,949
Directors' remuneration	<b>74</b>	165
Professional fees	<b>701</b>	666
Repair and maintenance	<b>2,175</b>	2,181
Depreciation:		
- Property, plant and equipment	<b>2,501</b>	5,050
- Right-of-use	<b>3,787</b>	3,894
Impairment loss on property, plant and equipment	<b>16,771</b>	-
Employee benefits costs	<b>62,607</b>	55,554

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 15. DIVIDENDS

	Group and Company
	RM'000
Declared in 2023 in respect of:	
<u>Financial year ended 31 December 2023</u>	
First interim single tier dividend of 0.60 sen per ordinary share paid on 14 April 2023	<b>26,186</b>
Second interim single tier dividend of 0.65 sen per ordinary shares paid on 4 July 2023	<b>28,368</b>
Third interim single tier dividend of 0.80 sen per ordinary shares paid on 3 October 2023	<b>34,914</b>
Fourth interim single tier dividend of 1.05 sen per ordinary shares paid on 28 December 2023	<b>45,825</b>
Special interim single tier dividend of 0.25 sen per ordinary shares paid on 28 December 2023	<b>10,911</b>
	<b>146,204</b>
Declared in 2022 in respect of:	
<u>Financial year ended 31 December 2022</u>	
First interim single tier dividend of 0.20 sen per ordinary share paid on 22 April 2022	8,685
Second interim single tier dividend of 0.25 sen per ordinary shares paid on 29 July 2022	10,858
Third interim single tier dividend of 0.55 sen per ordinary shares paid on 21 October 2022	23,888
Fourth interim single tier dividend of 1.00 sen per ordinary shares paid on 28 December 2022	43,432
	86,863

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 2023.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023	2022 Restated
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	<b>281,292</b>	178,610
Weighted average number of ordinary shares in issue ('000)	<b>4,361,014</b>	4,341,403
Basic earnings per share (sen)	<b>6.45</b>	4.11
<u>Discontinued operations</u>		
Loss attributable to Owners of the Company (RM'000)	<b>(17,884)</b>	(11,629)
Weighted average number of ordinary shares in issue ('000)	<b>4,361,014</b>	4,341,403
Basic earnings per share (sen)	<b>(0.41)</b>	(0.27)

#### (b) Diluted earnings per share

For the diluted earnings per share calculation, the average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares for the Group at reporting date is ESOS.

For the ESOS granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding ESOS. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of ESOS. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element in the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the profit for the financial year for the ESOS calculation.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 16. EARNINGS PER SHARE (CONTINUED)

#### (b) Diluted earnings per share (continued)

	Group	
	2023	2022 Restated
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	<b>281,292</b>	178,610
Weighted average number of ordinary shares in issue ('000)	<b>4,361,014</b>	4,341,403
Assumed shares issued from the exercise of ESOS ('000)	-	102,421
Weighted average number of ordinary shares in issue ('000)	<b>4,361,014</b>	4,443,824
Diluted earnings per share (sen)	<b>6.45</b>	4.02
<u>Discontinued operations</u>		
Loss attributable to Owners of the Company (RM'000)	<b>(17,884)</b>	(11,629)
Weighted average number of ordinary shares in issue ('000)	<b>4,361,014</b>	4,341,403
Assumed shares issued from the exercise of ESOS ('000)	-	102,421
Weighted average number of ordinary shares in issue ('000)	<b>4,361,014</b>	4,443,824
Diluted loss per share (sen)	<b>(0.41)</b>	(0.26)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<u>Group</u>							
<u>2023</u>							
At 1 January							
- Cost	-	-	489,643	1,146,957	576,804	224,780	2,438,184
- Valuation	247,534	1,504,908	-	-	-	-	1,752,442
	247,534	1,504,908	489,643	1,146,957	576,804	224,780	4,190,626
Exchange differences	-	1,261	(1)	275	218	45	1,798
Additions	-	6,689	32,367	132,737	44,700	27,571	244,064
Disposals	-	-	(26)	(8,329)	(8,624)	-	(16,979)
Written-off	-	-	(27)	(6,177)	(2,436)	(208)	(8,848)
Reclassifications	-	107,623	4,092	6,603	(4,783)	(113,535)	-
Transfer to assets held for sale (Note 29)	-	(44,812)	-	(4,734)	(1,974)	(1,049)	(52,569)
Revaluation surplus	-	26,550	-	-	-	-	26,550
Impairment loss	-	(23,078)	-	-	-	-	(23,078)
Elimination of accumulated depreciation on revaluation	-	(4,180)	-	-	-	-	(4,180)
	-	70,053	36,405	120,375	27,101	(87,176)	166,758
At 31 December							
- Cost	-	-	526,048	1,267,332	603,905	137,604	2,534,889
- Valuation	247,534	1,574,961	-	-	-	-	1,822,495
	247,534	1,574,961	526,048	1,267,332	603,905	137,604	4,357,384

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<u>Group (continued)</u>							
2023							
<u>Accumulated depreciation</u>							
At 1 January	-	(50,118)	(267,747)	(682,840)	(429,699)	-	(1,430,404)
Exchange differences	-	(90)	-	(498)	(106)	-	(694)
Charge for the financial year (Note 10)	-	(30,490)	(39,772)	(84,359)	(40,935)	-	(195,556)
Disposals	-	-	1	5,641	8,230	-	13,872
Written-off	-	-	164	5,997	2,099	-	8,260
Elimination of accumulated depreciation on revaluation	-	4,180	-	-	-	-	4,180
Transfer to assets held for sale (Note 29)	-	13,084	-	3,018	1,330	-	17,432
At 31 December	-	(63,434)	(307,354)	(753,041)	(459,081)	-	(1,582,910)
<u>Net carrying amounts</u>							
- Cost	-	-	218,694	514,291	144,824	137,604	1,015,413
- Valuation	247,534	1,511,527	-	-	-	-	1,759,061
At 31 December	247,534	1,511,527	218,694	514,291	144,824	137,604	2,774,474

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<u>Group (continued)</u>							
<u>2022</u>							
At 1 January							
- Cost	-	-	435,715	1,078,817	562,231	296,584	2,373,347
- Valuation	245,564	1,367,880	-	-	-	-	1,613,444
	245,564	1,367,880	435,715	1,078,817	562,231	296,584	3,986,791
Exchange differences	-	(1,141)	(818)	(1,409)	(748)	-	(4,116)
Additions	-	10,298	50,774	119,462	35,172	54,876	270,582
Disposals	-	(909)	(11)	(218)	(3,029)	-	(4,167)
Written-off	-	-	(92)	(16,253)	(4,566)	(1,012)	(21,923)
Reclassifications	-	108,300	17,368	-	-	(125,668)	-
Transfer from/(to) assets held for sale (Note 29)	-	15,696	(13,293)	(33,442)	(12,211)	-	(43,250)
Reversal of impairment loss (Note 10)	1,970	4,784	-	-	(45)	-	6,709
	247,534	1,504,908	489,643	1,146,957	576,804	224,780	4,190,626
At 31 December							
- Cost	-	-	489,643	1,146,957	576,804	224,780	2,438,184
- Valuation	247,534	1,504,908	-	-	-	-	1,752,442
	247,534	1,504,908	489,643	1,146,957	576,804	224,780	4,190,626

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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
<u>Group (continued)</u>							
<u>2022</u>							
<u>Accumulated depreciation</u>							
At 1 January	-	(21,720)	(231,317)	(651,122)	(406,394)	-	(1,310,553)
Exchange differences	-	(118)	746	1,289	1,059	-	2,976
Charge for the financial year	-	(31,711)	(38,215)	(74,545)	(41,154)	-	(185,625)
Disposals	-	54	2	180	2,729	-	2,965
Written-off	-	-	31	16,027	3,990	-	20,048
Transfer to assets held for sale (Note 29)	-	3,377	1,006	25,331	10,071	-	39,785
At 31 December	-	(50,118)	(267,747)	(682,840)	(429,699)	-	(1,430,404)
<u>Net carrying amounts</u>							
- Cost	-	-	221,896	464,117	147,105	224,780	1,057,898
- Valuation	247,534	1,454,790	-	-	-	-	1,702,324
At 31 December	247,534	1,454,790	221,896	464,117	147,105	224,780	2,760,222

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Company			
	Motor vehicle RM'000	Furniture, fittings and computers RM'000	Renovation RM'000	Total RM'000
<u>2023</u>				
<u>Cost</u>				
At 1 January	787	1,742	-	2,529
Additions	310	1,065	2,435	3,810
Disposals	(347)	-	-	(347)
At 31 December	750	2,807	2,435	5,992
<u>Accumulated depreciation</u>				
At 1 January	(387)	(514)	-	(901)
Charge for the financial year (Note 10)	(154)	(461)	(21)	(636)
Disposal	208	-	-	208
At 31 December	(333)	(975)	(21)	(1,329)
<u>Net carrying amounts</u>				
At 31 December	417	1,832	2,414	4,663
<u>2022</u>				
<u>Cost</u>				
At 1 January	787	974	-	1,761
Additions	-	776	-	776
Disposals	-	(8)	-	(8)
At 31 December	787	1,742	-	2,529
<u>Accumulated depreciation</u>				
At 1 January	(230)	(273)	-	(503)
Charge for the financial year (Note 10)	(157)	(242)	-	(399)
Disposal	-	1	-	1
At 31 December	(387)	(514)	-	(901)
<u>Net carrying amounts</u>				
At 31 December	400	1,228	-	1,628

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### Revaluation of land and buildings

The Group's land and buildings were fully revalued as at 31 December 2020. As at year end, the Group assess whether there is an indication that the carrying values of these assets have differ materially from its fair value. Where an indication exists, revaluations were carried out and the carrying value of these assets were updated to reflect its fair value based on independent valuation. Certain land and buildings that were completed and commenced operations during the year were also revalued as at year end.

Land and buildings comprise mainly those that are used by the Group as purpose-built private specialist hospitals. The lands were valued by reference to transactions of similar land in the surrounding with adjustments made for difference in accessibility, terrain, size and shape of the land, tenure, title restrictions if any and other relevant characteristics. The buildings were valued by reference to their depreciated replacement costs, i.e. the replacement cost now less appropriate adjustments for depreciation or obsolescence to reflect the existing condition of the buildings at the date of valuation. The book values of the land and buildings were adjusted to reflect the revaluation and the resultant surpluses were credited to revaluation reserve. These were all Level 3 in the fair value hierarchy.

In current financial year, certain freehold land and buildings were written down to their recoverable amounts as a result of the valuation carried out during the year (2022: reversal of impairment loss of RM6,709,000). The write-down was recognised in the statement of comprehensive income of the Group as administrative expenses and as revaluation deficit, amounted to RM20,804,000 and RM2,274,000 respectively.

The revaluations were made with reference to valuations carried out by independent firms of professional valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd., Messrs Appraisal (Malaysia) Sdn. Bhd. and Messrs CBRE Valuations Pty Limited ("the Valuers").

If the total amounts of the land and buildings had been determined in accordance with the historical cost convention, they would have been included at:

	Group	
	2023 RM'000	2022 RM'000
<u>Cost</u>		
Freehold land	<b>67,698</b>	67,698
Buildings	<b>826,257</b>	715,949
	<b>893,955</b>	783,647
<u>Accumulated depreciation</u>		
Buildings	<b>(88,958)</b>	(72,433)
Net carrying amounts	<b>804,997</b>	711,214

The net book value of assets under hire purchase creditors as at 31 December 2023 is RM42,584,000 (2022: RM11,922,000).

The net book value of property, plant and equipment pledged for borrowing facilities as at 31 December 2023 is RM298,334,000 (2022: RM308,979,000) as disclosed in Note 32.

The capital work-in-progress includes borrowing costs arising from general and specific borrowings from licensed banks and related companies within KPJ Group. During the financial year, borrowing costs capitalised as part of capital work-in-progress amounted to RM743,000 (2022: RM1,062,000) as disclosed in Note 9.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 18. RIGHT-OF-USE-ASSETS

The majority of the Group's leasing activities are lease of hospital buildings and land with Al- Aqar Healthcare REIT. The rental contracts are typically made for a period of 15 years with an option to extend for another 15 years. The lease terms are negotiated with the lessor, such that similar terms are set for properties with similar characteristics. These terms are used to maximise operational efficiencies in terms of managing contracts. There are no covenants attached to these leases and the properties may not be used as security for borrowing purposes.

	Group		
	Leasehold land RM'000	Land and buildings RM'000	Total RM'000
<u>2023</u>			
At 1 January 2023	99,455	1,477,584	1,577,039
Addition	-	78,001	78,001
Depreciation (Note 10)	(1,827)	(67,356)	(69,183)
At 31 December 2023	97,628	1,488,229	1,585,857

#### 2022

At 1 January 2022	166,533	982,777	1,149,310
Addition	2,327	555,410	557,737
Depreciation	(5,090)	(60,703)	(65,793)
Transfer to assets held for sales (Note 29)	(64,315)	-	(64,315)
Exchange differences	-	100	100
At 31 December 2022	99,455	1,477,584	1,577,039

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expenses related to short-term leases (included in cost of sales and administrative expenses) (Note 10)	(8,977)	(7,333)	(4,220)	(4,043)
Expenses relating to lease of low-value assets (included in cost of sales and administrative expenses) (Note 10)	(10,000)	(7,596)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 19. INVESTMENT PROPERTIES

	Group	
	2023 RM'000	2022 RM'000
At fair value:		
At 1 January	<b>360,420</b>	346,116
Exchange differences	<b>479</b>	(17)
Net (loss)/gain on fair value recognised during the year (Note 10)	<b>(2,733)</b>	3,280
Transfer from assets held for sale (Note 29)	-	11,041
At 31 December	<b>358,166</b>	360,420

The valuations were carried out by third party valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd. and Messrs Knight Frank Valuation & Advisory Queensland. In prior year, the valuations were carried out by third party valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd. and Messrs CBRE Valuations Pty Limited.

The fair value of investment property pledged for borrowing facilities as at 31 December 2023 is RM255,000,000 (2022: 255,000,000).

The fair value of the properties was estimated at RM358,166,000 (2022: RM360,420,000) 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.

	Valuation technique	Significant unobservable inputs	Range	
			2023	2022
Land and buildings	Comparison method	Location, visibility, size and tenure Estimated value per sq ft	<b>RM30 - RM609</b>	RM30 - RM609
(Carrying value as at 31 December 2023 of RM103,166,000 (2022: RM105,420,000)).				
Office properties	Investment method	Location, visibility, size and tenure Estimated rental value per sq ft per month Outgoings per sq ft per month Void rate Yield rate	<b>RM3.00 - RM7.50 RM1.80 8% 6.0% - 6.25%</b>	RM3.00 - RM7.50 RM1.80 5% 6.0% - 6.5%

(Carrying value as at 31 December 2023 of RM255,000,000 (2022: RM255,000,000)).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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 RM9.4 million (2022: RM9.3 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) 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 yield would result in a lower/higher fair value change by RM10.0 million/RM10.4 million (2022: RM9.4 million/RM10.3 million), while an increase in void rate to 10% (2022: 8%) would result in a lower fair value change by RM4.9 million (2022: RM6.7 million).

### 20. INTANGIBLE ASSETS

	Goodwill RM'000	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
<u>Group</u>				
<u>2023</u>				
<u>Cost</u>				
At 1 January 2023	211,455	70,252	-	281,707
Additions	-	-	3,010	3,010
At 31 December 2023	211,455	70,252	3,010	284,717

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 20. INTANGIBLE ASSETS (CONTINUED)

	Goodwill RM'000	Software expenditure RM'000	Software expenditure under development RM'000	Total RM'000
<u>Group</u>				
<u>2023</u>				
<u>Accumulated amortisation</u>				
At 1 January 2023	-	<b>(53,670)</b>	-	<b>(53,670)</b>
Amortisation charge for the year (Note 10)	-	<b>(10,583)</b>	-	<b>(10,583)</b>
At 31 December 2023	-	<b>(64,253)</b>	-	<b>(64,253)</b>
<u>Accumulated impairment</u>				
At 1 January 2023 / At 31 December 2023	<b>(21,994)</b>	-	-	<b>(21,994)</b>
<u>Net carrying amount</u>				
At 31 December 2023	<b>189,461</b>	<b>5,999</b>	<b>3,010</b>	<b>198,470</b>
<u>2022</u>				
<u>Cost</u>				
At 1 January 2022	211,455	73,811	-	285,266
Written-off	-	(3,559)	-	(3,559)
At 31 December 2022	211,455	70,252	-	281,707
<u>Accumulated amortisation</u>				
At 1 January 2022	-	(43,262)	-	(43,262)
Amortisation charge for the year (Note 10)	-	(10,408)	-	(10,408)
At 31 December 2022	-	(53,670)	-	(53,670)
<u>Accumulated impairment</u>				
At 1 January 2022 / At 31 December 2022	(21,994)	-	-	(21,994)
<u>Net carrying amount</u>				
At 31 December 2022	189,461	16,582	-	206,043

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 20. INTANGIBLE ASSETS (CONTINUED)

	Software expenditure under development RM'000	Total RM'000
<u>Company</u>		
<u>2023</u>		
<u>Cost</u>		
At 1 January 2023	-	-
Additions	3,010	3,010
At 31 December 2023	3,010	3,010
<u>Net carrying amount</u>		
At 31 December 2023	3,010	3,010

### 21. IMPAIRMENT OF INTANGIBLE ASSETS

Impairment tests for goodwill

	Group	
	2023 RM'000	2022 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.

The key assumptions used are as follows:

	2023 %	2022 %
Revenue growth rate <sup>(a)</sup>	11 - 17	10 - 18
EBITDA margin <sup>(b)</sup>	25.4 - 28.1	25.2 - 27.7
Discount rate <sup>(c)</sup>	13	13
Terminal growth rate <sup>(d)</sup>	3	3

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 21. IMPAIRMENT OF INTANGIBLE ASSETS (CONTINUED)

Assumptions:

- a. Revenue growth rate over the budget period
- b. EBITDA margin over the budget period
- c. Pre-tax discount rate applied to the cash flow projections
- d. Terminal growth rate used to extrapolate cash flows beyond the budget period

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

Management believes that any reasonable change to the above key assumptions would not cause the carrying value of the CGU to materially exceed its reasonable amount.

### 22. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are made up as follows:

	Company	
	2023 RM'000	2022 RM'000
Cost	970,424	970,424
Preference shares	300	300
Capital contribution reserve relating to share-based payments	-	66,529
	<b>970,724</b>	1,037,253

The following are subsidiaries of the Company:

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
Kumpulan Perubatan (Johor) Sdn. Bhd.	Malaysia	100	100	Managing and investment holding company for medical sector
Point Zone (M) Sdn. Bhd.	Malaysia	100	100	Providing treasury management services to the companies within the group
Tawakal Holdings Sdn. Bhd.*	Malaysia	100	100	Investment holding company
Johor Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Pusat Pakar Tawakal Sdn. Bhd.+	Malaysia	100	100	Operating as a specialist hospital

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
Ipoh Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Puteri Specialist Hospital (Johor) Sdn. Bhd. #	Malaysia	100	100	Dormant
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd.</u>				
Ampang Puteri Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Kajang Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Maharani Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Pasir Gudang Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Penang Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Pusat Pakar Kluang Utama Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
Rawang Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Operating as a specialist hospital
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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (continued)</u>				
Miri Specialist Hospital Sdn. Bhd.*	Malaysia	<b>84</b>	84	Operating as a specialist hospital
PT Khidmat Perawatan Jasa Medika*	Indonesia	-	80	Operating as a specialist hospital
PT Khasanah Putera Jakarta Medica*	Indonesia	-	75	Operating as a specialist hospital
Pahang Specialist Hospital Sdn. Bhd.	Malaysia	<b>70</b>	70	Operating as a specialist hospital
Perdana Specialist Hospital Sdn. Bhd.	Malaysia	<b>61</b>	61	Operating as a specialist hospital
Perlis Specialist Hospital Sdn. Bhd.	Malaysia	<b>80</b>	80	Operating as a specialist hospital
Selangor Specialist Hospital Sdn. Bhd.*	Malaysia	<b>60</b>	60	Operating as a specialist hospital
Advanced Health Care Solutions Sdn. Bhd.	Malaysia	<b>100</b>	100	Providing healthcare information system services
BDC Specialist Hospital Sdn. Bhd.	Malaysia	<b>100</b>	100	Operating as a building management company
Crossborder Aim (M) Sdn. Bhd.*	Malaysia	<b>100</b>	100	Investment holding company
Crossborder Hall (M) Sdn. Bhd.*	Malaysia	<b>100</b>	100	Investment holding company
Healthcare IT Solutions Sdn. Bhd.	Malaysia	<b>100</b>	100	Providing healthcare information technology services



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd.</u> (continued)				
Kota Kinabalu Wellness Sdn. Bhd.	Malaysia	100	100	Operating as an assisted living care, after birth care and rehabilitation centre
KPJ Ambulatory Care Centre Sdn. Bhd.*	Malaysia	100	100	Management and operation of ambulatory care centre
KPJ Dhaka (Pte) Ltd*	Bangladesh	100	100	Providing management services to a specialist hospital
KPJ Eyecare Specialist Sdn. Bhd.*	Malaysia	100	100	Providing medical and consultancy services in eye care
KPJ Healthcare University College 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 pharmacy retail outlet
KPJ MedikTV Sdn. Bhd.*	Malaysia	100	100	Operating as medical service provider
Kuantan Wellness Center Sdn. Bhd.	Malaysia	100	100	Operating as a dialysis and aged-care centre
Massive Hybrid Sdn. Bhd.*	Malaysia	100	100	To be operating as a specialist hospital
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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd.</u> (continued)				
Sibu Geriatric Health & Nursing Centre Sdn. Bhd.	Malaysia	100	100	Operating and managing an aged care facilities
Sterile Services Sdn. Bhd.	Malaysia	100	100	Providing sterile services
UTM KPJ Specialist Hospital Sdn. Bhd.*	Malaysia	100	100	To be operating as a specialist hospital
Fabricare Laundry Sdn. Bhd.*	Malaysia	98	98	Providing laundry services
DTI Resources Sdn. Bhd.	Malaysia	94	94	Providing information technology related services and rental of software
Pride Outlet Sdn. Bhd.*	Malaysia	100	75	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
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	Dormant
Bayan Baru Specialist Hospital Sdn. Bhd.*	Malaysia	100	100	Dormant

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd.</u> (continued)				
Damansara Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Dormant
Energy Excellent Sdn. Bhd.*	Malaysia	100	100	Dormant
KPJ Education Services Sdn. Bhd.*	Malaysia	100	100	Dormant
Pharmacare Surgical Technologies (M) Sdn. Bhd.*	Malaysia	100	100	Dormant
Seremban Specialist Hospital Sdn. Bhd.	Malaysia	100	100	Dormant
Skop Yakin (M) Sdn. Bhd.*	Malaysia	100	100	Dormant
Taiping Medical Centre Sdn. Bhd.	Malaysia	100	100	Dormant
Freewell Sdn. Bhd.*	Malaysia	80	80	Dormant
<u>Subsidiaries of Johor Specialist Hospital Sdn. Bhd.</u>				
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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
<u>Subsidiary of Ipoh Specialist Hospital Sdn. Bhd.</u>				
Sri Manjung Specialist Centre Sdn. Bhd.*	Malaysia	<b>100</b>	100	Operating as a specialist hospital
<u>Subsidiary of Selangor Specialist Hospital Sdn. Bhd.</u>				
Pusrawi SMC Sdn. Bhd.*	Malaysia	<b>52</b>	52	Operating as a polyclinic
<u>Subsidiary of SMC Healthcare Sdn. Bhd.</u>				
Amity Development Sdn. Bhd.	Malaysia	<b>100</b>	100	Operating as a property holding company
<u>Subsidiary of Pharmaserv Alliances Sdn. Bhd.</u>				
Malaysian Institute of Healthcare Management Sdn. Bhd.*	Malaysia	<b>75</b>	75	Dormant
<u>Subsidiary of KPJ Healthcare University College Sdn. Bhd.</u>				
KPJ Education (M) Sdn. Bhd.	Malaysia	<b>100</b>	100	Operating as a college and training centre

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following are subsidiaries of the Company: (continued)

Name of company	Country of Incorporation	Group's effective interest		Principal activities
		2023 %	2022 %	
<u>Subsidiaries of Jeta Gardens</u> (Qld) Pty Ltd				
Jeta Gardens Aged Care (Qld) Pty Ltd*	Australia	100	100	Operating and managing an aged care facility
Jeta Gardens Management (Qld) Pty Ltd*	Australia	100	100	Dormant
<u>Subsidiaries of Crossborder Aim (M) Sdn. Bhd. and Crossborder Hall (M) Sdn. Bhd.</u>				
PT Al-Agar Bumi Serpong Damai*	Indonesia	-	100	Operating as building management company
PT Al-Aqar Permata Hijau*	Indonesia	-	100	Operating as building management company

# Direct equity holding by the Company is 84% (2022: 84%)

+ Direct equity holding by the Company is 68% (2022: 68%)

\* Audited by firms other than EY PLT, Malaysia

#### Acquisition of additional interest in subsidiaries in 2023:

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

#### Disposal of interest in subsidiaries in 2023:

- (i) On 5 April 2023, Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB"), through its wholly-owned subsidiaries, Crossborder Aim (M) Sdn. Bhd. ("CASB") and Crossborder Hall (M) Sdn. Bhd. ("CHSB"), completed the disposals of its entire 100% equity interest in PT Al-Aqar Permata Hijau and its 80% interest in PT Khidmat Perawatan Jasa Medika ("PH Group") for cash consideration totalling RM22.4 million and settlement of Shareholder's Loan amounting RM18.8 million.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 22. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

#### Disposal of interest in subsidiaries in 2023: (continued)

	PH Group RM'000
Sales proceeds	41,223
Less: Settlement of shareholders' loan	(18,811)
Proceeds, net of cash and cash equivalents disposed	22,412
Less: Carrying amount of equity interest disposed	(18,371)
Gain on disposals	4,041
Purchase consideration settled in cash	22,412
Less: Cash and cash disposed	(12,733)
Cash inflow of the Group on acquisition	9,679

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

	BSD Group RM'000
Sales proceeds	151,154
Less: Settlement of shareholders' loan	(137,466)
Proceeds, net of cash and cash equivalents disposed	13,688
Add: Carrying amount of equity interest disposed	27,052
Gain on disposals	40,740
Purchase consideration settled in cash	13,688
Less: Cash and cash disposed	(2,611)
Cash inflow of the Group on acquisition	11,077

#### Acquisition of additional interest in subsidiaries in 2022:

- (i) On 29 March 2022, KPJ Healthcare Berhad ("KPJ") acquired additional 120,000 new shares in Ipoh Specialist Hospital Sdn. Bhd. ("ISH"), representing 1% equity interest in ISH, for a total consideration of RM5,400,000. With this acquisition, the Group then holds 100% shareholding of ISH.
- (ii) On 17 November 2022, Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJSB") acquired additional 30,000 new shares in Total Meals Solution Sdn. Bhd. ("TMS"), representing 30% equity interest in TMS, for a total consideration of RM412,000. With this acquisition, the Group then holds 100% shareholding of TMS.
- (iii) On 23 December 2022, KPJSB acquired additional 16,750,000 new shares in Perlis Specialist Hospital Sdn. Bhd. ("PER"), representing 20% equity interest in PER, for a total consideration of RM16,750,000. With this acquisition, the Group then holds 80% shareholding of PER.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-controlling interest percentage of ownership interest and voting interest	<b>39%</b>	39%	<b>40%</b>	40%	<b>49%</b>	49%	<b>43%</b>	43%		
Non-current assets	<b>127,327</b>	100,219	<b>205,754</b>	208,528	<b>22,902</b>	23,497	<b>63,799</b>	87,037	<b>419,782</b>	419,281
Current assets	<b>30,059</b>	21,451	<b>83,865</b>	70,198	<b>233,569</b>	194,785	<b>16,346</b>	34,162	<b>363,839</b>	320,596
Current liabilities	<b>(29,181)</b>	(33,396)	<b>(44,103)</b>	(41,336)	<b>(15,510)</b>	(12,063)	<b>(215,522)</b>	(201,288)	<b>(304,316)</b>	(288,083)
Non-current liabilities	<b>(71,816)</b>	(38,513)	<b>(81,253)</b>	(82,448)	<b>(664)</b>	(1,534)	<b>(10,336)</b>	(15,292)	<b>(164,069)</b>	(137,787)
Net assets/(liabilities)	<b>56,389</b>	49,761	<b>164,263</b>	154,942	<b>240,297</b>	204,685	<b>(145,713)</b>	(95,381)	<b>315,236</b>	314,007
Net equity attributable	<b>56,389</b>	49,761	<b>164,263</b>	154,942	<b>240,297</b>	204,685	<b>(145,713)</b>	(95,381)	<b>315,236</b>	314,007
Equity attributable to:										
Owners of the Company	<b>34,397</b>	30,354	<b>98,558</b>	92,965	<b>122,551</b>	104,389	<b>(83,056)</b>	(54,367)	<b>172,450</b>	173,341
Non-controlling interest	<b>21,992</b>	19,407	<b>65,705</b>	61,977	<b>117,746</b>	100,296	<b>(62,657)</b>	(41,014)	<b>142,786</b>	140,666

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	<b>97,724</b>	81,126	<b>165,909</b>	152,579	<b>144,735</b>	157,020	<b>65,670</b>	51,700	<b>474,038</b>	442,425
Profit/(Loss) for the year	<b>8,581</b>	5,372	<b>20,562</b>	19,533	<b>35,811</b>	45,277	<b>(46,110)</b>	(20,976)	<b>18,844</b>	49,206
Profit/(Loss) attributable to:										
Owners of the Company	<b>5,234</b>	3,277	<b>12,337</b>	11,720	<b>18,264</b>	23,091	<b>(26,283)</b>	(11,956)	<b>9,552</b>	26,132
Non-controlling interest	<b>3,347</b>	2,095	<b>8,225</b>	7,813	<b>17,547</b>	22,186	<b>(19,827)</b>	(9,020)	<b>9,292</b>	23,074
Total net profit/(loss)	<b>8,581</b>	5,372	<b>20,562</b>	19,533	<b>35,811</b>	45,277	<b>(46,110)</b>	(20,976)	<b>18,844</b>	49,206
Total comprehensive income/(loss) attributable to:										
Owners of the Company	<b>5,378</b>	3,708	<b>12,757</b>	12,980	<b>18,264</b>	23,091	<b>(28,690)</b>	(3,930)	<b>7,709</b>	35,849
Non-controlling interest	<b>3,439</b>	2,371	<b>8,505</b>	8,653	<b>17,547</b>	22,186	<b>(21,643)</b>	(2,964)	<b>7,848</b>	30,246
Total comprehensive income/(loss)	<b>8,817</b>	6,079	<b>21,262</b>	21,633	<b>35,811</b>	45,277	<b>(50,333)</b>	(6,894)	<b>15,557</b>	66,095
Dividends paid to non-controlling interest	<b>830</b>	830	<b>4,640</b>	3,560	-	-	-	-	<b>5,470</b>	4,390



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net cash (used in)/generated from operating activities	<b>(1,633)</b>	18,065	<b>46,784</b>	14,955	<b>50,997</b>	2,204	<b>(11,532)</b>	(5,602)	<b>84,616</b>	29,622
Net cash (used in)/generated from investing activities	<b>(6,192)</b>	(12,624)	<b>(33,727)</b>	(3,096)	<b>(52,127)</b>	(874)	<b>19,268</b>	559	<b>(72,778)</b>	(16,035)
Net cash generated from/(used in) financing activities	<b>6,963</b>	(5,222)	<b>(13,934)</b>	(11,100)	<b>(151)</b>	(169)	<b>(6,431)</b>	(38)	<b>(13,553)</b>	(16,529)
Net changes in cash and cash equivalents	<b>(862)</b>	219	<b>(877)</b>	759	<b>(1,281)</b>	1,161	<b>1,305</b>	(5,081)	<b>(1,715)</b>	(2,942)
Cash and cash equivalents at the beginning of the year	<b>1,620</b>	1,401	<b>4,139</b>	3,380	<b>1,547</b>	386	<b>9,497</b>	15,825	<b>16,803</b>	20,992
Currency translation differences	-	-	-	-	-	-	<b>2,435</b>	(1,247)	<b>2,435</b>	(1,247)
Cash and cash equivalents at the end of the year	<b>758</b>	1,620	<b>3,262</b>	4,139	<b>266</b>	1,547	<b>13,237</b>	9,497	<b>17,523</b>	16,803

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 23. INVESTMENT IN ASSOCIATES

	Group	
	2023 RM'000	2022 RM'000
Quoted ordinary shares in Al-`Aqar, Healthcare REIT, at cost		
At 1 January	<b>250,479</b>	225,469
Addition	-	25,010
31 December	<b>250,479</b>	250,479
Unquoted ordinary shares, at cost	<b>65,091</b>	65,091
Group's share of post-acquisition reserves	<b>198,287</b>	170,738
	<b>513,857</b>	486,308
Market value of quoted ordinary shares in Al-`Aqar, Healthcare REIT	<b>359,074</b>	353,282

The associates of the Group are as follows:

	Group's effective interest			Principal activities
	Country of Incorporation	2023 %	2022 %	
<u>Associate of company</u>				
Damansara REIT Managers Sdn. Bhd.#	Malaysia	-	-	Manager of Al-`Aqar Healthcare REIT
Al-`Aqar Healthcare REIT^	Malaysia	<b>34</b>	38	Real estate investment trust
<u>Associates of KPJSB</u>				
Kedah Medical Centre Sdn. Bhd.*	Malaysia	<b>46</b>	46	Operating as a specialist hospital
Vejthani, Public Company Limited*	Thailand	<b>23</b>	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 2023 (CONTINUED)

### 23. INVESTMENT IN ASSOCIATES (CONTINUED)

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

(i) Summarized statement of financial position

	Al-Aqar Healthcare REIT	
	2023 RM'000	2022 RM'000
Non-current assets	1,646,643	1,725,781
Current assets	213,130	145,784
<b>Total assets</b>	<b>1,859,773</b>	1,871,565
Current liabilities	91,764	23,324
Non-current liabilities	695,778	871,904
<b>Total liabilities</b>	<b>787,542</b>	895,228
<b>Net assets</b>	<b>1,072,231</b>	976,337

(ii) Summarized statement of comprehensive income

Revenue	121,022	110,239
Profit before tax	55,432	64,536
Total comprehensive income for the financial year	61,305	63,732
Dividends received and receivables from associates	23,166	20,988

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

	Al-Aqar Healthcare REIT	
	2023 RM'000	2022 RM'000
Net assets at 1 January	976,337	945,002
Addition	98,349	25,010
Profit for the financial year	61,305	63,732
Dividend paid during the year	(63,760)	(57,407)
<b>Net assets at 31 December</b>	<b>1,072,231</b>	976,337
Interest in associates	34%	38%
Carrying value of group's interest	369,812	371,008

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (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)

(iv) Aggregate information of associates that are not individually material

	2023 RM'000	2022 RM'000
The Group's share of profit before tax	35,505	29,813
The Group's share of profit after tax	26,964	23,879
The Group's share of total comprehensive income	34,991	23,879

(v) Commitments and contingent liabilities

There are neither commitment nor contingent liabilities relating to the Group's interest in the associates.

### 24. EQUITY INSTRUMENTS CLASSIFIED AS FVOCI

Equity investments at FVOCI comprise of the following individual investments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Quoted shares:				
Al-Salam Real Estate Investment Trust	950	740	950	740
Al-'Aqar Healthcare REIT	-	-	35,040	25,010
Unquoted shares:				
PMB-An-Nur Waqf Income Fund	557	501	557	501
Intrapreneur Value Creation Sdn. Bhd.	-	-	-	-
AHCS Advanced HealthCare Solutions AG	-	-	-	-
	<b>1,507</b>	1,241	<b>36,547</b>	26,251

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 2023 (CONTINUED)

### 25. DEFERRED TAX

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	<b>125,653</b>	114,281	<b>236</b>	236
Deferred tax liabilities	<b>(67,038)</b>	(84,530)	-	-
	<b>58,615</b>	29,751	<b>236</b>	236
Assets held for sale (Note 29)				
- Deferred tax assets	-	796	-	-
At 31 December	<b>58,615</b>	30,547	<b>236</b>	236

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	<b>30,547</b>	43,626	<b>236</b>	152
(Charged)/credit to profit or loss (Note 13):				
- Property, plant and equipment	<b>(13,765)</b>	(27,078)	-	(337)
- Investment properties	<b>(812)</b>	(1,609)	-	-
- Trade and other receivables	<b>(2,956)</b>	3,390	-	765
- Unutilised tax losses	<b>19,232</b>	(4,166)	-	-
- Unutilised capital allowance	<b>14,167</b>	(3,879)	-	-
- Contract liabilities	<b>4,841</b>	(5,629)	-	-
- Leases	<b>6,124</b>	12,826	-	-
- Trade and other payables	<b>7,609</b>	13,061	-	(344)
	<b>34,440</b>	(13,084)	-	84
Charged to other comprehensive income (Note 13):				
- Deferred tax on revaluation surplus during the year	<b>(6,372)</b>	5	-	-
At 31 December	<b>58,615</b>	30,547	<b>236</b>	236

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 25. DEFERRED TAX (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting):				
- Unutilised tax losses	<b>36,181</b>	16,949	-	-
- Unabsorbed capital allowance	<b>41,855</b>	27,688	-	-
- Contract liabilities	<b>9,390</b>	4,549	-	-
- Leases	<b>87,426</b>	81,302	-	-
- Trade and other receivables	<b>987</b>	3,943	-	-
- Trade and other payables	<b>31,115</b>	23,506	<b>421</b>	421
	<b>206,954</b>	157,937	<b>421</b>	421
Offsetting	<b>(81,301)</b>	(42,860)	<b>(185)</b>	(185)
Deferred tax assets (after offsetting)	<b>125,653</b>	115,077	<b>236</b>	236
Deferred tax liabilities (before offsetting):				
- Property, plant and equipment	<b>(132,806)</b>	(112,669)	<b>(185)</b>	(185)
- Investment properties	<b>(15,533)</b>	(14,721)	-	-
	<b>(148,339)</b>	(127,390)	<b>(185)</b>	(185)
Offsetting	<b>81,301</b>	42,860	<b>185</b>	185
Deferred tax liabilities (after offsetting)	<b>(67,038)</b>	(84,530)	-	-

The amount of unabsorbed capital allowance, unutilised tax losses and investment tax allowance ("ITA") for which no deferred tax asset are recognised on the statements of financial position are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unabsorbed capital allowances	<b>64,428</b>	125,508	<b>2,457</b>	1,694
Unutilised tax losses	<b>369,817</b>	318,628	<b>14,586</b>	8,867
Unutilised ITA	<b>195,287</b>	263,411	-	-
Other temporary differences	<b>22,700</b>	26,592	<b>7,797</b>	9,170

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 25. DEFERRED TAX (CONTINUED)

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.

### 26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:				
Other receivables	271	331	-	-
Deposits	18,991	16,784	-	-
Amount due from subsidiaries	-	-	-	7,224
	<b>19,262</b>	17,115	-	7,224
Current:				
Trade receivables	535,982	454,330	-	-
Less: Allowance for ECL	(5,736)	(15,306)	-	-
Trade receivables (net)	530,246	439,024	-	-
Amount due from ultimate holding corporation	487	661	14	13
Amounts due from related companies	4,739	5,001	-	8
Amounts due from associates	2,433	4,431	2,844	2,090
Other receivables	64,517	125,183	1,945	806
Deposits	47,188	50,491	350	26
Prepayments	24,039	20,914	215	51
	<b>673,649</b>	645,705	<b>5,368</b>	2,994

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current: (continued)				
Amounts due from subsidiaries	-	-	<b>615,603</b>	634,615
Less: Allowance for ECL	-	-	<b>(4,575)</b>	(3,189)
	-	-	<b>611,028</b>	631,426
<b>Total</b>	<b>692,911</b>	662,820	<b>616,396</b>	641,644

Credit terms of trade receivables range from 30 to 60 days (2022: 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 interest rate of 5.85% (2022: 5.85%) per annum and repayable on demand.

The movement in allowance for ECL on trade receivables is as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	<b>15,306</b>	32,307
Allowance for ECL for the year (Note 10)	<b>7,271</b>	(5,755)
Written-off	<b>(16,841)</b>	(11,246)
<b>At 31 December</b>	<b>5,736</b>	15,306



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 26. TRADE AND OTHER RECEIVABLES AND AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

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
<u>2023</u>			
1-30 days	241,777	(664)	241,113
31-60 days	160,419	(82)	160,337
61-90 days	55,322	(211)	55,111
91-120 days	25,030	(426)	24,604
121-150 days	11,117	(767)	10,350
151-180 days	8,268	(568)	7,700
181-365 days	10,228	(253)	9,975
>365 days	23,821	(2,765)	21,056
	<b>535,982</b>	<b>(5,736)</b>	<b>530,246</b>
<u>2022</u>			
1-30 days	202,667	(129)	202,538
31-60 days	130,158	(124)	130,034
61-90 days	45,711	(96)	45,615
91-120 days	13,969	(155)	13,814
121-150 days	24,436	(224)	24,212
151-180 days	3,252	(64)	3,188
181-365 days	7,431	(611)	6,820
>365 days	26,706	(13,903)	12,803
	454,330	(15,306)	439,024

The currency exposure profile of the receivables and deposits (excluding prepayments) are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	652,599	624,963	616,181	641,593
Bangladesh Taka	15,299	795	-	-
Australian Dollar	974	16,148	-	-
	<b>668,872</b>	641,906	<b>616,181</b>	641,593

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 27. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At cost:		
Pharmaceutical products	45,726	42,074
Medical supplies	22,596	19,132
Laboratory chemicals	391	1,472
Consumables and disposable items	1,922	336
Other supplies	2,373	2,858
	<b>73,008</b>	65,872

### 28. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits with licensed banks	248,412	88,621	-	-
Cash and bank balances	536,815	379,298	3,901	3,315
Total cash and bank balances	785,227	467,919	3,901	3,315
Less: Overdraft (Note 32)	(18,406)	(16,468)		-
Deposits with licensed banks with maturity of more than 3 months	(102,870)	(2,881)	-	-
Designated account (FSRA & DSRA)	(111,448)	31,704	-	-
Cash and cash equivalents	552,503	416,866	3,901	3,315

Included in the deposits with licensed banks of the Group is an amount of RM111,448,000 (2022: RM31,704,000) being minimum balance required in the Financial Service Reserve Account ("FSRA") and Deposit Service Reserve Account ("DSRA") for loans purposes (Note 32).

The weighted average interest rate of deposits with licensed banks of the Group during the financial year is 2.07% (2022: 1.97%) 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 730 days (2022: 1 to 365 days).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 28. DEPOSITS, BANK AND CASH BALANCES (CONTINUED)

Deposits, cash and bank balances as at end of the reporting period are denominated in the following currencies:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	<b>770,154</b>	455,628	<b>3,901</b>	3,315
Indonesia Rupiah	-	-	-	-
Bangladesh Taka	<b>1,836</b>	895	-	-
Australian Dollar	<b>13,237</b>	11,396	-	-
	<b>785,227</b>	467,919	<b>3,901</b>	3,315

### 29. ASSETS HELD FOR SALE

The assets held for sale and liabilities associated with assets held for sale are as follows:

	Group		
	2023 RM'000	2022 RM'000	
Assets held for sale:			
Aged Care's Operation	a	<b>35,151</b>	-
Indonesia's Operation	b	-	138,661
Property, plant and equipment			
- Land and buildings in Australia	c	-	18,794
		<b>35,151</b>	157,455
Liabilities associated with assets held for sale:			
Aged Care's Operation	a	<b>(54,349)</b>	-
Indonesia's Operation	b	-	(13,163)
		<b>(19,198)</b>	144,292
At 1 January		<b>157,455</b>	250,163
Transfer from property, plant and equipment (Note 17)		<b>35,137</b>	3,465
Transfer to investment properties (Note 19)		-	(11,041)
Others		-	89,790
Disposal of assets held for sale		<b>(157,455)</b>	(174,012)
Exchange differences		-	(910)
		<b>35,137</b>	157,455

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 29. ASSETS HELD FOR SALE (CONTINUED)

- (a) Jeta Gardens (Qld) Pty Ltd and its wholly-owned subsidiary, Jeta Gardens Aged Care (Qld) Pty Ltd (collectively, "Jeta Gardens") has entered into a conditional business sale and purchase agreement with DPG Services Pty Ltd to dispose of its Aged Care Business (including its selected existing assets and liabilities) (collectively referred as "Aged Care's Operation") on 12 December 2023.

Jeta Gardens completed the disposal of Aged Care's Operation on 31 January 2024, following the fulfilment of conditions precedent and the obligations on completion.

The assets and liabilities of Aged Care's Operations are as follows:

	<b>Group 2023 RM'000</b>
Assets held for sale:	
- Property, plant and equipment (Note 17)	<b>35,137</b>
- Trade and other receivables	<b>14</b>
	<b>35,151</b>
Liabilities associated with assets held for sale:	
- Trade and other payables	<b>(54,349)</b>
	<b>(54,349)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 29. ASSETS HELD FOR SALE (CONTINUED)

- (b) In April 2022 the Group has decided to divest of its 100% interest in PT Al-Aqar Bumi Serpong Damai, 100% interest in PT Al-Aqar Permata Hijau, 80% interest in PT Khidmat Perawatan Jasa Medika and 75% interest in PT Khasanah Putera Jakarta Medica (collectively referred as "Indonesia's Operation") as part of its strategic plan to place greater focus on the Group's core Malaysia segment.

The divestments of PT Al-Aqar Permata Hijau and PT Khidmat Perawatan Jasa Medika were completed on 5 April 2023. The divestments of PT Al-Aqar Bumi Serpong Damai and PT Khasanah Putera Jakarta Medica were completed on 18 September 2023.

The assets and liabilities of Indonesia's Operations are as follows:

	<b>Group 2022 RM'000</b>
Assets held for sale:	
- Property, plant and equipment	48,871
- Right-of-use assets (Note 18)	64,315
- Deferred tax assets (Note 25)	796
- Inventories	606
- Trade and other receivables	10,573
- Tax recoverable	1
- Cash and bank balances	13,499
	138,661
Liabilities associated with assets held for sale:	
- Trade and other payables	(13,110)
- Current tax liabilities	(53)
	(13,163)

- (c) In 2021, the Directors approved a proposal to dispose a land belonged to Jeta Gardens (Qld) Pty Ltd.

The disposal was completed on 23 June 2023.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 30. TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO SUBSIDIARIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current:				
Trade payables	<b>207,724</b>	238,671	-	-
Other payables	<b>108,900</b>	168,109	<b>3,372</b>	3,084
Accruals	<b>320,895</b>	283,278	<b>18,751</b>	15,445
Amount due to ultimate holding corporation	<b>3,450</b>	1,249	<b>2,654</b>	1,143
Amounts due to related companies	<b>1,325</b>	2,256	<b>58</b>	50
Amounts due to associates	<b>15,998</b>	26,657	-	-
	<b>658,292</b>	720,220	<b>24,835</b>	19,722
Amounts due to subsidiaries	-	-	<b>102,729</b>	97,192
Non-current:				
Amounts due to subsidiaries	-	-	<b>325,722</b>	293,214
Other payables	-	1,743	-	-
	-	1,743	<b>325,722</b>	293,214
<b>Total</b>	<b>658,292</b>	721,963	<b>453,286</b>	410,128

Non-current other payables comprises of retention sum payable later than 1 year and not later than 3 years.

Included in amounts due to subsidiaries are advances from subsidiaries which are unsecured, bear an effective average interest rate of 3.00% (2022: 3.00%) per annum and are repayable on demand after 2024.

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 2023 (CONTINUED)

### 30. TRADE AND OTHER PAYABLES AND AMOUNTS DUE TO SUBSIDIARIES (CONTINUED)

Credit terms of trade payables ranges from 30 to 60 days (2022: 30 to 60 days). Payables are denominated in the following currencies:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	<b>615,809</b>	574,645	<b>453,286</b>	410,128
Bangladesh Taka	<b>2,850</b>	2,471	-	-
Australian Dollar	<b>39,633</b>	144,847	-	-
	<b>658,292</b>	721,963	<b>453,286</b>	410,128

### 31. CONTRACT LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
At 1 January	<b>48,708</b>	50,922
Revenue recognised that was included in contract liability balance at the beginning of the year	<b>(48,269)</b>	(48,570)
Increases due to cash received, excluding amounts recognised as revenue during the year	<b>87,340</b>	46,356
At 31 December	<b>87,779</b>	48,708

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 ongoing 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 2023 (CONTINUED)

### 32. BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	<b>200,000</b>	450,000	-	-
- Term loans (secured)	<b>55,595</b>	55,234	-	-
- Revolving credits (unsecured)	<b>254,500</b>	292,800	<b>172,000</b>	214,800
- Hire purchase creditors (secured)	<b>18,416</b>	17,709	<b>84</b>	141
- Bank overdrafts (unsecured)	<b>18,406</b>	16,468	-	-
	<b>546,917</b>	832,211	<b>172,084</b>	214,941
Conventional financing				
- Term loans (secured)	-	1,620	-	-
- Hire purchase creditors (secured)	<b>38</b>	36	-	-
- Revolving credits (unsecured)	-	5,548	-	-
	<b>38</b>	7,204	-	-
	<b>546,955</b>	839,415	<b>172,084</b>	214,941
Non-current				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	<b>1,205,000</b>	850,000	-	-
- Term loans (secured)	<b>131,138</b>	159,187	-	-
- Hire purchase creditors (secured)	<b>28,767</b>	38,342	<b>42</b>	229
	<b>1,364,905</b>	1,047,529	<b>42</b>	229
Conventional financing				
- Term loans (secured)	-	137	-	-
- Hire purchase creditors (secured)	<b>59</b>	97	-	-
	<b>59</b>	234	-	-
	<b>1,364,964</b>	1,047,763	<b>42</b>	229
	<b>1,911,919</b>	1,887,178	<b>172,126</b>	215,170



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 32. BORROWINGS (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total Borrowings				
Islamic financing				
- Islamic Medium Term Notes (unsecured)	<b>1,405,000</b>	1,300,000	-	-
- Term loans (secured)	<b>186,733</b>	214,421	-	-
- Revolving credits (unsecured)	<b>254,500</b>	292,800	<b>172,000</b>	214,800
- Hire purchase creditors (secured)	<b>47,183</b>	56,051	<b>126</b>	370
- Bank overdrafts (unsecured)	<b>18,406</b>	16,468	-	-
Conventional financing				
- Term loans (secured)	-	1,757	-	-
- Hire purchase creditors (secured)	<b>97</b>	133	-	-
- Revolving credits (unsecured)	-	5,548	-	-
	<b>1,911,919</b>	1,887,178	<b>172,126</b>	215,170
The maturity profile of borrowings is as follows:				
Less than 1 year	<b>546,955</b>	839,415	<b>172,084</b>	214,941
Between 1 and 5 years	<b>366,512</b>	461,453	<b>42</b>	229
More than 5 years	<b>998,452</b>	586,310	-	-
	<b>1,364,964</b>	1,047,763	<b>42</b>	229
	<b>1,911,919</b>	1,887,178	<b>172,126</b>	215,170
Hire purchase creditors				
Gross hire purchase creditors - minimum lease payments:				
- due not later than 1 year	<b>18,934</b>	18,199	<b>87</b>	154
- due later than 1 year and not later than 5 years	<b>29,577</b>	39,422	<b>43</b>	235
	<b>48,511</b>	57,621	<b>130</b>	389
Future finance charges	<b>(1,231)</b>	(1,437)	<b>(4)</b>	(19)
Present value of hire purchase creditors	<b>47,280</b>	56,184	<b>126</b>	370

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 32. BORROWINGS (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Hire purchase creditors (continued)</u>				
The present value of hire purchase creditors is analysed as follows:				
<u>Current</u>				
Due not later than 1 year	<b>18,454</b>	17,745	<b>84</b>	141
<u>Non-current</u>				
Due later than 1 year and not later than 5 years	<b>28,826</b>	38,439	<b>42</b>	229
Present value of hire purchase creditors	<b>47,280</b>	56,184	<b>126</b>	370
The borrowings are denominated as follows:				
Ringgit Malaysia	<b>1,911,919</b>	1,879,873	<b>172,126</b>	215,170
Australian Dollar	-	7,305	-	-
	<b>1,911,919</b>	1,887,178	<b>172,126</b>	215,170
	Finance Rate		Effective finance rate at reporting date (% p.a)	
			2023	2022
Term loans	Fixed / Floating		<b>6.59</b>	5.98
Hire purchase creditors	Fixed		<b>2.60</b>	2.56
Islamic Medium Term Notes	Fixed		<b>4.54</b>	4.77
Bank overdrafts	Floating		<b>6.87</b>	6.28
Revolving credits	Floating		<b>5.06</b>	4.27

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 32. BORROWINGS (CONTINUED)

Stated below are the fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Group</u>				
Term loans	<b>131,138</b>	159,323	<b>107,312</b>	132,035
Hire purchase creditors	<b>28,826</b>	38,440	<b>27,480</b>	37,481
Islamic Medium Term Notes	<b>1,205,000</b>	850,000	<b>860,731</b>	670,124
	<b>1,364,964</b>	1,047,763	<b>995,523</b>	839,640
<u>Company</u>				
Hire purchase creditors	<b>42</b>	229	<b>41</b>	221

The borrowings are secured by:

- The property, plant and equipment and investment property with carrying amount as at 31 December 2023 of RM553,334,000 (2022: RM563,979,000);
- a Letter of Undertaking cum Awareness;
- negative pledge;
- an assignment of the proceeds to be received from the disposal of the building and lease/rentals;
- fixed and floating charge over certain present and future assets;
- Corporate Guarantee;
- assignment of all Rights & Benefits or its equivalent over the relevant Takaful cover;
- a charge on the specific Finance Service Reserve Account ("FSRA"), Debt Service Reserve Account ("DSRA"), Finance Reserve Account ("FRA") and all monies standing to the credit of certain subsidiaries;
- specific debenture charge over assets;

In connection with certain borrowings, the Group and its subsidiaries have to comply with the following significant covenants:

At Group level:

- Gearing ratio to not exceed 1.50 times for Islamic Medium Term Notes;

At subsidiaries level:

- Dividend declared or paid not more than fifty percent (50%) of profit after tax;
- Debt service coverage ratio to be more than 1.25 times;
- Gearing ratio to not exceed 3.50 times;
- Gearing ratio to not exceed 1.50 times;

As at 31 December 2023, tranches of the IMTN of 2 RM100 million tranches amounting to RM200 million will mature in September and December 2024 respectively. The Group expects to satisfy the maturity of the RM200 million IMTN due in 2024 via internally generated cash.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 33. LEASE LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
Amount due for settlement within 12 months	39,920	44,677
Amount due for settlement after 12 months	1,870,338	1,818,168
	<b>1,910,258</b>	1,862,845
Maturity analysis - lease payments		
Less than 1 year	148,295	141,224
Between 1 and 5 years	587,652	564,566
Later than 5 years and not later than 10 years	755,310	704,337
Later than 10 years and not later than 20 years	1,345,993	1,317,529
Later than 20 years and not later than 30 years	903,460	927,987
	<b>3,592,415</b>	3,514,419
	<b>3,740,710</b>	3,655,643

### 34. PROVISION FOR RETIREMENT BENEFITS

The Group operates an unfunded lump-sum benefit plan for eligible employees at a subsidiary.

The movements during the financial year in the amount recognised in the statement of financial position are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	2,212	2,355
Charged to profit or loss (Note 11)	180	197
Remeasurement loss on defined benefit obligation	-	-
Retirement benefits paid	(323)	(340)
At 31 December	<b>2,069</b>	2,212
The amount recognised in profit or loss is as follows:		
Current service cost	96	105
Interest cost on benefit obligation	84	92
	<b>180</b>	197

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 34. PROVISION FOR RETIREMENT BENEFITS (CONTINUED)

The principal assumptions used in respect of the defined benefit plan of the Group are as follows:

	Group	
	2023 %	2022 %
Discount rate <sup>1</sup>	4.4	4.4
Expected rate of salary increase		
- Non-management staff <sup>2</sup>	6.0	6.0
- Management staff <sup>2</sup>	6.0	6.0
Turnover <sup>3</sup>	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 (2022: AA) rated bond

2 Expected rate of salary increase is as per industry average

3 Turnover rate is relatively influenced by average employee age

The above assumptions were derived from the latest actuarial valuation report dated 31 December 2021. The valuation was carried out by third party actuaries, Nicholas Actuarial Solutions Sdn. Bhd.

Sensitivity analysis on present value of defined benefit obligation:

	Group	
	2023 RM'000	2022 RM'000
1 A 1% increase in salary increment rate		
a Increase on defined benefit obligation	2,305	2,498
b Increase in net defined liability	187	174
2 A 1% decrease in discount rate		
a Increase on defined benefit obligation	2,266	2,479
b Increase in net defined liability	148	154

### 35. DEPOSITS

Deposits represent amounts received from consultants, which are repayable on death, retirement (at age 65) or disability of the consultants. Deposits are forfeited on termination of a consultant's practice either by the Group due to events of breach or on early termination by the consultant unless approval to refund is obtained from the Board of Directors.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 36. SHARE CAPITAL

	Group/Company			
	2023 Unit'000	2023 RM'000	2022 Unit'000	2022 RM'000
Issued and fully paid ordinary shares:				
At 1 January	<b>4,505,528</b>	<b>976,329</b>	4,489,159	959,521
Issued during the financial year:				
- ESOS	<b>21,080</b>	<b>22,861</b>	16,369	16,808
At 31 December	<b>4,526,608</b>	<b>999,190</b>	4,505,528	976,329

#### Treasury shares

As at 31 December 2023, the Company held a total of 162,306,700 (2022: 162,306,700) of its 4,526,608,066 (2022: 4,505,527,861) issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,152 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

### 37. SHARE BASED PAYMENTS

An Employees' Share Option Scheme ("ESOS") was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Company. The ESOS was initially be in-force for a period of 5 years. However, upon approval from KPJ's Board of Directors on 3 December 2019, it has been resolved that ESOS's period is extended to another 3 years.

The fair value of each share option on the grant date is RM0.25. The options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives. The exercise price of the share options granted under the ESOS is RM0.91 each. The options granted remained dividable into 5 equal tranches which vest on 14 April 2015, 27 February 2016, 27 February 2017, 27 February 2018 and 27 February 2019. The vesting condition is that the offeree must be an employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates.

The option expired on 27 February 2023, whereby no additional options will be granted.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 37. SHARE BASED PAYMENTS (CONTINUED)

Movement of share options during the financial year

	<b>2023</b> <b>Units' 000</b>	<b>2022</b> <b>Units' 000</b>
Number of share options at exercise price of RM0.91 each:		
Outstanding as at 1 January	<b>102,421</b>	123,805
- Exercised	<b>(21,080)</b>	(16,369)
- Lapsed	<b>(81,341)</b>	(5,015)
Outstanding as at 31 December	<b>-</b>	102,421
Exercisable at end of financial year	<b>-</b>	102,421

The fair value of the ESOS granted in which MFRS 2 applies, were determined using the Black-Scholes valuation model. The significant inputs in the model are as follows:

Description of ESOS

Fair value per option	RM0.25
Exercise price	RM0.91
Option life	5 years
Weighted average share price at grant date	RM1.01
Expected dividend yield	1.90%
Risk free interest rates	3.35% to 3.62%
Expected volatility	20%

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 38. OTHER RESERVES (NON-DISTRIBUTABLE)

	Merger reserve (Note a) RM'000	Exchange reserve (Note b) RM'000	Revaluation reserve (Note c) RM'000	Share option reserve (Note d) RM'000	FVOCI reserve (Note e) RM'000	Total RM'000
<u>Group</u>						
At 1 January 2023	<b>(3,367)</b>	<b>1,764</b>	<b>237,733</b>	<b>40,276</b>	<b>(217)</b>	<b>276,189</b>
Other comprehensive income:						
Translation of foreign subsidiaries	-	<b>5,425</b>	-	-	-	<b>5,425</b>
Revaluation surplus	-	-	<b>21,657</b>	-	-	<b>21,657</b>
Fair value gain on FVOCI	-	-	-	-	<b>266</b>	<b>266</b>
Total other comprehensive income	-	<b>5,425</b>	<b>21,657</b>	-	<b>266</b>	<b>27,348</b>
	<b>(3,367)</b>	<b>7,189</b>	<b>259,390</b>	<b>40,276</b>	<b>49</b>	<b>303,537</b>
Transactions with Owners:						
Issue of share capital:						
- ESOS	-	-	-	<b>(3,678)</b>	-	<b>(3,678)</b>
	-	-	-	<b>(3,678)</b>	-	<b>(3,678)</b>
Disposal of interest in subsidiaries	-	<b>4,215</b>	<b>(31,123)</b>	-	-	<b>(26,908)</b>
Lapsed ESOS	-	-	-	<b>(36,598)</b>	-	<b>(36,598)</b>
Total transactions with Owners	-	<b>4,215</b>	<b>(31,123)</b>	<b>(40,276)</b>	-	<b>(67,184)</b>
At 31 December 2023	<b>(3,367)</b>	<b>11,404</b>	<b>228,267</b>	-	<b>49</b>	<b>236,353</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 38. OTHER RESERVES (NON-DISTRIBUTABLE) (CONTINUED)

	Merger reserve (Note a) RM'000	Exchange reserve (Note b) RM'000	Revaluation reserve (Note c) RM'000	Share option reserve (Note d) RM'000	FVOCI reserve (Note e) RM'000	Total RM'000
<u>Group</u>						
At 1 January 2022	(3,367)	(725)	237,768	45,622	-	279,298
Other comprehensive income:						
Translation of foreign subsidiaries	-	2,489	-	-	-	2,489
Revaluation deficit	-	-	(35)	-	-	(35)
Fair value loss on FVOCI	-	-	-	-	(217)	(217)
Total other comprehensive income	-	2,489	(35)	-	(217)	2,237
	(3,367)	1,764	237,733	45,622	(217)	281,535
Transactions with Owners:						
Issue of share capital:						
- ESOS	-	-	-	(1,913)	-	(1,913)
	-	-	-	(1,913)	-	(1,913)
Lapsed ESOS	-	-	-	(3,433)	-	(3,433)
Total transactions with Owners	-	-	-	(5,346)	-	(5,346)
At 31 December 2022	(3,367)	1,764	237,733	40,276	(217)	276,189

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 38. OTHER RESERVES (NON-DISTRIBUTABLE) (CONTINUED)

- (a) The difference between the issue price and the nominal value of shares issued that arose from a merger was classified as merger reserve.
- (b) Exchange reserve is used to record exchange differences arising from the translation of financial statements of subsidiaries/associate whose functional currency differs from the Group's presentation currency.
- (c) Revaluation reserve (non-distributable):

	Group	
	2023 RM'000	2022 RM'000
At 1 January	237,733	237,768
Revaluation surplus/(deficit), net of tax	21,657	(35)
Disposal of interest in subsidiaries	(31,123)	-
<b>At 31 December</b>	<b>228,267</b>	<b>237,733</b>

The revaluation reserve represents surplus from the revaluation of the Group's land and buildings.

- (d) Share option reserve is a reserve created arising from the fair value of the employee services provided. When the ESOS options are exercised, the related amounts are transferred to share capital. When options are not exercised and lapsed, the related share option reserve is transferred to retained earnings.
- (e) FVOCI reserve used to record the gain or loss arising from subsequent measurement of financial assets classified as FVOCI.

### 39. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group is a subsidiary of Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by the Enactment No. 5, 1995). During the ordinary course of business, the Group transacts with various state related government agencies and departments, mainly relating to land premiums, utilities payments and administrative services. These are based on normal commercial terms and are individually immaterial to warrant separate disclosure.

In addition to the related party disclosures elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on negotiated terms.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant related party transactions

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Group and Company</u>				
Rental paid to an associate*	<b>109,203</b>	105,368	-	-
Sale of assets held for sale to an associate*	-	192,000	-	-
Management fee from subsidiaries	-	-	<b>68,548</b>	58,712
Dividend received (net) from subsidiaries	-	-	<b>195,373</b>	131,024
Interest income from subsidiaries	-	-	<b>22,602</b>	24,129
Interest expense to subsidiaries	-	-	<b>16,459</b>	14,649
Dividends received and receivables from associates	<b>11,875</b>	20,988	<b>1,801</b>	-
* Al-Aqar Healthcare REIT				
<u>Johor Corporation group of companies</u>				
Housekeeping contract fees	<b>27,466</b>	15,054	-	-
Security service fees	<b>423</b>	438	-	-
Medical service rendered	<b>358</b>	1,673	-	-
Insurance premiums	<b>194</b>	434	-	-
Contribution to Klinik Waqaf An-Nur	<b>3,855</b>	2,495	<b>1,025</b>	-
Car park rental income	<b>3,005</b>	2,393	-	-
Rental fees to Al-Salam REIT	<b>2,301</b>	2,235	-	-
Building management service fees	<b>4,900</b>	1,272	-	-
Purchase of food and beverage consumables	-	88	-	-
Secretarial fee	<b>3</b>	42	-	-
Training and seminar	-	53	-	53
Car park fees	-	264	-	-
Consultants' car park fees	<b>161</b>	179	-	-
Indoor plant maintenance	<b>101</b>	357	-	-
Registrar fees	<b>360</b>	107	<b>360</b>	107
Subscription fees for Human Resources applications	<b>3,325</b>	-	<b>3,325</b>	-
Dividend paid	-	-	<b>51,901</b>	39,274

Management fees charged to subsidiaries are in respect of operational and administrative function of the subsidiaries which are performed by employees of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 39. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant related party transactions (continued)

Information regarding outstanding balances arising from related party transactions as at the financial year end are disclosed in Note 26 and 30.

(b) Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company whether directly or indirectly. The key management personnel of the Company comprise Directors and the Group Senior Management of the Company. Details on the compensation for these key management personnel are disclosed as below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remuneration (Note 12)	<b>3,769</b>	5,694	<b>3,642</b>	5,694
Salaries, allowances and bonuses	<b>4,103</b>	3,283	<b>4,103</b>	3,283
Contributions to defined contribution plan	<b>553</b>	417	<b>553</b>	417
Benefits-in-kind	<b>60</b>	30	<b>60</b>	30
	<b>8,485</b>	9,424	<b>8,358</b>	9,424

### 40. CONTINGENT LIABILITIES

The Group is subject to litigations in the ordinary course of business, mainly arising from its subsidiaries hospital operations. The Directors are of the opinion that, based on legal advice and malpractice insurance taken by the Group, no significant exposure will arise that requires recognition nor disclosure to the financial statements.

### 41. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:

	Group	
	2023 RM'000	2022 RM'000
Approved by the Directors and contracted	<b>196,854</b>	94,361
Approved by the Directors but not contracted	<b>183,146</b>	305,507
	<b>380,000</b>	399,868
Analysed as follows:		
- Buildings	<b>44,323</b>	46,871
- Medical equipment	<b>165,163</b>	148,849
- Other property, plant and equipment	<b>170,514</b>	204,148
	<b>380,000</b>	399,868

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

## 42. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the KPJ Group Management Committee ("KGMC"). The KGMC considers the business by geographical location. The reportable segments for the financial year have been identified as follows:

### Continuing operations

- (i) Malaysia - All healthcare activities including the private hospitals, pathology and laboratory services and distribution of pharmaceutical, medical and consumer healthcare products.
- (ii) Others - Operating segments involved in provision of hospital and retirement village services in Thailand, Bangladesh and Australia, private university college of nursing and allied health and sale of hospital merchandise and other similar activities, none of which are individually significant to warrant separate disclosure per quantitative thresholds required by MFRS 8.

### Discontinued operation

- (i) Indonesia - Operating segments involved in provision of hospital services in Indonesia. The Group had in April 2022, decided to divest of its interest in all entities in Indonesia's region (referred as "Indonesia operations") as part of its strategic plan to place greater focus on the Group's core Malaysia segment. The divestments were completed on 5 April 2023 and 18 September 2023.
- (ii) Aged care services - Operating segment involved in providing aged care services by Jeta Gardens in Australia. The Group had on 12 December 2023 entered into agreement to divest of its interest in aged care business in Australia as part of its strategic plan to place greater focus on the Group's core Malaysia segment. The divestments were completed on 31 January 2024.

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 EBITDA and profit before tax.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 42. SEGMENTAL REPORTING (CONTINUED)

	Malaysia RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Sub-total RM'000	Discontinued operations RM'000	Total RM'000
31 December 2023							
<u>Revenue</u>							
Revenue from external customers	<b>3,351,819</b>	<b>70,459</b>	<b>3,422,278</b>	<b>(3,577)</b>	<b>3,418,701</b>	<b>85,750</b>	<b>3,504,451</b>
<u>Results</u>							
Loss on fair value of investment properties	<b>(2,733)</b>	-	<b>(2,733)</b>	-	<b>(2,733)</b>	-	<b>(2,733)</b>
Reversal of impairment loss	<b>(4,033)</b>	-	<b>(4,033)</b>	-	<b>(4,033)</b>	<b>(16,771)</b>	<b>(20,804)</b>
Depreciation and amortisation	<b>(264,194)</b>	<b>(11,607)</b>	<b>(275,801)</b>	<b>479</b>	<b>(275,322)</b>	<b>(6,288)</b>	<b>(281,610)</b>
Finance costs (net)	<b>(172,754)</b>	<b>(14,096)</b>	<b>(186,850)</b>	<b>2,108</b>	<b>(184,742)</b>	<b>(726)</b>	<b>(185,468)</b>
Share of results of associates	<b>45,967</b>	<b>790</b>	<b>46,757</b>	-	<b>46,757</b>	-	<b>46,757</b>
Profit/(loss) before tax	<b>405,172</b>	<b>(27,185)</b>	<b>377,987</b>	<b>(45)</b>	<b>377,942</b>	<b>(31,752)</b>	<b>346,190</b>
Tax	<b>(74,575)</b>	<b>(770)</b>	<b>(75,345)</b>	-	<b>(75,345)</b>	<b>(439)</b>	<b>(75,784)</b>
Profit/(loss) after tax	<b>330,597</b>	<b>(27,955)</b>	<b>302,642</b>	<b>(45)</b>	<b>302,597</b>	<b>(32,191)</b>	<b>270,406</b>
EBITDA*	<b>842,120</b>	<b>(1,482)</b>	<b>840,638</b>	<b>(2,632)</b>	<b>838,006</b>	<b>(24,738)</b>	<b>813,268</b>

\* Earnings before interest, tax, depreciation and amortisation ("EBITDA")

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 42. SEGMENTAL REPORTING (CONTINUED)

	Malaysia	Others	Total segments	Adjustments and eliminations	Sub-total	Discontinued operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>31 December 2023</u> (continued)							
Total assets	<b>7,125,267</b>	<b>237,156</b>	<b>7,362,423</b>	<b>(151,412)</b>	<b>7,211,011</b>	<b>35,151</b>	<b>7,246,162</b>
Total liabilities	<b>4,450,502</b>	<b>362,712</b>	<b>4,813,214</b>	<b>(149,553)</b>	<b>4,663,661</b>	<b>54,349</b>	<b>4,718,010</b>
Additions to property, plant and equipment	<b>240,319</b>	<b>3,745</b>	<b>244,064</b>	<b>-</b>	<b>244,064</b>	<b>399</b>	<b>244,463</b>
<u>31 December 2022</u> (Restated)							
<u>Revenue</u>							
Revenue from external customers	2,825,304	57,605	2,882,909	(14,435)	2,868,474	89,620	2,958,094
<u>Results</u>							
Gain on fair value of investment properties	3,280	-	3,280	-	3,280	-	3,280
Reversal of impairment loss	6,709	-	6,709	-	6,709	-	6,709
Depreciation and amortisation	(247,639)	(11,549)	(259,188)	479	(258,709)	(8,944)	(267,653)
Finance costs (net)	(168,760)	(15,439)	(184,199)	2,005	(182,194)	(1,212)	(183,406)
Share of results of associates	46,740	1,024	47,764	-	47,764	-	47,764

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 42. SEGMENTAL REPORTING (CONTINUED)

	Malaysia	Others	Total segments	Adjustments and eliminations	Sub-total	Discontinued operations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>31 December</u>							
<u>2022 (Restated)</u>							
<u>(continued)</u>							
Profit/(loss) before tax	318,744	(32,718)	286,026	(10,884)	275,142	(19,384)	255,758
Tax	(72,215)	(993)	(73,208)	-	(73,208)	103	(73,105)
Profit/(loss) after tax	246,529	(33,711)	212,818	(10,884)	201,934	(19,281)	182,653
EBITDA*	735,143	(5,730)	729,413	(13,368)	716,045	(9,228)	706,817
Total assets	6,859,318	335,752	7,195,070	(358,459)	6,836,611	157,455	6,994,066
Total liabilities	4,511,522	473,705	4,985,227	(358,542)	4,626,685	13,163	4,639,848
Additions to property, plant and equipment	263,304	1,135	264,439	-	264,439	6,143	270,582

\* Earnings before interest, tax, depreciation and amortisation ("EBITDA")



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

### 42. SEGMENTAL REPORTING (CONTINUED)

	Group	
	2023 RM'000	2022 RM'000 Restated
Reconciliation of profit before tax		
Segment profit before tax	<b>377,987</b>	286,026
Intercompanies	<b>(45)</b>	(10,884)
Profit before tax	<b>377,942</b>	275,142
Reconciliation of assets		
Segment total assets	<b>7,362,423</b>	7,195,070
Intercompanies	<b>(151,412)</b>	(358,459)
Total assets	<b>7,211,011</b>	6,836,611
Reconciliation of liabilities		
Segment total liabilities	<b>4,813,214</b>	4,985,227
Intercompanies	<b>(149,553)</b>	(358,542)
Total liabilities	<b>4,663,661</b>	4,626,685

### 43. SUBSEQUENT EVENT

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

Jeta Gardens completed its Aged Care Business Disposal on 31 January 2024, following the fulfilment of conditions precedent and the obligations on completion.

# SHAREHOLDINGS STATISTICS

Issued Shares	: 4,526,608,066 Less 162,306,700 Treasury Shares = 4,364,301,366
Class of Shares	: Ordinary Share
Voting Rights on a poll	: Every member of the company present in person or by proxy shall have one vote on a show of hand and in the case of a poll shall have one vote for every share of which he/she is the holder.

## BREAK DOWN OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
LESS THAN 100	464	6.14	12,330	-
100 - 1000	1,609	21.28	788,691	0.02
1,001 - 10,000	2,674	35.37	13,158,255	0.30
10,001 - 100,000	1,979	26.18	65,174,316	1.49
100,001 TO LESS THAN 5% OF ISSUED CAPITAL	832	11.00	2,586,349,439	59.26
5% AND ABOVE OF ISSUED CAPITAL	2	0.03	1,698,818,335	38.93
<b>TOTAL</b>	<b>7,560</b>	<b>100.00</b>	<b>4,364,301,366</b>	<b>100.00</b>

## TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	%
1 JOHOR CORPORATION	1,407,150,100	32.24
2 WAQAF AN-NUR CORPORATION BERHAD	291,668,235	6.68
3 CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD	195,671,947	4.48
4 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	189,080,200	4.33
5 CITIGROUP NOMS (T) SDN BHD - A/C EXEMPT AN FOR AIA BHD.	123,108,500	2.82
6 JOHOR CORPORATION	107,999,780	2.47
7 JCORP CAPITAL SOLUTIONS SDN. BHD.	88,000,000	2.02
8 CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	82,469,758	1.89
9 LEMBAGA TABUNG HAJI	53,600,000	1.23
10 AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC SELECT TREASURES FUND	51,335,572	1.18
11 CARTABAN NOMS (T) SDN BHD - A/C PAMB FOR PRULINK EQUITY FUND	43,716,700	1.00
12 AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ISLAMIC DIVIDEND FUND	41,958,140	0.96
13 CARTABAN NOMS (A) SDN BHD - A/C EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	37,794,900	0.87
14 JOHOR CORPORATION	34,565,248	0.79
15 CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	34,479,400	0.79
16 HSBC NOMS (A) SDN BHD - A/C JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	34,016,700	0.78
17 HSBC NOMS (A) SDN BHD - A/C JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	34,002,867	0.78

## SHAREHOLDINGS STATISTICS

Name	No. of Shares	%
18 CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	31,480,900	0.72
19 CARTABAN NOMS (T) SDN BHD - A/C PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	28,896,100	0.66
20 CARTABAN NOMS (A) SDN BHD - A/C SSBT FUND ZM47 FOR INVESCO EQV EMERGING MARKETS ALL CAP FUND	28,814,400	0.66
21 AMANAHRAYA TRUSTEES BERHAD - A/C PUBLIC ITTIKAL SEQUEL FUND	28,653,264	0.66
22 CARTABAN NOMS (T) SDN BHD - A/C PBTB FOR TAKAFULINK DANA EKUITI	27,515,200	0.63
23 HSBC NOMS (T) SDN BHD - A/C HSBC (M) TRUSTEE BHD FOR PRINCIPAL DALI EQUITY GROWTH FUND	24,155,800	0.55
24 CITIGROUP NOMS (T) SDN BHD - A/C EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	22,710,800	0.52
25 CITIGROUP NOMS (T) SDN BHD - A/C URUSHARTA JAMAAH SDN. BHD. (2)	22,150,000	0.51
26 CITIGROUP NOMS (A) SDN BHD - A/C EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	19,692,000	0.45
27 KULIM (MALAYSIA) BERHAD	18,938,600	0.43
28 CITIGROUP NOMS (A) SDN BHD - A/C UBS AG	17,925,115	0.41
29 CIMB GROUP NOMS (T) SDN BHD - A/C CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	16,715,900	0.38
30 HSBC NOMS (A) SDN BHD - A/C JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	16,058,600	0.37

### SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1 JOHOR CORPORATION - 5 a/cs	1,565,052,721	35.86	398,622,499	9.13
2 EMPLOYEES PROVIDENT FUND BOARD (CITIGROUP NOMS (T) SDN BHD - 10 a/cs)	391,430,905	8.97	-	-
3 WAQAF AN-NUR CORPORATION BERHAD	291,668,235	6.68	-	-
4 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	189,080,200			
- CITIGROUP NOMS (T) SDN BHD - 8 a/cs	51,869,800	240,950,000	5.52	-

### ANALYSIS OF SHAREHOLDERS

	No. of Shareholders	%	No. of Shares	%
Malaysian				
- Bumiputra	1,690	22.36	3,160,730,485	72.42
- Others	5,541	73.29	713,777,349	16.36
Foreigners	329	4.35	489,793,532	11.22
<b>TOTAL</b>	<b>7,560</b>	<b>100.00</b>	<b>4,364,301,366</b>	<b>100.00</b>

## SHAREHOLDINGS STATISTICS AS AT 31 MARCH 2023

### SHARE ANALYSIS AS OF 29 MARCH 2024

	TOTAL		BUMIPUTRA		NON - BUMIPUTRA		FOREIGN	
	Holder	Shares	Holder	Shares	Holder	Shares	Holder	Shares
Government Bodies	12	1,970,005,220	12	1,970,005,220	-	-	-	-
Finance	54	486,912,116	37	319,288,240	17	167,623,876	-	-
Investment Trust	4	764,312	4	764,312	-	-	-	-
Nominees	2,094	1,653,252,387	508	803,422,520	1,338	383,308,939	248	466,520,928
Private Limited Company								
- Retail Body Corporates	49	14,067,992	5	6,168,364	43	7,899,616	1	12
- Insti-Body Corporate	-	-	-	-	-	-	-	-
Limited Company								
- Retail Body Corporates	8	813,928	8	813,928	-	-	-	-
- Insti-Body Corporate	20	38,871,664	8	5,951,664	9	14,188,500	3	18,731,500
Clubs/Association	2	1,920,000	1	1,770,000	1	150,000	-	-
Co-Operatives	2	30,000	2	30,000	-	-	-	-
Others	1	40	-	-	1	40	-	-
Individuals	5,314	197,663,707	1,105	52,516,237	4,132	140,606,378	77	4,541,092
<b>Total</b>	<b>7,560</b>	<b>4,364,301,366</b>	<b>1,690</b>	<b>3,160,730,485</b>	<b>5,541</b>	<b>713,777,349</b>	<b>329</b>	<b>489,793,532</b>
<b>%</b>	<b>100.00</b>	<b>100.00</b>	<b>22.36</b>	<b>72.42</b>	<b>73.29</b>	<b>16.36</b>	<b>4.35</b>	<b>11.22</b>

### PERBADANAN JOHOR & SUBSIDIARIES AS OF 29 MARCH 2024

	NAME OF AGENCY	No. of Shares	%
1	JOHOR CORPORATION - 5 A/CS	1,565,052,721	35.86
2	WAQAF AN-NUR CORPORATION BERHAD	291,668,235	6.68
3	JCORP CAPITAL SOLUTIONS SDN. BHD.	88,000,000	2.02
4	KULIM (MALAYSIA) BERHAD	18,938,600	0.43
5	JOHOR LAND BERHAD	15,664	-
	<b>TOTAL HOLDINGS:</b>	<b>1,963,675,220</b>	<b>44.99</b>

## SHAREHOLDINGS STATISTICS

### GOVERNMENT AGENCIES HOLDINGS AS OF 29 MARCH 2024

NAME OF AGENCY		No. of Shares
1	JOHOR CORPORATION & GROUP	1,963,675,220
2	LEMBAGA TABUNG ANGKATAN TENTERA	3,600,000
3	YAYASAN GURU TUN HUSSEIN ONN	2,580,000
4	BADAN DERMA PELAJARAN MELAYU	150,000
<b>TOTAL HOLDINGS:</b>		<b>1,970,005,220</b>

### DIRECTORS' SHAREHOLDING AS OF 29 MARCH 2024

NAME OF DIRECTORS	No. of Shares	%
1 CHIN KEAT CHYUAN	400,000	0.01
2 DATUK MD ARIF BIN MAHMOOD	60,000	-
3 PROF DATO' AZIZI BIN HAJI OMAR	330,000	0.01
4 MOHAMED RIDZA BIN MOHAMED ABDULLA	-	-
5 DATO' MOHD REDZA SHAH BIN ABDUL WAHID	-	-
6 KHAIRUDDIN BIN JAFLUS	-	-
7 ROZAINI BIN MOHD SANI	-	-
8 SHAMSUL ANUAR BIN ABDUL MAJID	-	-
9 HISHAM BIN ZAINAL MOKHTAR	-	-
10 ANNIE BINTI ROSLE	-	-
11 LEE LAI FAN	-	-
<b>TOTAL DIRECTORS' HOLDINGS:</b>	<b>790,000</b>	<b>0.02</b>

### PUBLIC SHAREHOLDING SPREAD AS OF 29 MARCH 2024

	No. of Shares	%	Holders
TOTAL NO. OF SHARES ISSUED	4,526,608,066		7,561
LESS: TREASURY SHARES	162,306,700		1
	4,364,301,366	100.00	7,560
LESS:			
SUBSTANTIAL SHAREHOLDERS *	1,963,675,220	44.99	9
DIRECTORS	790,000	0.02	3
LESS THAN 100 UNITS	12,330	-	464
PUBLIC	2,399,823,816	54.99	7,084
<b>SUBSTANTIAL SHAREHOLDERS*</b>			
JOHOR CORPORATION	1,565,052,721	35.86	
WAQAF AN-NUR CORPORATION BERHAD	291,668,235	6.68	
JCORP CAPITAL SOLUTIONS SDN. BHD.	88,000,000	2.02	
KULIM (MALAYSIA) BERHAD	18,938,600	0.43	
JOHOR LAND BERHAD	15,664	-	
	<b>1,963,675,220</b>	<b>44.99</b>	

# LIST OF KPJ TOP 10 PROPERTIES

No	Company	Location	Description	Latest date of valuation	NBV as at 31.12.2023 RM million	Tenure & expiry date	Area (in sq metre)	Age of building
1	Bandar Dato Onn Specialist Hospital Sdn Bhd	Lot PTD 163189, HSD 501209, Mukim Tebrau, 81100 Johor Bahru, Johor.	Land and hospital building	31-Dec-20	275.6	Freehold land	104,646	5 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-23	255.0	Freehold land	97,350	25 years
3	SMC Healthcare Sdn Bhd	TL 017553221, Off Jalan Damai, 88300 Kota Kinabalu, Sabah.	Hospital building	31-Dec-20	173.9	NA	42,211	10 years
4	BDC Specialist Hospital Sdn Bhd	Lot 18807, Block 11, Muara Tebas Land District, Jalan Stutong, 93350, Kuching, Sarawak.	Land and hospital building	31-Dec-23	165.0	Leasehold land (60 years expiring on 8 August 2072)	18,990	4 years
5	Pasir Gudang Specialist Hospital Sdn Bhd	PTB 24134, HSD 535599 80350 Johor Bahru, Johor	Hospital building	31-Dec-23	142.7	NA	34,805	2 years
6	Ampang Puteri Specialist Hospital Sdn Bhd	PT 25119, HSM 26550, Mukim Empang, District of Hulu Langat, 68000 Ampang, Selangor.	Hospital building	31-Dec-20	123.2	NA	49,780	4 years
7	Pahang Specialist Hospital Sdn Bhd	Lot 140885, Pajakan Mukim 32008, Mukim Kuala Kuantan, 26060 Kuantan, Pahang.	Land and hospital building	31-Dec-20	99.7	Leasehold land (99 years expiring on 17 April 2106)	52,312	8 years
8	Kluang Specialist Hospital Sdn Bhd	PTD 91374, Jalan Saujana Utama Taman Saujana Kluang 86000 Kluang, Johor	Land and hospital building	31-Dec-23	96.3	Freehold land	27,349	5 years
9	Miri Specialist Hospital Sdn Bhd	Lot 8836, Block 11 (TRN: 04-LCLS-005-011-08836), Kuala Baram Land District, 98000 Miri, Sarawak.	Land and hospital building	31-Dec-20	83.5	Leasehold land (99 years expiring on 26 May 2114)	28,794	4 years
10	Rawang Specialist Hospital Sdn Bhd	PT 4156, section 16, HSD 52121, Bandar Rawang, 48000 Rawang, Selangor.	Land and hospital building	31-Dec-20	79.1	Leasehold land (99 years expiring on September 2103)	34,955	10 years

# GROUP NETWORK AND DIRECTORY

## MSQH & JCI ACCREDITED HOSPITALS

### KPJ AMPANG PUTERI SPECIALIST HOSPITAL

1, Jalan Mamanda 9  
Taman Dato' Ahmad Razali  
68000 Ampang, Selangor  
Tel: 603-4289 5000  
Website: www.kpjhealth.com.my/  
ampang/  
Email: apsh@kpjampang.com

### KPJ SEREMBAN SPECIALIST HOSPITAL

Lot 6219 & 6220, Jalan Toman 1  
Kemayan Square  
70200 Seremban, Negeri Sembilan  
Tel: 606-768 6000  
Emergency: 606-763 6900  
Website: www.kpjhealth.com.my/  
seremban/  
Email: ssh@kpjseremban.com

### KPJ PENANG SPECIALIST HOSPITAL

570, Jalan Perda Utama  
Bandar Baru Perda  
14000 Bukit Mertajam  
Seberang Perai, Pulau Pinang  
Tel: 604-548 6688  
Website: www.kpjhealth.com.my/  
penang/  
Email: inquiry@kpjpenang.com

### KPJ JOHOR SPECIALIST HOSPITAL

39B, Jalan Abdul Samad, Kolum Ayer  
80100 Johor Bahru, Johor  
Tel: 607-225 3000  
Website: www.kpjhealth.com.my/  
johor/  
Email: jsh@jsh.kpjhealth.com.my

## MQSH ACCREDITED HOSPITALS

### KPJ IPOH SPECIALIST HOSPITAL

26, Jalan Raja Dihilir  
30350 Ipoh, Perak  
Tel: 605-240 8777  
Website: www.kpjhealth.com.my/ipoh/  
Email: kpjipoh@kpjipoh.com

### KPJ DAMANSARA SPECIALIST HOSPITAL

119, Jalan SS20/10  
Damansara Utama  
47400 Petaling Jaya, Selangor  
Tel: 603-7718 1000  
Website: www.kpjhealth.com.my/  
damansara/  
Email: prdsh@kpjdamansara.com

### KPJ SELANGOR SPECIALIST HOSPITAL

Lot 1, Jalan Singa 20/1  
Section 20  
40300 Shah Alam, Selangor  
Tel: 603-5543 1111  
Website: www.kpjhealth.com.my/  
selangor/

### KPJ PERDANA SPECIALIST HOSPITAL

PT 37 & 600 Dan Lot 684 (Level 1, 2 & 3)  
Seksyen 14, Jalan Bayam  
Bandar Kota Bharu  
15200 Kota Bharu, Kelantan  
Tel: 609-745 8000  
Website: www.kpjhealth.com.my/  
perdana/  
Email: feedbackkpj@perdana.kpjhealth.com.my

### KPJ KAJANG SPECIALIST HOSPITAL

Jalan Cheras  
Kampung Sungai Kantan  
43000 Kajang, Selangor  
Tel: 603-8769 2999  
Website: www.kpjhealth.com.my/  
kajang/  
Email: cs.kjsh@kpjkajang.com

### KEDAH MEDICAL CENTRE

Pumpong, 05250 Alor Setar  
Kedah Darul Aman  
Tel: 604-730 8878  
Website: www.kpjhealth.com.my/  
kedah/  
Email: kmccustcare@kpjkmc.com

### KPJ TAWAKKAL KL SPECIALIST HOSPITAL

1, Jalan Pahang Barat,  
53000 Kuala Lumpur  
Tel: 603-4026 7777  
Website: www.kpjhealth.com.my/  
tawakkal/  
Email: tawakkal@kpjtawakkal.com

### KPJ PERLIS SPECIALIST HOSPITAL

No. 77, Jalan Dato Wan Ahmad  
01000 Kangar, Perlis  
Tel: 604-970 7777  
Website: www.kpjhealth.com.my/perlis/  
Email: prm.kpjperlis@gmail.com

### KPJ SENTOSA KL SPECIALIST HOSPITAL

Address: 36, Jalan Chemur, Kompleks  
Damai, 50400 Kuala Lumpur, Wilayah  
Persekutuan Kuala Lumpur  
Tel: 03-4043 7166  
Website: https://kpjhealth.com.my/  
sentosa/

### KPJ KLANG SPECIALIST HOSPITAL

102, Persiaran Rajawali/KU1  
Bandar Baru Klang  
41150 Klang, Selangor  
Tel: 603-3377 7888  
Website: www.kpjhealth.com.my/klang/  
Email: customer@kpjklang.com

### KPJ PASIR GUDANG SPECIALIST HOSPITAL

Lot PTD 204781, Jalan Persiaran Dahlia 2  
Taman Bukit Dahlia  
81700 Pasir Gudang  
Johor  
Tel: 607-257 3999  
Website: www.kpjhealth.com.my/  
pasirgudang/  
Email: info@kpjgsh.com

### KPJ BANDAR MAHARANI SPECIALIST HOSPITAL

73-1, Jln Stadium  
Kampung Baharu  
84000 Muar, Johor  
Tel: 606-956 4500  
Website: www.kpjhealth.com.my/  
maharani/  
Email: maharani@kpjmaharani.com

### KPJ RAWANG SPECIALIST HOSPITAL

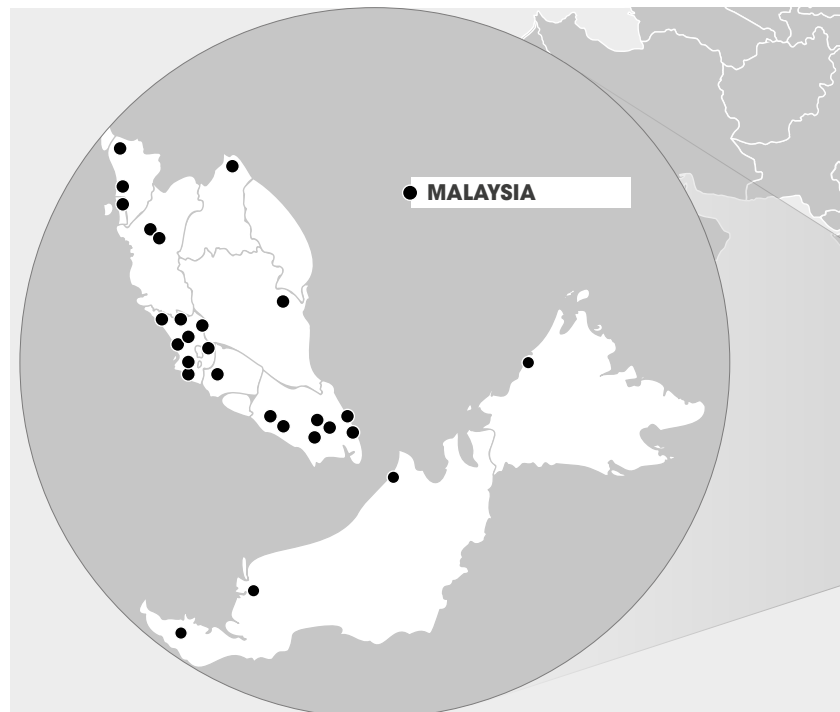
Jalan Rawang, Bandar Baru  
48000 Rawang, Selangor  
Tel: 603-6099 8999  
Website: www.kpjhealth.com.my/  
rawang/  
Email: customer.s@kpjrawang.com

### KPJ SABAH SPECIALIST HOSPITAL

Lot No.2, Of Jalan Damai  
Luyang Commercial Centre  
88300 Kota Kinabalu, Sabah  
Tel: 6088-322 000  
Website: www.kpjhealth.com.my/  
sabah/  
Email: prsmck@kpjsabah.com

### KPJ PAHANG SPECIALIST HOSPITAL

Jalan Tanjung Lumpur  
26060 Kuantan, Pahang  
Tel: 609-511 2692  
Website: www.kpjhealth.com.my/  
pahang/  
Email: kphg@kpjpahang.com



## MOVING TOWARDS ACCREDITATION

### TAIPIING MEDICAL CENTRE

45-49, Jalan Medan Taiping 2  
Medan Taiping  
34000 Taiping, Perak  
Tel: 605-807 1049  
Website: www.kpjhealth.com.my/  
taiping/  
Email: tmc@kpjtaiping.com

### KPJ KUCHING SPECIALIST HOSPITAL

Lot 18807, Block 11  
Muara Tebas Land District  
Jln Stutong, 93350 Kuching, Sarawak  
Tel: 6082-365 777  
Website: www.kpjhealth.com.my/  
kuching/  
Email: kcsh@kcsh.kpjhealth.com.my

### KPJ SIBU SPECIALIST MEDICAL CENTRE

52A-G, Persiaran Brooke, Pekan Sibu  
96000 Sibu, Sarawak  
Tel: 6084-329 900  
Website: www.kpjhealth.com.my/sibu/  
Email: enquiry@kpsibu.com

### KPJ KLUANG SPECIALIST HOSPITAL

PTD 91374, Jalan Saujana Utama  
Taman Saujana  
86000 Kluang, Johor  
Tel: 607-771 8999  
Website: www.kpjhealth.com.my/  
kluang/

### KPJ DAMANSARA SPECIALIST HOSPITAL 2

Bukit Lanjan, 60000 Kuala Lumpur  
Tel: 603-7717 3000  
Website: https://www.kpjhealth.com.  
my/damansara2/  
Email: d2marcomm@kpjdamansara2.com

### KPJ SRI MANJUNG SPECIALIST HOSPITAL

Lot 14777 & 14778  
Jalan Lumut  
32000 Sitiawan, Perak  
Tel: 605-691 8153  
Website: www.kpjhealth.com.my/  
srimanjung/  
Email: kpjsrimanjung@kpjsrimanjung.com

### KPJ BANDAR DATO' ONN SPECIALIST HOSPITAL

No. 2, Jalan Bukit Mutiara  
Taman Bukit Mutiara  
81100 Johor Bahru  
Johor  
Tel: 607-301 1000  
Website: www.kpjhealth.com.my/bdo/  
Email: bdo@kpjbdo.com

### KPJ PUTERI SPECIALIST HOSPITAL

No. 33, Jalan Tun Abdul Razak (Susur 5)  
80350 Johor Bahru  
Johor  
Website: www.kpjhealth.com.my/puteri/  
Email: psh@psh.kpjhealth.com.my

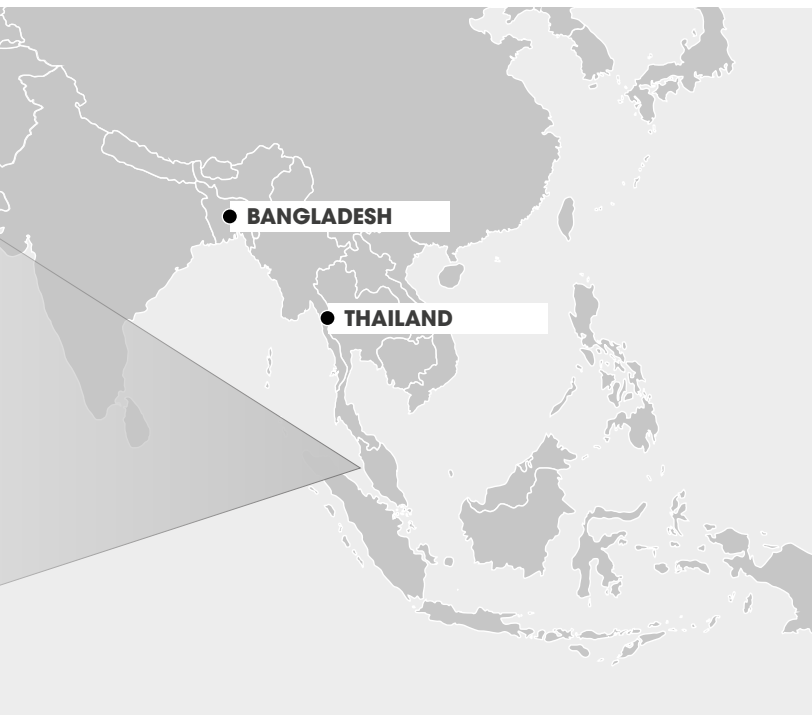
### KPJ BATU PAHAT SPECIALIST HOSPITAL

No 1, Jalan Mutiara Gading 1  
Taman Mutiara Gading, Sri Gading  
83000 Batu Pahat  
Johor  
Tel: 607-459 1000  
Website: www.kpjhealth.com.my/  
batupahat/  
Email: bpsh@kpjbatupahat.com

### KPJ MIRI SPECIALIST HOSPITAL

Lot 8836, Block 11  
Kuala Baram By Pass Rd  
Bandar Baru Permyjaya  
98000 Miri, Sarawak  
Tel: 6085-649 999  
Website: www.kpjhealth.com.my/miri/  
Email: inquiry.miri@kpjmiri.com

## GROUP NETWORK AND DIRECTORY



## 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.sfmmpkjsh.com  
 Email: info@sfmmpkjsh.com

## AMBULATORY CARE AND WELLNESS CENTRES

## KPJ AMBULATORY CARE 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

KPJ KUANTAN CARE CENTRE &  
WELLNESS CENTRE

No 51, Jalan Alor Akar  
 Taman Kuantan  
 25250 Kuantan, Pahang  
 Tel: 609-567 8588  
 Website: www.kpjhealth.com.my/  
 kcwc/  
 Email: info@kpjkcwc.com

## TMC HEALTH CENTRE

Lot 3140, Aras 1 - 4  
 Medan Taiping  
 34000 Taiping, Perak  
 Tel: 605-804 8836

## 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/

## 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

SIBU GERIATRIC HEALTH &  
NURSING CENTRE

No. 52A-G, Brooke Drive  
 96000 Sibu, Sarawak  
 Tel: 6084-329 900  
 Email: enquiry@kpjsibu.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: info@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



This page is intentionally left blank.



[www.kpjhealth.com.my](http://www.kpjhealth.com.my)



A JCORP Company

**KPJ HEALTHCARE BERHAD (199201015575 (247079-M))**

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

T (603) 2681 6222 | F (603) 2681 6888