



KPJ HEALTHCARE BERHAD

www.kpj.com.my

(247079-M)

www.kpj.com.my

ANNUAL REPORT 2003 LAPORAN TAHUNAN • KPJ HEALTHCARE BERHAD 247079-M



Integration For Customer Care Excellence  
*Integrasi Ke Arah Kecemerlangan Perkhidmatan Pelanggan*

ANNUAL REPORT 2003 LAPORAN TAHUNAN



## CoverRationale

Rasional Muka Depan

### Integration for Customer Care Excellence

Transforming for stronger growth.

This year's cover remains focused on KPJ Healthcare's continuing sojourn of charting its development and transformation into a premier healthcare brand renown for its network of private specialist hospitals providing a broad spectrum of healthcare and specialist services.

Expansion of the KPJ Healthcare's hospitals in major Malaysian urban centres and townships has steadily extended the availability of specialist services and state-of-the-art facilities in new markets, allowing more people to experience the brand and service firsthand whilst making the Group name synonymous with quality healthcare provider.

In tandem with the expansion is the drive to achieve across the board standardization of Quality approaches, thus ensuring consistent excellent customer experience throughout the Group.

Our on-going commitment to make quality healthcare available to all Malaysians is the engine that drives our corporate growth, and ensures our brand of caring, professionalism and patient-sensitive care continues to provide the best to our customer, and contributes to the nation's emergence as a centre of medical excellence.

### Integrasi ke Arah Kecemerlangan Perkhidmatan Pelanggan

Berubah untuk pertumbuhan yang lebih kukuh.

Rekabentuk muka depan terus memberi tumpuan kepada langkah berterusan KPJ Healthcare dalam merangka pembangunan dan transformasinya sebagai satu jenama penyedia prisihatin (healthcare) yang unggul, terkenal dengan rangkaian hospital swastanya yang memberikan perkhidmatan dan kepakaran prisihatin yang meluas dalam pelbagai bidang.

Pertumbuhan jumlah hospital-hospital KPJ Healthcare di bandar-bandar utama di Malaysia telah membolehkan pasaran baru menikmati perkhidmatan pakar dan kemudahan tercanggih serta memberi peluang lebih ramai masyarakat menikmati perkhidmatannya secara terus. Ini akan menjurus Kumpulan untuk lebih dikenali, sinonim sebagai penyedia prisihatin yang berkualiti.

Sejajar dengan pertumbuhan ini ialah kesungguhannya untuk mencapai tahap keseragaman yang menyeluruh menerusi pendekatan Kualiti, bagi memastikan pengalaman keunggulan perkhidmatan pelanggan yang konsisten diseluruh Kumpulan.

Komitmen yang berterusan bagi menyediakan perkhidmatan prisihatin berkualiti kepada masyarakat Malaysia merupakan penggalak kepada pertumbuhan korporat kami, dan memastikan nilai-nilai keprihatinan, profesionalisma dan penjagaan yang sensitif terhadap pesakit akan terus memberikan hanya yang terbaik kepada pelanggan, serta membantu kepada hasrat Negara menjadi sebuah pusat kesihatan yang unggul.

## Corporate Vision

Visi Korporat

"The preferred provider in healthcare services."

"Pilihan utama pengguna dalam perkhidmatan prisihatin."

## Corporate Mission

Misi Korporat

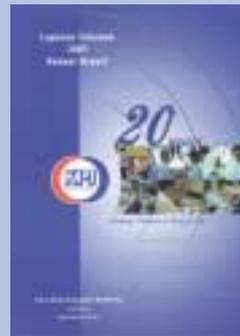
"Deliver quality healthcare services to our customers."

"Menyediakan perkhidmatan prisihatin berkualiti kepada pelanggan."

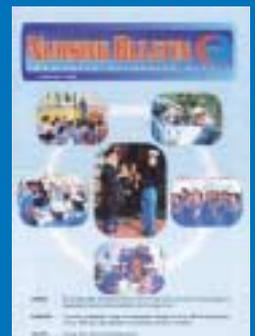
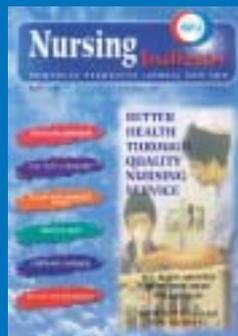
# Publications • Penerbitan



**Annual Report**  
Laporan Tahunan  
1994-2002



**Nursing Bulletin**  
Buletin Kejururawatan



**Medical Digest / Journal**  
Jurnal Perubatan



**CorporateScene**  
Newsletter • Surat Berita



# Contents

Corporate Profile	2 - 3
Corporate Information	4
Performance Statistics	5
Group Corporate Structure	6
Board of Directors	7
Directors Profile	8 - 13
Management Team	14 - 17
Statement to Shareholders	18 - 41
KPJ Healthcare's Hospitals - In Focus	42 - 43
Audit Committee	44 - 47
Statement on Corporate Governance	48 - 52
Statement on Internal Control	53 - 57
Compliance Information	58 - 59
Service & Facilities Enhancement	60 - 61
Corporate Events	62 - 63
Quality Programs & Benchmarking	64 - 67
Human Capital Management	68 - 69
Community Outreach/Charity Programs	70 - 72
Financial Statements	73 - 134
Shareholding Statistics	135
List of Properties	136 - 137
Notice of Annual General Meeting	138 - 139
Statement Accompanying Notice of Annual General Meeting	140
Proxy Form	

# Kandungan

Profil Korporat
Maklumat Korporat
Statistik Prestasi
Struktur Korporat Kumpulan
Ahli Lembaga Pengarah
Profil Pengarah-pengarah
Kumpulan Pengurusan
Penyata Kepada Pemegang-pemegang Saham
Hospital-hospital KPJ Healthcare - Fokus
Jawatankuasa Audit
Penyata Tadbir Urus Korporat
Penyata Kawalan Dalaman
Maklumat Pematuhan
Peningkatan Kemudahan & Perkhidmatan
Aktiviti-aktiviti Korporat
Program Kualiti dan Penanda Aras
Pengurusan Tenaga Insan
Program Kemasyarakatan
Penyata Kewangan
Statistik Pemegang Saham
Senarai Hartanah
Notis Mesyuarat Agung Tahunan
Penyata Susulan Notis Mesyuarat Agung Tahunan
Suratcara Proksi

# Corporate Profile

## Profil Korporat

KPJ Healthcare Berhad (KPJ Healthcare), the healthcare arm of Johor Corporation, was incorporated in 1992 as an investment holding company. KPJ Healthcare has 34 subsidiaries and associate companies with its principal activities in providing medical and specialist healthcare services.

KPJ Healthcare is the first homegrown healthcare group in Malaysia listed on the Main Board of Bursa Malaysia on 29 November 1994. With more than RM764 million in assets as at 31 December 2003, and shareholders' funds in excess of RM345 million, KPJ Healthcare is now the largest private hospital group in the country with a paid up capital of RM201 million.

Standing firmly behind its corporate vision, KPJ Healthcare since its establishment continuously seeks new opportunities to ensure the Group's sustainable performance. The Group's achievements are largely the result of its firm corporate philosophy which inspires excellence, encourages individual initiative and teamwork, harnesses strategic synergy and the collective focus of its resources, and inculcates high integrity and entrepreneurial spirit.

The philosophy is further strengthened through its corporate mission, which is "to deliver quality healthcare services to our customers". This is also in line with its core values, which focus on Safety, Continuous Improvement, Courtesy, Teamwork and Professionalism.

With the Group's extensive network of 12 private specialist hospitals represented in most major towns in the country, KPJ Healthcare, with its firm foundation, strong dedication and commitment is poised to meet the challenges of the new globalized market, to be in the forefront of national and international healthcare delivery and development.

*KPJ Healthcare Berhad (KPJ Healthcare), Bahagian Prinsipal Johor Corporation, telah ditubuhkan pada tahun 1992 sebagai sebuah syarikat pelaburan induk. KPJ Healthcare mempunyai 34 syarikat subsidiari dan sekutu dengan aktiviti utamanya ialah menyediakan perkhidmatan perubatan dan kesihatan pakar.*

*KPJ Healthcare adalah sebuah kumpulan syarikat prinsipal tempatan pertama di Malaysia yang telah disenaraikan di Papan Utama Bursa Malaysia pada 29 November 1994. Jumlah aset Kumpulan melebihi RM765 juta serta dana pemegang saham melebihi RM345 juta pada 31 Disember 2003, KPJ Healthcare adalah kumpulan hospital swasta terbesar di negara ini dengan jumlah modal berbayar berjumlah RM201 juta.*

*Sejak penubuhannya, KPJ Healthcare berdiri teguh dibelakang Visinya, dan sentiasa menerokai peluang-peluang baru bagi memastikan kesinambungan kejayaan yang cemerlang. Pencapaian Kumpulan secara dasarnya adalah hasil dari falsafah korporatnya yang merangsang kearah kecemerlangan, menggalakkan inisiatif individu serta kerja berpasukan, tumpuan terhadap penyeragaman strategi serta sumber-sumbernya terutama penerapan nilai-nilai ketelusan serta semangat keusahawanan yang tinggi.*

*Falsafah ini diperteguhkan lagi menerusi misi korporat "Untuk memberikan perkhidmatan prinsipal yang berkualiti kepada pelanggan". Ini juga selaras dengan nilai asas yang memberi tumpuan kepada Keselamatan, Peningkatan serta Pembaikan yang Berterusan, Semangat Kerjasama yang Tinggi dan Profesionalisma.*

*Menerusi rangkaian 12 hospital pakar swasta dalam kumpulan yang terdapat hampir di kesemua bandar utama di negara ini serta sokongan asas yang kukuh dan dedikasi juga komitmen yang tinggi, KPJ Healthcare bersedia untuk menghadapi cabaran-cabaran yang baru di pasaran globalisasi ini dan menjadi peneraju utama dalam pembangunan serta penawaran perkhidmatan prinsipal di peringkat nasional dan antarabangsa.*

# CorporateAD

Iklan Korporat

# Corporate information

## Maklumat Korporat

### Registered Office / Pejabat Berdaftar

13th Floor, Menara Johor Corporation, KOTARAYA,  
80000 Johor Bahru, Johor Darul Takzim.  
Tel: (07) 223 2692 Fax: (07) 223 3175  
Email: pdnjohor@jcorp.com.my

### Corporate Office / Pejabat Korporat

7, Pesiaran Titiwangsa 3, 53200 Kuala Lumpur.  
Tel: (03) 4022 6222 Fax: (03) 4022 7237  
Email: kpj@kpj.com.my  
Website: www.kpj.com.my

### Group Directory / Direktori Kumpulan

#### Hospitals / Hospital-hospital

JOHOR SPECIALIST HOSPITAL  
39-B, Jalan Abdul Samad,  
80100 Johor Bahru,  
Johor Darul Takzim.  
Tel: (07) 225 3000 Fax: (07) 224 8213

IPOH SPECIALIST HOSPITAL  
26, Jalan Raja DiHilir, 30350 Ipoh,  
Perak Darul Ridzuan.  
Tel: (05) 241 8777 Fax: (05) 254 1388

AMPANG PUTERI SPECIALIST HOSPITAL  
1, Jalan Mamanda 9, Taman Dato' Ahmad  
Razali, 68000 Ampang, Selangor Darul Ehsan.  
Tel: (03) 4270 2500 Fax: (03) 4270 2443

DAMANSARA SPECIALIST HOSPITAL  
119, Jalan SS20/10, Damansara Utama, 47400  
Petaling Jaya, Selangor Darul Ehsan.  
Tel: (03) 7722 2692 Fax: (03) 7722 2617

TAWAKAL HOSPITAL  
202-A, Jalan Pahang,  
53000 Kuala Lumpur.  
Tel: (03) 4023 3599 Fax: (03) 4022 8063

KUANTAN SPECIALIST HOSPITAL  
51, Jalan Alor Akar, 25250 Kuantan,  
Pahang Darul Makmur.  
Tel: (09) 567 8588 Fax: (09) 567 8098

PUTERI SPECIALIST HOSPITAL  
33, Jalan Tun Abdul Razak, (Susur 5),  
80000 Johor Bahru, Johor Darul Takzim.  
Tel: (07) 225 3222 Fax: (07) 223 8833

BUKIT MERTAJAM SPECIALIST HOSPITAL  
565, Jalan Sungai Rambai,  
14000 Bukit Mertajam,  
Seberang Perai, Pulau Pinang.  
Tel: (04) 538 7577 Fax: (04) 538 7620

KEDAH MEDICAL CENTRE  
Pumpong, 05250 Alor Setar,  
Kedah Darul Aman.  
Tel: (04) 730 8878 Fax: (04) 732 6639

HOSPITAL PAKAR PERDANA  
Lot PT.37 & PT.600, Seksyen 14,  
Jalan Bayam, 15200 Kota Bharu,  
Kelantan Darul Naim.  
Tel: (09) 745 8000 Fax: (09) 747 2877

HOSPITAL PENAWAR  
17&18, Pusat Perniagaan Pasir Gudang,  
81700 Pasir Gudang, Johor Darul Takzim.  
Tel: (07) 252 1800 Fax: (07) 251 8199

KUCHING SPECIALIST HOSPITAL  
Lot 10420, Block 11,  
Tabuan Stutong Commercial Centre,  
Jalan Setia Raja, 93350 Kuching,  
Sarawak.  
Tel: (082) 365 777 Fax: (082) 364 666

SEREMBAN SPECIALIST HOSPITAL  
Lot PT. 6219 & PT 6220  
Jalan Sungei Ujong,  
Seremban,  
Negeri Sembilan.

#### Support Companies / Syarikat Sokongan

Puteri Nursing College  
Ground Floor, No 21, Jalan Selangor,  
Section 6, 46050 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel: (03) 7357 0355 Fax: (03) 7956 9930

Lablink Malaysia  
Suite 1, 3rd Floor Bangunan PharmaCARE,  
Lot 129, Jalan Pahang Barat,  
53000 Kuala Lumpur.  
Tel: (03) 4023 4588 Fax: (03) 4023 4298

Healthcare Technical Services  
Suite 1, Mezzanine Floor,  
Bangunan PharmaCARE,  
Lot 129, Jalan Pahang Barat,  
53000 Kuala Lumpur.  
Tel: (03) 4021 2331 Fax: (03) 4021 2337

Pharmaserv Alliances  
Lower Ground,  
Damansara Specialist Hospital,  
No 119, Jalan SS20/10,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel: (03) 7725 8677 Fax: (03) 7725 6406

PharmaCARE  
c/o Kumpulan Perubatan (Johor) Sdn Bhd  
No 7, Pesiaran Titiwangsa 3  
53200 Kuala Lumpur  
Tel: (03) 4022 6222 Fax: (03) 4022 7237

#### Company Secretaries / Setiausaha-setiausaha Syarikat

Salmah Abd Wahab (LS 02140)  
Idham Jihadi Abu Bakar ACIS (MAICSA 7007381)

#### Registrar / Pendaftar

Phoenix Synergy Sdn Bhd, Ulu Tiram Estate KB 735,  
80990 Johor Bahru, Johor Darul Takzim.  
Tel: (07) 861 1611/861 1613  
Fax: (07) 863 1908

#### Auditor / Juruaudit

PricewaterhouseCoopers  
11th Floor, Wisma Sime Darby,  
Jalan Raja Laut, 50350 Kuala Lumpur.

#### Principal Bankers / Bank-bank Utama

Malayan Banking Berhad, 343, Jalan Pahang,  
Setapak, 53300 Kuala Lumpur

Bumiputera-Commerce Berhad  
Ground Floor, No 338, Bangunan AMAC,  
Jalan Tuanku Abdul Rahman,  
50100 Kuala Lumpur

#### Stock Exchange Listing / Penyenaiaan Bursa Saham

Main Board of Bursa Malaysia  
Papan Utama Bursa Malaysia  
(Since November 1994)

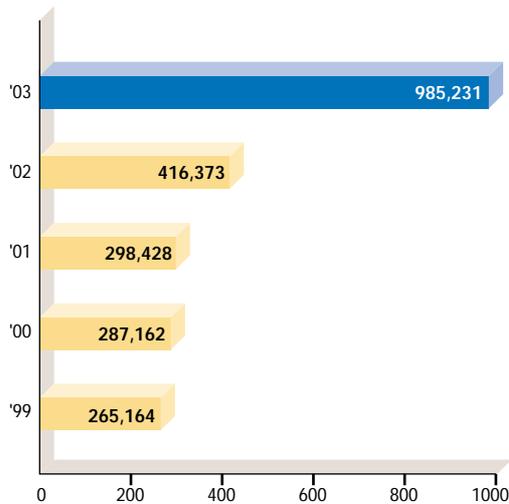
# Performance Statistics

## Statistik Prestasi

	1999	2000	2001	2002	2003
No of Hospitals / <i>Jumlah Hospital</i>	2	2	2	11	12
Outpatient / <i>Pesakit Luar</i>	265,164	287,162	298,428	416,373	985,231
Inpatient / <i>Pesakit Dalam</i>	27,393	28,484	31,424	43,839	101,596
Revenue / <i>Pendapatan</i> (RM'000)	107,952	125,115	147,503	222,774	509,521
Profit Before Taxation / <i>Keuntungan Sebelum Cukai</i> (RM'000)	13,959	15,211	17,532	22,325	31,990
Profit After Taxation and Minority Interest / <i>Keuntungan Selepas Cukai dan Kepentingan Minoriti</i> (RM'000)	13,653	10,458	11,923	14,922	29,043
Earnings Per Share / <i>Pendapatan Sesaham</i> (sen)	28.44	21.98	24.84	20.53	14.87
Dividend Rate / <i>Kadar Dividen</i> (%)	10	10	10	5	6
Share Capital / <i>Modal Saham</i> (RM '000)	48,000	48,000	48,000	191,385	200,985
Shareholders' Fund / <i>Dana Pemegang Saham</i> (RM'000)	100,809	140,138	147,771	315,931	345,521
Total Asset / <i>Jumlah Aset</i> (RM'000)	128,218	169,256	189,162	724,973	764,792
NTA (RM '000)	97,648	137,045	143,472	230,320	259,233

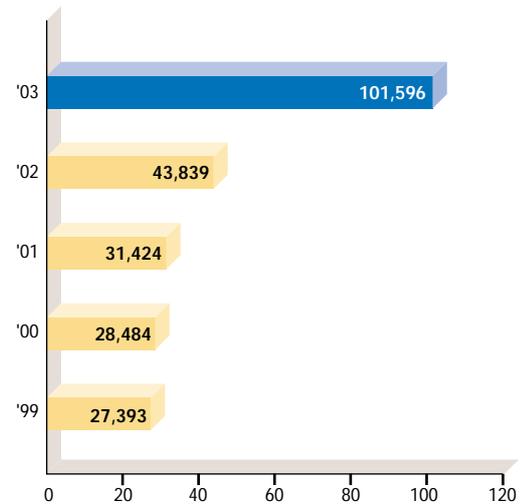
### Outpatients *Pesakit Luar*

Years/*Tahun*



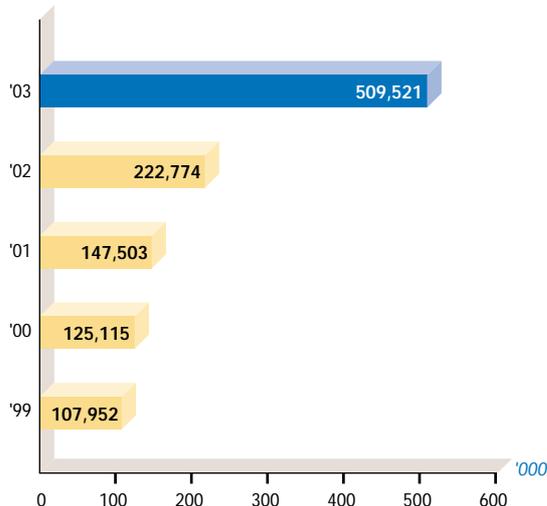
### Inpatients *Pesakit Dalam*

Years/*Tahun*



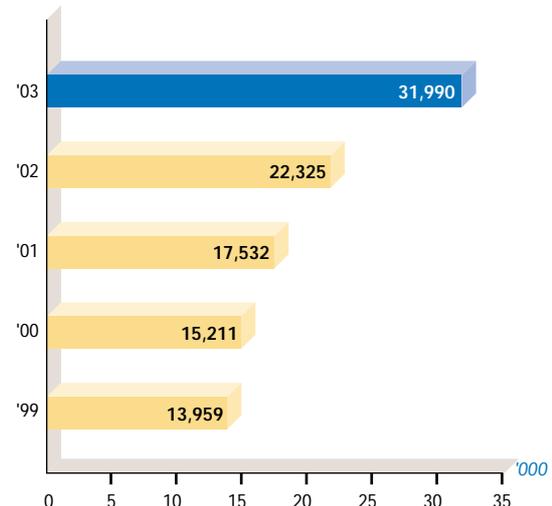
### Revenue *Pendapatan* (RM '000)

Years/*Tahun*



### Profit Before Taxation *Keuntungan Sebelum Cukai* (RM '000)

Years/*Tahun*

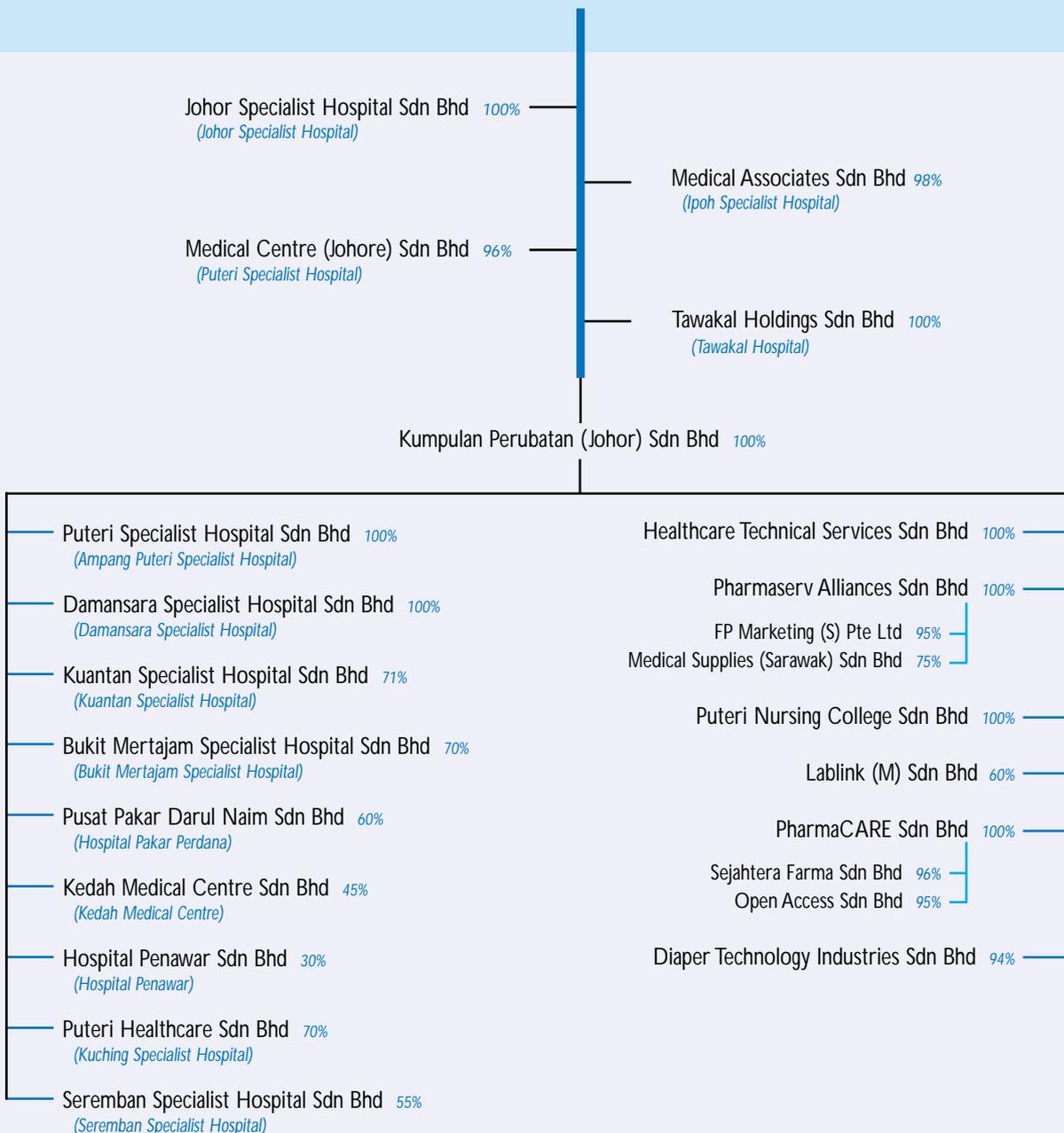


# Group Corporate Structure

## Struktur Korporat Kumpulan



### KPJ HEALTHCARE BERHAD



# Board of Directors

## Ahli Lembaga Pengarah



Standing from left • Berdiri dari kiri

Jamaluddin Md. Ali, Tan Sri Dato' Dr Abu Bakar Suleiman, Azzat Kamaludin, Zainah Mustafa, Datuk Dr Hussein Awang, Datin Paduka Siti Sa'diah Sh Bakir, Dato' Dr K Kulaveerasingam, Tan Sri Dato' Muhammad Ali Hashim, Dr Chakr Sri Na Nagara, Tan Sri Datuk Arshad Ayub, Dato' Dr Lim Kee Jin, Salmah Abd Wahab

### Chairman *Pengerusi*

Tan Sri Dato' Muhammad Ali Hashim  
Non-Executive/*Bukan Eksekutif*

### Managing Director *Pengarah Urusan*

Datin Paduka Siti Sa'diah Sh Bakir

### Board Members *Ahli Lembaga Pengarah*

Zainah Mustafa  
Non-Executive/*Bukan Eksekutif*

Tan Sri Datuk Arshad Ayub  
Independent/*Bebas*

Tan Sri Dato' Dr Abu Bakar Suleiman  
Independent/*Bebas*

Datuk Dr Hussein Awang  
Independent/*Bebas*

Dato' Dr Lim Kee Jin  
Independent/*Bebas*

Dato' Dr K Kulaveerasingam  
Independent/*Bebas*

Dr Chakr Sri Na Nagara  
Independent/*Bebas*

Azzat Kamaludin  
Independent/*Bebas*

Jamaluddin Md. Ali  
(Alternate Director to / *Pengarah Gantian kepada*)  
Tan Sri Dato' Muhammad Ali Hashim)  
Non-Executive/*Bukan Eksekutif*

### Secretaries *Setiausaha-setiausaha*

Salmah Abd Wahab  
Idham Jihadi Abu Bakar (not in picture/  
*tiada dalam gambar*)

# Directors Profile

## Profil Pengarah-Pengarah



### Tan Sri Dato' Muhammad Ali Hashim

Aged 57, Tan Sri has been the Chairman of KPJ Healthcare Berhad since 15 September 1993. He has also been the Group Chief Executive of Johor Corporation (JCorp), the ultimate holding corporation of KPJ Healthcare, since January 1982. He graduated from University of Malaya with a Bachelor of Economics (Honors) degree in 1969 and participated in the Senior Executive Program, Stanford University, USA in 1985. Tan Sri was conferred the Honorary Doctor of Management by Universiti Teknologi Malaysia on 19 August 2000.

Tan Sri's charismatic personality, entrepreneurial verve and visionary leadership has built JCorp into a leading Malaysian conglomerate involved in several business sectors such as Agrobusiness, Healthcare, Timber, Intrapreneur Venture, Real Estate, Property, Hotels and Industrial Development.

JCorp, since January 1982, has successfully managed Malaysia's first 'privatized' local authority, namely the Pasir Gudang Local Authority (PGLA), with Tan Sri as President. JCorp has been the single most important agency responsible for Pasir Gudang's

development into one of Malaysia's most vibrant industrial townships.

JCorp, with Tan Sri at the helm of the leadership has won many awards, including the prestigious Inaugural Prime Minister's Quality Award For Public Sector in 1990. He was named Director of the Year for 1995 by the Malaysian Institute of Directors for his commitment towards quality, entrepreneurial effort and professionalism.

Tan Sri sits as a Chairman of Kulim (Malaysia) Berhad and Sindora Berhad, which are JCorp's subsidiaries listed on the Main Board of the Bursa Malaysia. Tan Sri is also active as a Council Member of the Malaysian Industrial Development Authority (MIDA), a Member of Kolej Universiti Teknologi Tun Hussein Onn (KUiTTHO) Board of Directors, President of the Johor Football Association, President of the Malaysian Kite Council, and Chairman of Klinik Waqaf An-Nur, a charitable organization extending healthcare services to the poor and the needy.

*Berusia 57 tahun, Tan Sri telah dilantik sebagai Pengerusi KPJ Healthcare Berhad mulai 15 September 1993. Beliau juga Ketua Eksekutif Kumpulan Johor Corporation (JCorp), syarikat induk KPJ Healthcare, sejak Januari 1982. Beliau adalah lulusan dari Universiti Malaya dengan Ijazah Ekonomi (Kepujian) pada tahun 1969 dan telah menyertai Program Eksekutif Kanan di Universiti Stanford, USA pada tahun 1985. Tan Sri telah dianugerahkan Doktor Falsafah Pengurusan oleh Universiti Teknologi Malaysia pada 19 Ogos 2000.*

*Sebagai seorang yang berkarisma, berpandangan jauh dan mempunyai ciri-ciri keusahawanan, Tan Sri telah berjaya membina JCorp menjadi sebuah konglomerat Malaysia yang berjaya dalam pelbagai bidang seperti AgroBisnes, Prisihatin, Perakayuan, Intrapreneur Venture, Pembangunan Hartanah, Perhotelan serta Pembangunan Industri.*

*Sebagai Presiden Pihak Berkuasa Tempatan Pasir Gudang (PBTPG), Tan Sri telah menguruskan pihak berkuasa tempatan yang pertama diswastakan ini dengan jayanya. JCorp merupakan agensi utama terpenting yang bertanggungjawab dalam pembangunan Pasir Gudang sehingga ianya menjadi sebuah bandar industri yang pesat membangun.*

*Dibawah kepimpinan Tan Sri, JCorp telah memenangi Anugerah Kualiti Perdana Menteri untuk Sektor Awam yang julung kali diadakan pada tahun 1990. Beliau turut menerima anugerah Pengarah Tahunan 1995 oleh Institut Pengarah Malaysia bagi menghargai komitmen serta profesionalisma beliau terhadap kualiti dan keusahawanan.*

*Tan Sri juga adalah Pengerusi Kulim (Malaysia) Berhad dan Sindora Berhad, syarikat subsidiari JCorp yang tersenarai di Papan Utama Bursa Malaysia. Tan Sri turut aktif sebagai Ahli Majlis Lembaga Pembangunan Industri Malaysia (MIDA), Ahli Lembaga Pengarah Kolej Teknologi Tun Hussein Onn (KUiTTHO), Presiden Persatuan Bolasepak Johor, Presiden Majlis Layang-layang Malaysia, serta Pengerusi Klinik Waqaf An-Nur, satu pertubuhan kebajikan yang menyediakan perkhidmatan prisihatin kepada mereka yang tidak berkemampuan.*



## Datin Paduka Siti Sa'diah Sh Bakir

Aged 51, Datin Paduka has been the Managing Director of KPJ Healthcare Berhad, since 1 March 1993. An Economics graduate from University of Malaya in 1974, Datin Paduka began her illustrious career with JCorp in the same year. She has been directly involved with JCorp's Healthcare Division since 1978. She was the Chief Executive of KPJSB, the holding company of KPJ Healthcare, from 1989 until the restructuring of KPJ Healthcare in November 2002. She is the Chairman of various hospitals in the KPJ Healthcare Berhad Group. She also sits as a Director in other private companies within the JCorp Group, such as Puteri Hotel and JMF Asset Management, as well as Klinik Waqaf An-Nur, a non-governmental organization dedicated to the provision of healthcare services to the less fortunate.

Her commitment to excellence in healthcare has driven her to be active in professional organizations, having held the position as Vice President from 1994 to 1996 of the Association of Private Hospitals in Malaysia (APHM), and she is currently the President of the Malaysian Society of Quality in Health (MSQH), since its inception in 1997.

Datin Paduka has also been a Board member of MATRADE since 1999, a member of the National Productivity Council's (NPC) Consultative Panel on Healthcare since 2001, and was appointed as a member of the National Patient Safety Council, Ministry of Health Malaysia in 2003. For her creditable contributions towards developing and enhancing the nursing profession in Malaysia, Datin Paduka was

also conferred the Adjunct Associate Professorship by University of South Australia in June 2003. Datin Paduka was appointed to the Board of Bursa Malaysia with effect from April 2004.

*Berusia 51 tahun, Datin Paduka ialah Pengarah Urusan KPJ Healthcare Berhad sejak 1 Mac 1993. Lulusan Ekonomi dari Universiti Malaya pada tahun 1974, Datin Paduka telah memulakan kerjayanya dengan JCorp di tahun yang sama. Beliau telah bertugas di Bahagian Prinsipal JCorp sejak tahun 1978. Beliau ialah Ketua Eksekutif KPJSB, syarikat induk KPJ Healthcare sejak tahun 1989 sehingga penstrukturan semula pada November 2002. Beliau juga adalah Pengerusi di dalam beberapa buah hospital Kumpulan KPJ Healthcare Berhad. Beliau juga adalah Pengarah di dalam beberapa syarikat dalam Kumpulan Johor Corporation seperti Puteri Hotel dan JMF Asset Management termasuk Klinik Waqaf An-Nur, satu pertubuhan bukan kerajaan yang memberikan perkhidmatan prinsipal kepada mereka yang tidak berkemampuan.*

*Komitmen yang begitu mendalam terhadap keunggulan dalam bidang prinsipal telah mendorong beliau untuk aktif dalam organisasi profesional industri dan telah dilantik sebagai Timbalan Presiden Persatuan Hospital Swasta di Malaysia (APHM) dari tahun 1994 hingga 1996 dan Presiden Persatuan Kualiti Kesihatan Malaysia (MSQH) sejak penubuhannya dalam tahun 1997.*

*Datin Paduka turut dilantik sebagai Ahli Lembaga Pengarah MATRADE sejak 1999, Ahli Jawatankuasa Panel Perunding Sektor Perubatan di Perbadanan Produktiviti Negara sejak tahun 2001, dan juga Ahli Majlis Keselamatan Pesakit, Kementerian Kesihatan Malaysia sejak tahun 2003. Diatas sumbangan besar beliau terhadap pembangunan profesyen kejururawatan di Malaysia, Datin Paduka telah dianugerah "Adjunct Associate Professorship" dari Universiti South Australia pada Jun 2003. Datin Paduka telah dilantik sebagai Pengarah Bursa Malaysia sejak April 2004.*



## Zainah Mustafa

Aged 49, Puan Zainah has been a Director of KPJ Healthcare Berhad since 21 February 1994. She also sits on the board of three other public listed companies of JCorp i.e. Kulim (Malaysia) Berhad, Damansara Realty Berhad and Johor Land Berhad.

She started her career as an Assistant Senior Auditor in Perbadanan Nasional Berhad in 1977 after graduating from Institute Technology of MARA (presently UiTM). She obtained her Association of Chartered Certified Accountants (ACCA) United Kingdom in 1976. In October 1978, she joined JCorp and the last post held prior to her retirement from JCorp on 31 October 2002 was the Group Chief Financial Officer. She is a member of the KPJ Healthcare Audit Committee and Remuneration Committee.

*Berusia 49 tahun, Pn Zainah telah dilantik sebagai Pengarah KPJ Healthcare sejak 21 Februari 1994. Beliau juga Pengarah tiga lagi syarikat tersenarai JCorp iaitu Kulim (Malaysia) Berhad, Damansara Realty Berhad, dan Johor Land Berhad.*

*Beliau memulakan kerjayanya sebagai Pembantu Audit Kanan di Perbadanan Nasional Berhad pada tahun 1977 selepas menamatkan pengajian di Institut Teknologi MARA (yang kini dikenali UiTM). Beliau lulus Association of Chartered Certified Accountants (ACCA) United Kingdom pada tahun 1976. Pada bulan Oktober 1978, beliau menyertai JCorp sehingga menjawat jawatan terakhir sebagai Pengawal Kewangan Kumpulan sebelum bersara dari JCorp pada 31 Oktober 2002. Beliau merupakan salah seorang Ahli Jawatankuasa Audit dan Jawatankuasa Imbuhan.*

## Directors Profile

### Profil Pengarah-pengarah



#### Tan Sri Datuk Arshad Ayub

Aged 75, Tan Sri was appointed to the Board of KPJ Healthcare Berhad on 1 September 1994. He is currently an Independent Non-Executive Director of KPJ Healthcare, the Chairman of the Audit Committee and also a member of the Nomination Committee. Tan Sri graduated with a Diploma in Agriculture in 1954 from the Serdang Agricultural College, Selangor and a Bachelor of Science (Honours) in Economics and Statistics in 1958 from University College of Wales, Aberystwyth, United Kingdom. He had a distinguished career in the Malaysian Civil Service. Among the senior positions he had held were Deputy Governor of Bank Negara Malaysia (1975 – 1977), Deputy Director General in the Economic Planning Unit of the Prime Minister's Department (1977 – 1978) and Secretary General in the Ministry of Primary Industries (1978), Ministry of Agriculture (1979 – 1981) and Ministry of Land and Regional Development (1981 – 1983).

He also holds the Directorship in Kulim (Malaysia) Berhad, Sindora Berhad, Rumpun Hijau Capital Berhad, Audrey International (M) Berhad, Nationwide Express Courier Services Berhad, Tomypak Holdings Berhad, Top Glove Corporation Berhad, Malayan Flour Mills Berhad, MIT Holdings Berhad (a company listed on the Bumiputera Stock Exchange), Pelaburan Johor Berhad and Affin Merchant Bank Berhad. Tan Sri is also a Chairman and/or Director of several other companies.

He is presently the President of the Malaysian Rubber Products Manufacturers Association (MRPMA) and Chairman of the Malaysian Rubber Export Promotion Council (MREPC). He is a member of the Council of University Malaya and Cooperative College Council. He is a member of Kolej Ugama Sultan

Zainal Abidin (KUSZA). He is also the Vice Chairman of Koperasi MOCCIS Berhad. He was a member of the Harun's Salary Commission for Statutory Bodies and Local Council.

*Berusia 75 tahun, Tan Sri telah dilantik sebagai Pengarah KPJ Healthcare Berhad pada 1 September 1994. Beliau adalah Pengarah Bebas Bukan Eksekutif KPJ Healthcare, Pengerusi Jawatankuasa Audit dan Jawatankuasa Penamaan. Tan Sri adalah lulusan Diploma Pertanian dalam tahun 1954 dari Kolej Pertanian Serdang, Selangor dan Ijazah Sains (Kepujian) Ekonomi dan Perangkaan dalam tahun 1958 dari University College of Wales Aberystwyth, United Kingdom. Beliau telah menjawat beberapa jawatan penting dalam kerajaan. Antara jawatan-jawatan penting beliau termasuk Timbalan Gabenor Bank Negara Malaysia (1975 – 1977), Timbalan Ketua Pengarah Unit Perancangan Ekonomi di Jabatan Perdana Menteri (1977 – 1978) dan Ketua Setiausaha di Kementerian Perindustrian Kecil (1978), Kementerian Pertanian (1979 – 1981) dan Kementerian Pembangunan Tanah dan Wilayah (1981 – 1983).*

*Beliau turut memegang jawatan Pengarah di Kulim (Malaysia) Berhad, Sindora Berhad, Rumpun Hijau Capital Berhad, Audrey International (M) Berhad, Nationwide Express Courier Services Berhad, Tomypak Holdings Berhad, Top Glove Corporation Berhad, Malayan Flour Mills Berhad, MIT Holdings Berhad (syarikat tersenarai di Bursa Saham Bumiputera), Pelaburan Johor Berhad dan Affin Merchant Bank Berhad. Tan Sri juga merupakan Pengerusi dan/atau Pengarah di beberapa syarikat lain.*

*Beliau kini adalah juga Presiden Persatuan Pengilang Getah Malaysia (MRPMA) dan Pengerusi Majlis Ekspot dan Promosi Getah Malaysia (MREPC). Beliau turut menjadi ahli Majlis Universiti Malaya dan Majlis Koperasi Kolej, ahli Kolej Ugama Sultan Zainal Abidin (KUSZA). Beliau juga adalah Naib Pengerusi Koperasi MOCCIS Berhad, dan ahli Suruhanjaya Gaji Harun untuk Badan Berkanun dan Majlis Tempatan.*



#### Datuk Dr Hussein Awang

Aged 63, Datuk is a Director of KPJ Healthcare Berhad and was appointed to the Board on 21 February 1994. He received his Bachelor of Medicine and Bachelor of Surgery (MBBS) in 1964 from University of Melbourne, Australia. He was made a Fellow of the Australasian College of Surgeons in 1972. He was the Senior Consultant Urological Surgeon and Head of Department of Urology, General Hospital, Kuala Lumpur from 1976 to May 1984. He was also the Honorary Professor of Surgery (Urology) Department of Surgery, Universiti Kebangsaan Malaysia, Selangor, from 1978 to May 1984. Datuk is a Foundation Fellow of the Academy of Science Malaysia.

He is presently the Consultant Urological Surgeon at Hospital Tawakal, a position he has held since May 1984.

His is also a director of Hong Leong Bank Berhad and Chairman of the Board of Tasek Corporation Berhad.

*Berusia 63 tahun, Datuk ialah Pengarah KPJ Healthcare Berhad yang telah dilantik sejak 21 Februari 1994. Beliau telah lulus Ijazah Perubatan dan Pembedahan (MBBS) pada tahun 1964 dari University of Melbourne, Australia. Beliau telah dilantik sebagai "Fellow" Australasian College of Surgeon pada tahun 1972. Beliau merupakan Perunding Kanan Pembedahan Urologi dan Ketua Jabatan Urologi Hospital Besar Kuala Lumpur dari tahun 1976 hingga Mei 1984. Beliau juga Profesor Kehormat (Urologi) Jabatan Pembedahan Universiti Kebangsaan Malaysia, Selangor sejak tahun 1978 hingga Mei 1984. Datuk juga merupakan Pengasas Fellow Akademi Sains Malaysia.*

*Beliau kini ialah Pakar Pembedahan Urologi di Hospital Tawakal, jawatan yang dipegang sejak Mei 1984.*

*Beliau juga adalah Pengarah Hong Leong Bank Berhad dan Pengerusi Lembaga Pengarah Tasek Corporation Berhad.*

## Directors Profile

### Profil Pengarah-pengarah

#### Tan Sri Dato' Dr Abu Bakar Suleiman



Aged 59, Tan Sri was appointed to the Board of KPJ Healthcare Berhad on 15 March 2001. A medical practitioner by profession, he obtained his Bachelor of Medicine and Bachelor of Surgery from Monash University, Australia in 1968 and a Master of Medicine from University of Singapore in 1974. He is a member of Royal Australasian College of Physicians, and an honorary fellow of the American College of Physicians. He began his career as a Medical Officer with the Ministry of Health in 1969 and subsequently completed his training in Internal Medicine before he became a Consultant Physician with the Department of Nephrology of Hospital Kuala Lumpur.

In 1975, he was a visiting fellow to the Division of Nephrology of Georgetown University Hospital, Washington DC as well as Prince Henry's Hospital of Melbourne, Australia. In 1976, he returned to be the Consultant Nephrologist and Head of Department of Nephrology of Hospital Kuala Lumpur. In 1987 he held the position of Director of Medical Services of Ministry of Health and became Deputy Director General of Health in 1989 before rising to the rank of Director General of Health of the Ministry from 1991 to 2001. He attended the advanced program management in Harvard Business School on 1991. Upon his official retirement, he was appointed as the President of the International Medical University. He is also a Director of Duopharma Biotech Berhad.

He is also currently the Chairman of the KPJ Healthcare Berhad Medical Advisory Committee, President of the Malaysian Health Informatics Association, President of the National Kidney Foundation, Chairman of Medical Sciences Division, Academy of Sciences Malaysia, Chairman,

Consultative Panel on Healthcare, National Productivity Corporation, Chairman, Ministry of Health Committee on Living Unrelated Donor Transplantation, Member, National Health Welfare Fund, Member, Malaysia-Indonesia Business Council, Subcommittee Member on Human Resource, Education and Healthcare.

*Berusia 59 tahun, Tan Sri telah dilantik menjadi Ahli Lembaga Pengarah KPJ Healthcare Berhad sejak 15 Mac 2001. Sebagai seorang pakar perubatan profesional, beliau mendapat Ijazah Perubatan dan Pembedahan dari Universiti Monash, Australia dalam tahun 1968 serta Ijazah Lanjutan Perubatan dari Universiti Singapura pada tahun 1974. Beliau juga adalah Ahli Royal Australasian College of Physician, Ahli Kehormat American College of Physicians. Beliau memulakan kerjayanya sebagai Pegawai Perubatan dengan Kementerian Kesihatan pada tahun 1969 dan seterusnya menamatkan latihan beliau dalam Perubatan Dalaman sebelum menjadi Pakar Perubatan di Jabatan Nefrologi Hospital Kuala Lumpur.*

*Pada tahun 1975, beliau menjadi "Visiting Fellow" di Bahagian Nefrologi di Georgetown University Hospital, Washington DC dan Prince Henry's Hospital di Melbourne, Australia. Sekembalinya ke Malaysia pada tahun 1976, beliau menjadi Pakar Nefrologi dan Ketua Jabatan Nefrologi Hospital Kuala Lumpur. Pada tahun 1987, beliau dilantik menjadi Pagarah Perkhidmatan Perubatan Kementerian Kesihatan Malaysia dan kemudian dilantik sebagai Timbalan Ketua Pengarah Kesihatan pada tahun 1989 sebelum dilantik menjadi Ketua Pengarah Kementerian Kesihatan Malaysia dari tahun 1991 hingga 2001. Beliau telah menjalani kursus lanjutan pengurusan di Harvard Business School dalam tahun 1991. Beliau telah dilantik sebagai Presiden International Medical University apabila beliau bersara. Beliau juga merupakan Pengarah Duopharma Biotech Berhad.*

*Beliau sekarang memegang jawatan Pengerusi Jawatankuasa Penasihat Perubatan KPJ Healthcare Berhad, Presiden Persatuan Informatik Kesihatan Malaysia, Presiden Yayasan Buah Pinggang Kebangsaan, Pengerusi Bahagian Sains Kesihatan, Akademi Sains Malaysia, Pengerusi Panel Kesihatan Kebangsaan, Perbadanan Produktiviti Negara, Pengerusi Jawatankuasa Perpindahan Organ bagi Penderma bukan Pertalian Darah, Kementerian Kesihatan Malaysia, Ahli Tabung Kebajikan Kesihatan, Majlis Perniagaan Malaysia-Indonesia, Ahli Jawatankuasa Kecil Tenaga Insan, Pembelajaran dan Kesihatan.*

#### Dato' Dr Lim Kee Jin



Aged 80, Dato' was appointed as a Director of KPJ Healthcare Berhad on 1 September 1994. He graduated from University of Malaya, Singapore with Bachelor of Medicine and Bachelor of Surgery (MBBS) in 1952, and completed his postgraduate training in 1958 in Edinburgh and London. He then became a Fellow of the Royal College of Physicians of Edinburgh and London and received an Honorary Fellowship of the Royal Australasian College of Physicians in 1975. While in Government service, he rose steadily from House Physician to Senior Consultant Physician in 1970.

He was the President of Malaysian Medical Association (MMA) and College of Physician of Malaysia from June 1969 to June 1970. He was the founder and Chairman of the Postgraduate Medical Centre in Hospital Sultanah Aminah, Johor Bahru and the first Chairman of MMA Foundation. He was also the founder and Editor-In-Chief of the journal, Berita MMA, for 17 years.

He is currently serving as the Chairman of the Johor Area Rehabilitation Organization (JARO). He was one of the pioneer doctors who proposed the development of Johor Specialist Hospital in 1979, and became a Consultant Physician and member of the Board of Directors of the hospital ever since.

*Berusia 80 tahun, Dato' telah dilantik sebagai Pengarah KPJ Healthcare sejak 1 September 1994. Lulusan dari Universiti Malaya, Singapura dengan Ijazah Perubatan dan Pembedahan (MBBS) dalam tahun 1952, beliau telah menamatkan program Ijazah Lanjutan beliau di Edinburgh dan London. Beliau kemudian menjadi Fellow Royal College of Physicians, Edinburgh dan London dan telah menerima Fellowship Kehormat Royal Australasian College of Physician pada tahun 1975. Semasa berkhidmat di dalam kerajaan, beliau telah bermula sebagai House Physician dan dinaikkan pangkat sehingga menjadi Pakar Perubatan pada tahun 1970.*

*Royal College of Physicians, Edinburgh dan London dan telah menerima Fellowship Kehormat Royal Australasian College of Physician pada tahun 1975. Semasa berkhidmat di dalam kerajaan, beliau telah bermula sebagai House Physician dan dinaikkan pangkat sehingga menjadi Pakar Perubatan pada tahun 1970.*

*Beliau adalah Presiden Pertubuhan Perubatan Malaysia (MMA) dan College Physician Malaysia dari Jun 1969 hingga Jun 1970. Beliau adalah pengasas dan Pengerusi Pusat Ijazah Lanjutan Perubatan Hospital Sultanah Aminah, Johor Bahru dan Pengerusi Pertama Yayasan MMA. Beliau juga merupakan pengasas dan Editor-In-Charge Journal, Berita MMA selama 17 tahun.*

*Beliau sekarang adalah Pengerusi Pertubuhan Rehabilitasi Kawasan Johor (JARO). Beliau juga salah seorang doktor pertama yang mengusulkan pembinaan Johor Specialist Hospital pada tahun 1979, dan menjadi Pakar Perubatan dan Ahli Lembaga Pengarah hospital tersebut sehingga kini.*

## Directors Profile

### Profil Pengarah-pengarah



#### Dato' Dr K Kulaveerasingam

Aged 73, Dato' was appointed as a Director of KPJ Healthcare Berhad on 1 September 1994. He was the resident consultant Radiologist at Ipoh Specialist Centre from 1981 to 1994 and subsequently, he was appointed as the Medical Director of Ampang Puteri Specialist Hospital. His specialty in Radiology began in October 1961 when he was a trainee registrar at the Royal Free Hospital in London, United Kingdom. He returned to Malaysia and became a Radiologist in Kuala Lumpur General Hospital in May 1963. Later, he was attached as a Radiologist to Seremban General Hospital from 1964 to 1965 and Penang General Hospital from 1965 to 1973.

In October 1968, he undertook an intensive advanced training programme in Diagnostic Radiology at Alfred Hospital, Melbourne, Australia and became a Consultant Radiologist at a private clinic in Kuala Lumpur from 1973 to 1981. He has more than 40 years of cumulation experience in Radiology. He is active in professional associations including a member of the Ethical Committee of MMA for many years and the President of Asian and Oceanian Society of Radiology (AOSR) from 1995 to 1998. He was the first Asian to be awarded the AOSR Gold Medal in 2001 for his services to Radiology in Asia Oceania. He is currently a Board Member of the Association of Private Hospitals Malaysia (APHM) and Malaysian Society for Quality in Health (MSQH).

He is a member of the KPJ Healthcare Audit Committee and Remuneration Committee, and the Group Marketing Advisor.

*Berusia 73 tahun, Dato' telah dilantik menjadi Pengarah KPJ Healthcare Berhad sejak 1 September 1994. Beliau merupakan Pakar Radiologi Tetap di Ipoh Specialist Centre dari tahun 1981 hingga 1994 dan kemudiannya telah dilantik sebagai Pengarah Perubatan Ampang Puteri Specialist Hospital. Kepakaran beliau dalam bidang Radiologi telah bermula sejak Oktober 1961 apabila beliau menjadi Pembantu Pendaftar di Royal Free Hospital London United Kingdom. Sekembali beliau ke Malaysia, beliau telah menjadi pakar radiologi di Hospital Besar Kuala Lumpur pada bulan Mei 1963. Beliau kemudian dilantik sebagai pakar radiologi di Hospital Besar Seremban dari tahun 1964 hingga 1965 dan kemudian di Hospital Besar Pulau Pinang dari tahun 1965 hingga 1973.*

*Pada bulan Oktober 1968, beliau telah menyertai program latihan lanjutan intensif Diagnostik Radiologi di Hospital Alfred Melbourne, Australia dan menjadi Pakar Radiologi di klinik swasta di Kuala Lumpur dari tahun 1973 hingga 1981. Pengalaman luas beliau di bidang Radiologi menjangkau sehingga 40 tahun. Beliau aktif dalam pertubuhan kemasyarakatan termasuk menjadi Ahli Jawatankuasa Etika MMA untuk beberapa tahun dan Presiden Persatuan Radiologi Asian dan Oceanian (AOSR) dari tahun 1995 hingga 1998. Beliau merupakan orang Asia pertama diberi penganugerahan Pingat Emas AOSR pada tahun 2001 bagi perkhidmatan beliau di bidang Radiologi di Asia Oceania. Beliau adalah Ahli Lembaga Pengarah Persatuan Hospital Swasta Malaysia (APHM) dan Pertubuhan Kualiti dalam Kesihatan Malaysia (MSQH).*

*Beliau juga merupakan Ahli Jawatankuasa Audit dan Jawatankuasa Imbuan KPJ Healthcare dan Penasihat Pemasaran Kumpulan.*



#### Azzat Kamaludin

Aged 58, Encik Azzat was appointed to the Board of Directors of KPJ Healthcare Berhad on 1 September 1994. A lawyer by training, he was admitted as an advocate and solicitor of the High Court in 1979 and has been in practice since then as partner in Azzat and Izzat, a law firm. Prior to that, from 1970 to 1979, he served as an administrative and diplomatic officer with the Ministry of Foreign Affairs where he was the Assistant Secretary of the Association of Southeast Asian Nations (ASEAN) and Zone of Peace, Freedom and Neutrality (ZOPFAN) Divisions, Second Secretary Permanent Mission of Malaysia to the United Nations, First Secretary and Head of Chancery Malaysian Commission in Hong Kong. He is currently serving as the director of several public listed companies, namely, MNI Holdings Berhad, Affin Holdings Berhad, Pulau Springs Berhad and Boustead Holdings Berhad. He is a member of the KPJ Healthcare's Audit Committee and Nomination Committee.

*Berusia 58 tahun, Encik Azzat telah dilantik sebagai Ahli Lembaga Pengarah KPJ Healthcare sejak 1 September 1994. Sebagai seorang peguam, beliau telah dilantik sebagai peguambela dan peguamcara Mahkamah Tinggi pada tahun 1979 dan sejak itu telah menjadi rakan kongsi dalam syarikat guaman Azzat and Izzat. Sebelum itu beliau telah berkhidmat sebagai Pegawai Tadbir dan Diplomatik Kementerian Luar Negara dari tahun 1970 hingga 1979 dimana beliau telah dilantik sebagai Timbalan Setiausaha Persatuan Negara-negara Asia Tenggara (ASEAN) dan Bahagian Zon Keamanan, Kebebasan dan Berkecuali (ZOPFAN), Setiausaha Tetap Kedua Misi Malaysia ke United Nations, Setiausaha Utama dan Ketua Suruhanjaya Malaysia di Hong Kong. Beliau kini memegang jawatan Pengarah beberapa syarikat tersenarai iaitu MNI Holdings Berhad, Affin Holdings Berhad, Pulau Springs Berhad and Boustead Holdings Berhad. Beliau juga adalah ahli Jawatankuasa Audit dan Jawatankuasa Pencalonan KPJ Healthcare.*



## Dr Chakr Sri Na Nagara

Aged 63, Dr Nagara was appointed as a Director of KPJ Healthcare Berhad on 1 September 1994. He graduated from University of Malaya, Singapore with Bachelor of Medicine and Bachelor of Surgery (MBBS) in 1964. He proceeded to do his post-graduate studies and obtained his Membership of the Royal College of Obstetrics and Gynaecology (MRCOG), London, United Kingdom in 1971. He obtained his Fellowship from the Royal College of Surgeons (FRCS), Edinburgh and Scotland, in 1970 and Fellowship from the Royal College of Obstetrics and Gynaecology (FRCOG) in 1987. His medical career started in 1965 as a Houseman at Ipoh General Hospital, and later was in general practice in Ipoh, Butterworth and Kota Bharu. In 1966, he assumed several senior positions internationally at West Middlesex Hospital, Isleworth, St. Luke's Hospital, Guildford, Surrey and later promoted as a Registrar of Obstetrics and Gynaecology at Isle of Thanet Hospital, Margate, Kent, England till December 1971. His 5-year overseas medical experience had given him a better perspective when he became a lecturer at University of Malaya.

He is now the resident Consultant for Obstetrics and Gynaecology at Ipoh Specialist Hospital, with 34 years of cumulative experience. His contributions to the community include being a member of the Ethical Committee of Malaysian Medical Association (MMA) from 1986 to 1987, the President of the Association of Private Hospitals in Malaysia (APHM) from 1992 to 1994 and is currently its Vice-President.

*Berusia 63 tahun, Dr Nagara telah dilantik sebagai Pengarah of KPJ Healthcare Berhad sejak 1 September 1994. Beliau merupakan lulusan Universiti Malaya, Singapura dengan Ijazah Perubatan dan Pembedahan (MBBS) dalam tahun 1964. Beliau melanjutkan pelajaran dalam ijazah lanjutan dan mendapat Membership Royal College of Obstetrics and Gynaecology (MRCOG), London, United Kingdom pada tahun 1971. Beliau mendapat Fellowship dari Royal College of Surgeon (FRCS), Edinburgh dan Scotland, dalam tahun 1970 dan Fellow Royal College of Obstetrics and Gynaecology (FRCOG) pada tahun 1987. Kerjaya perubatan beliau bermula sejak tahun 1965 sebagai Pelatih di Hospital Besar Ipoh, dan kemudian di Ipoh, Butterworth dan Kota Bharu. Dalam tahun 1966, beliau menjawat pelbagai jawatan kanan di West Middlesex Hospital, Isleworth, St. Luke's Hospital, Guildford, Surrey dan kemudian dinaikkan pangkat sebagai Pendaftar Obstetrik dan Gynaecologi di Isle of Thanet Hospital, Margate, Kent, England sehingga Disember 1971. Pengalaman beliau selama 5 tahun di luar negara telah memberikan beliau perspektif yang lebih luas bila beliau kembali sebagai Pensyarah di Universiti Malaya.*

*Beliau kini ialah Pakar Perbidanan dan Sakit Puan Tetap di Ipoh Specialist Hospital dengan pengalaman selama 34 tahun. Sumbangan beliau kepada masyarakat termasuk sebagai Ahli Lembaga Etika Persatuan Perubatan Malaysia (MMA) sejak tahun 1986 hingga 1987, Presiden Persatuan Hospital Swasta Malaysia (APHM) dari tahun 1992 hingga 1994 dan sekarang ini sebagai Timbalan Presiden Pertubuhan tersebut.*



## Jamaludin Md Ali

Aged 45, Encik Jamaludin has been an Alternate Director (to Tan Sri Muhammad Ali) of KPJ Healthcare since 1 January 2001. He holds a degree in Bachelor of Economics (Hons) from University of Malaya in 1982 and Master in Business Administration from University of Strathclyde, United Kingdom in 1987. He started his career with Malayan Banking Berhad as a Trainee Officer in March 1982 before joining Permodalan Nasional Berhad as an International Fund Manager in 1991. He then joined JCorp in 1992 until today. He was the Chief Executive and Managing Director of Pelaburan Johor Berhad in 2000. He has been the Chief Operating Officer of JCorp since 2001. He sits as a director in the other public and private companies in the JCorp Group of companies and Kulim (Malaysia) Berhad, a public listed company.

*Berusia 45 tahun, Encik Jamaludin merupakan Pengarah Gantian (kepada Tan Sri Muhammad Ali) KPJ Healthcare sejak 1 Januari 2001. Beliau adalah lulusan Ijazah Ekonomi (Kehormat) dari Universiti Malaya dalam tahun 1982 dan Ijazah Lanjutan Pentadbiran Perniagaan dari Universiti Strathclyde, United Kingdom pada tahun 1987. Beliau memulakan kerjaya sebagai Pegawai Pelatih di Malayan Banking Berhad pada Mac 1982 sebelum berpindah ke Permodalan Nasional Berhad sebagai Pengurus Dana Antarabangsa pada tahun 1991. Beliau kemudian menyertai JCorp pada tahun 1992 sehingga kini. Beliau ialah Ketua Eksekutif dan Pengarah Urusan Pelaburan Johor Berhad pada tahun 2000. Kini, beliau adalah Ketua Pegawai Operasi JCorp sejak 2001. Beliau juga memegang jawatan sebagai Pengarah dalam beberapa syarikat tersenarai dan syarikat swasta milik Kumpulan JCorp termasuk Kulim (Malaysia) Berhad.*

### DISCLOSURE / PENGAKUAN

Convictions for offences (within the past 10 years, other than traffic offences)

None of the Directors have any convictions for offences other than traffic offences if any.

*Hukuman jenayah (pada jangkamasa 10 tahun yang lepas selain daripada kesalahan trafik)*

*Tiada di antara Pengarah-pengarah di atas telah pernah disabitkan dengan sebarang kesalahan selain dari kesalahan trafik, sekiranya ada.*

Conflict of Interest with the Group/*Konflik Kepentingan dengan Kumpulan*

None of the Directors have any conflict of interest with the Group.

*Tiada di antara Pengarah-pengarah di atas mempunyai sebarang konflik kepentingan dengan Kumpulan.*

# Management Executive Committee

## Jawatankuasa Pengurusan Eksekutif



*Standing from left • Berdiri dari kiri*

*front row • barisan hadapan:* Amiruddin Abdul Satar, Yahaya Hassan, Datin Paduka Siti Sa'diah Sh Bakir, Alvin Lee Swee Hee, Jasimah Hassan, Mohd Taufik Ismail *back row • barisan belakang:* Zawari Abdullah, Mohd Sahir Rahmat, Haji Yusof Ismail, Haji Abdol Wahab Baba, Aminudin Dawam, Azli Mohamad

Datin Paduka Siti Sa'diah Sh Bakir  
Alvin Lee Swee Hee  
Yahaya Hassan  
Amiruddin Abdul Satar  
Aminudin Dawam  
Jasimah Hassan  
Mohd Sahir Rahmat  
Haji Yusof Ismail  
Haji Abdol Wahab Baba  
Mohd Taufik Ismail  
Azli Mohamad  
Zawari Abdullah

Managing Director / Chairman of the Committee  
Chief Financial Officer  
Senior Group General Manager  
Group General Manager – Hospital Operations  
General Manager cum Executive Director Southern Region Hospitals  
Group General Manager – Professional and Clinical Services  
General Manager cum Executive Director – Klang Valley Hospitals  
Group Human Resource Manager cum Executive Director – ISH & KSH  
Chief Risk Officer cum Executive Director – Perdana & BMSH  
Executive Director – Kuching Specialist Hospital  
Senior Corporate Manager – Group Finance  
Senior Executive / Secretary of Committee

# Senior Management

## Pengurusan Kanan



*Standing from left • Berdiri dari kiri*

*front row • barisan hadapan:* Noreen Abdul Rashid, Thavamalar Kandiah, Naziah Ismail, Datin Paduka Siti Sa'diah Sh Bakir, Josephine Foo, Khairol Badariah Basiron, Lee Soon, Hanida Mohd Hassan *back row • barisan belakang:* Gunavathy Kalee, Roslan Ahmad, Tumen Yunos, Dr KV Anitha

Datin Paduka Siti Sa'diah Sh Bakir  
Tumen Yunos  
Naziah Ismail  
Josephine Foo  
Lee Soon  
Khairol Badariah Basiron  
Thavamalar Kandiah  
Roslan Ahmad  
Dr KV Anitha  
Gunavathy Kalee  
Hanida Mohd Hassan  
Noreen Abdul Rashid

Managing Director / Chairman of the Committee  
Senior Corporate Manager – Information Technology  
Senior Corporate Manager – Nursing Services  
Senior Corporate Manager – Quality  
Senior Corporate Manager – Healthcare Technical Services  
Corporate Manager – Internal Audit  
Corporate Manager – Training  
Corporate Manager – Group Marketing  
Deputy Corporate Manager – Clinical & Professional Services  
Deputy Corporate Manager – Pharmaceutical Services  
Senior Corporate Executive – PR and Corporate Communication  
Senior Corporate Executive – Legal Unit cum Secretary

# Medical Advisory Committee

## Jawatankuasa Penasihat Perubatan



*Standing from left • Berdiri dari kiri*

*front row • barisan hadapan:* Dato' Dr K Kulaveerasingam, Tan Sri Dato' Dr Abu Bakar Suleiman, Datin Paduka Siti Sa'diah Sh Bakir, Datuk Dr Hussein Awang, Dato' Dr Lim Kee Jin, Dr Chakr Sri Na Nagara *back row • barisan belakang:* Dr KV Anitha, Jasimah Hassan, Amiruddin Abdul Satar

### Chairman

Tan Sri Dato' Dr Abu Bakar Suleiman

### Members

Datin Paduka Siti Sa'diah Sh Bakir  
 Dato' Dr Lim Kee Jin  
 Dato' Dr K Kulaveerasingam  
 Datuk Dr Hussein Awang  
 Dr Chakr Sri Na Nagara  
 Amiruddin Abdul Satar  
 Jasimah Hassan

### Secretary

Dr KV Anitha

# Medical Directors

## Pengarah-Pengarah Perubatan



Standing from left • Berdiri dari kiri

front row • barisan hadapan: Tan Sri Dato' Dr Abu Bakar Suleiman, Datin Paduka Siti Sa'diah Sh Bakir, Dato' Dr Hussein Awang, Dr Mohd Hafetz Ahmad, Dr Azizi Hj. Omar, Dato' Dr K Kulaveerasingam back row • barisan belakang: Dr Ewe Khay Guan, Dato' Dr Mahmood Awang Kechik, Dato' Dr Ngun Kok Weng, Dato' Dr Mohd Rani Jusoh, Mr Yoong Fook Ngian, Dr Kok Chin Leong, Dato' Dr Adnan Ahmad

Tan Sri Dato Dr Abu Bakar Suleiman  
Datin Paduka Siti Sa'diah Sh Bakir  
Dato' Dr K Kulaveerasingam

Dato' Dr Hussein Awang  
Dr Mohd Hafetz Ahmad  
Mr Yoong Fook Ngian  
Dato' Dr Ngun Kok Weng  
Dr Azizi Hj. Omar  
Dr Kok Chin Leong  
Dato' Dr Adnan Ahmad  
Dato' Dr Mahmood Awang Kechik  
Dato' Dr Mohd Rani Jusoh

Dr Ewe Khay Guan

(not in the picture/ tiada dalam gambar)

Dr E. Muthusamy

Medical Advisory Committee Chairman

Managing Director  
Ampang Puteri Specialist Hospital

(retired w.e.f. 31 December 2003 / bersara sejak 31 Disember 2003)

Tawakal Hospital  
Johor Specialist Hospital  
Ipoh Specialist Hospital  
Kuantan Specialist Hospital  
Damansara Specialist Hospital  
Puteri Specialist Hospital  
Kedah Medical Centre  
Hospital Pakar Perdana  
Ampang Puteri Specialist Hospital

(appointed w.e.f. 1 January 2004 / dilantik sejak 1 Januari 2004)

Bukit Mertajam Specialist Hospital

(appointed w.e.f. 1 April 2004 / dilantik sejak 1 April 2004)

Bukit Mertajam Specialist Hospital

(retired w.e.f 1 April 2004 / bersara sejak 1 April 2004)

# Statement to Shareholders

Penyata kepada  
Pemegang-pemegang Saham



On behalf of the Board of Directors, we are pleased to present the Annual Report and Financial Statements of KPJ Healthcare Berhad (KPJ Healthcare) for the financial year ended 31 December 2003.

*Bagi pihak Ahli Lembaga Pengarah, kami dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan KPJ Healthcare Berhad bagi tahun kewangan berakhir 31 Disember 2003.*

## BUSINESS REVIEW

### Post Merger and Acquisition Exercise

The year under review was an eventful one for KPJ Healthcare, being the first full operational year following the completion of its Corporate Restructuring Exercise undertaken in the 4th quarter of the preceding year. The Group has since enlarged to encompass 12 specialist hospitals and 5 support companies, compared to only 2 hospitals previously.

Through its enlarged network, KPJ Healthcare is able to offer more diverse and integrated healthcare services encompassing comprehensive diagnostic, curative, therapeutic, rehabilitative and preventive medicine to a much larger customer base nationwide. KPJ Healthcare's specialty areas are interventional cardiology, cardiothoracic surgery, oncology, radiotherapy, neonatology and a wide range of medical and surgical services offered by the Group's highly experienced, professional, skilful, and well-trained 252 resident medical consultants, as well as more than 3,700 nurses, paramedics and professional support staff.

The integration also created synergy among the hospitals and companies under the KPJ Healthcare umbrella, strengthening critical mass while simultaneously opening greater opportunities for economies of scale advantages through cooperation and coordination. The cohesiveness of this consolidated structure was further underlined by the implementation of a common Vision, Mission and Core Values, further augmenting KPJ Healthcare's overall Strategic Direction to become a key player in the Malaysian healthcare industry.

Leveraging on this consolidation, KPJ Healthcare underwent a Business Transformation change agenda in phases, where hospitals were regionally brought together under management teams responsible for their respective day-to-day operations.



## ULASAN BISNES

### Program Selepas Penggabungan dan Pengambilalihan

*KPJ Healthcare melalui pelbagai aktiviti dalam tahun yang dinilai. Tahun 2003 merupakan tahun pertama sepenuhnya berikutan program Penstrukturan Semula Korporat, yang telah dijalankan dalam suku keempat tahun sebelumnya. Kumpulan sekarang telah berkembang kepada 12 hospital dan 5 syarikat sokongan berbanding dengan hanya 2 buah hospital sebelumnya.*

*Menerusi rangkaian yang telah berkembang ini, KPJ Healthcare dapat menawarkan perkhidmatan kesihatan yang lebih meluas dan bersepadu termasuk diagnostik yang komprehensif, perawatan, terapeutik, pemuliharaan, dan rawatan pencegahan kepada jumlah pelanggan yang lebih luas di seluruh negara. Pengkhususan perkhidmatan KPJ Healthcare adalah didalam intervensi kardiologi, pembedahan kardiotorasik, onkologi, radioterapi, neonatologi, dan pelbagai perkhidmatan kesihatan dan pembedahan yang di tawarkan melalui kepakaran profesional yang mahir dan berkecuali seramai 252 pakar perubatan, dan 3,700 orang jururawat, paramedik dan anggota pekerja sokongan profesional.*

*Integrasi ini juga menjana kesepaduan diantara hospital dan syarikat di bawah bumbung KPJ Healthcare, mengukuhkan kedudukan kompetitif disamping membuka lebih peluang untuk penyelarasan dan penjimatan kos menerusi program usahasama dan kerjasama. Pemantapan dari penggabungan ini turut dipaparkan dengan pelaksanaan Satu Visi, Misi dan Nilai-nilai Kerja Utama, dan penyatuan keseluruhan Arahtuju Strategi KPJ Healthcare sebagai penggerak utama industri prisihat Malaysia.*

*Menerusi program penggabungan ini, KPJ Healthcare turut melalui satu agenda perubahan Transformasi Bisnes yang dilakukan secara berperingkat, dimana hospital-hospital di dalam satu wilayah digabungkan dibawah satu kumpulan pengurusan yang bertanggungjawab keatas operasi seharian. Struktur baru ini menghasilkan penyeragaman yang berterusan dalam polisi dan prosedur serta mengalakkan perkongsian praktis terbaik didalam keseluruhan Kumpulan.*

**KPJ Healthcare's pioneer hospital, JSH which received a facelift resulted in higher patient satisfaction.**

*Hospital pertama KPJ Healthcare, JSH yang telah diberi wajah baru telah menghasilkan peningkatan dalam kepuasan pelanggan.*

# Statement to Shareholders

## Penyata kepada Pemegang-pemegang Saham

This new structure also resulted in the continuous streamlining of policies and procedures, as well as the collective sharing of the best practices throughout the Group.

Following the successful integration of the two Johor Bahru-based hospitals in the beginning of Year 2003, KPJ Healthcare is also in the process of integrating the management of the three Klang Valley hospitals under one cohesive management team. This would enable greater sharing of resources and manpower, encourage greater referrals and networking among the medical consultants, as well as creating more opportunities to build KPJ Healthcare's competitive advantage through the application of consistent guidelines, benchmarks and targets.

In tandem with the integration exercise, KPJ Healthcare also developed a new corporate logo, illustrating the strong bond that exists between the Group's hospitals and companies. The new logo symbolises corporate dynamism and a shared commitment and loyalty to one Vision for KPJ Healthcare to be 'The Preferred Provider of Healthcare Services'.

The Group's hospitals have also shown improvement in terms of patient numbers, clearly indicating further increase in customer confidence and loyalty. During the period under review, KPJ Healthcare's 12 hospitals with a total of 1,395 licensed beds, served 985,231 outpatients and 101,596 inpatients (compared to 416,373 outpatients and 43,839 inpatients in the previous year). This display of public confidence, especially from our valued patients and loyal customers has reinforced our commitment to deliver value to all patients and customers, as well as investors and shareholders alike.

### FINANCIAL OVERVIEW

The rising consumer and business confidence, the strong underlying economic fundamentals and positive political climate together contributed to the stronger growth momentum of the business.

The Group registered a leap in revenue of RM509 million, an increase of 129 per cent from the previous year's revenue of RM223 million. Commensurably, the Group also recorded a commendable increase in profit before tax by 43 per cent from RM22 million in the previous year to RM32 million in 2003, with a profit after tax recorded at RM29 million.

The achievement is remarkable in the light of the challenges faced by the Group, especially during the first quarter of the year, when the Group was challenged by the sudden emergence of the Severe Acute Respiratory Syndrome (SARS) which affected

*Berikutan kejayaan integrasi pengurusan 2 buah hospital di Johor Bahru pada awal tahun 2003, KPJ Healthcare juga turut dalam proses mengintegrasikan pengurusan ketiga-tiga buah hospital di Lembah Kelang dibawah satu kumpulan pengurusan bersepadu. Ini akan menghasilkan perkongsian sumber dan tenaga insan yang lebih meluas, menjana lebih banyak rujukan dan kerjasama diantara pakar perubatan, serta membuka lebih banyak peluang untuk membina kedudukan yang kompetitif menerusi pelaksanaan garispuandu, tanda aras serta matlamat syarikat secara konsisten.*

*Selaras dengan program integrasi, KPJ Healthcare turut membentuk satu logo korporat yang baru, memaparkan satu pertalian yang kukuh diantara kesemua hospital dan syarikat-syarikat. Secara simboliknya, logo baru ini turut melambangkan dinamisma korporat, perkongsian komitmen dan kesetiaan kepada satu Visi KPJ Healthcare untuk menjadi "Penyedia Perkhidmatan Prisihatin Pilihan".*

*Secara dasarnya, hospital dalam Kumpulan turut mencatatkan pertumbuhan dalam jumlah pesakit yang dirawat, mencerminkan peningkatan dalam kepercayaan dan kesetiaan pelanggan. Bagi tahun 2003, 12 hospital KPJ Healthcare dengan jumlah 1,395 katil berlesen telah menawarkan perkhidmatan kepada 985,231 pesakit luar dan 101,596 pesakit dalaman (berbanding dengan 416,373 pesakit luar dan 43,839 pesakit dalaman pada tahun sebelumnya). Kepercayaan masyarakat terutama pesakit dan pelanggan yang setia, telah memberikan perangsang untuk kami terus komited dalam memberikan perkhidmatan yang lebih baik kepada semua pesakit dan pelanggan, juga kepada para pelabur dan pemegang saham.*

### Ulasan Kewangan

*Peningkatan kepercayaan pelanggan dan bisnes, fundamental ekonomi yang kukuh serta persekitaran politik yang positif secara keseluruhannya menyumbang kepada momentum pertumbuhan yang baik kepada bisnes.*

*Kumpulan mencatatkan lonjakan dalam pendapatan sejumlah RM509 juta, 129 peratus lebih tinggi dari pendapatan tahun sebelumnya yang berjumlah RM223 juta. Di masa yang sama, Kumpulan turut mencatatkan peningkatan yang baik dalam keuntungan sebelum cukai, 43 peratus lebih tinggi dari RM22 juta yang dicapai dalam tahun sebelumnya kepada RM32 juta dan RM29 juta keuntungan selepas cukai.*

the world at large. KPJ Healthcare's hospitals proactively set-up screening centres for the benefit of our customers and visitors. Further to that, all hospital staff members underwent SARS screening on a daily basis, to ensure that they were free of the disease.

The collaboration and close working relations amongst all healthcare providers, both public and private, and the strong intervention by the Government and Ministry of Health, eventually contributed to helping the country bring the situation under control. Albeit temporary, the situation made a mark, however, as KPJ Healthcare was forced to incur additional overheads in carrying out relevant safety measures. Proper cost control and an improved marketing strategy facilitated KPJ Healthcare's efforts to eventually recover lost ground, ultimately ending the year successfully with strong positive results.

Apart from the SARS phenomenon, public spending that generally became more cautious due to a certain level of economic uncertainty experienced in the year had also impacted on the Group's overall performance. The introduction of an enhanced range of services and facilities in the Group's hospitals within the framework of a deliberate strategic management policy had, however, enabled KPJ Healthcare to weather these challenges successfully. This was further facilitated by the Government's introduction of an economic stimulus package in the second quarter of Year 2003, which ultimately helped to stimulate demand for healthcare services.

### Shareholders Value

The Company's commitment to improving and upgrading the facilities of its hospitals continued in 2003. Despite the large capital employed during the period, the Company still managed to record a positive Shareholders Value Added (SVA) of RM3.3 million. Understanding that value creation is fundamental to developing long-term, sustainable strategic advantages for the company, the Board is of the view that the larger capital invested aimed at strengthening KPJ Healthcare's business foundations, will ensure better future returns and improve as well as sustain higher long term value for shareholders and investors.



KPJ Healthcare's long term commitment is reflected in the Group's continuous growth.

*Komitmen jangka panjang KPJ Healthcare terbukti menerusi pertumbuhan Kumpulan yang berterusan.*

*Pencapaian ini amat membanggakan, memandangkan KPJ Healthcare menghadapi pelbagai rintangan terutama semasa suku pertama tahun, dimana Kumpulan telah dicabar oleh penyakit Sindrom Pernafasan Akut (SARS) yang pertama kali melanda seluruh dunia. Hospital-hospital KPJ Healthcare secara proaktif telah membuka pusat saringan kesihatan bagi kebaikan pelanggan dan pesakit. Disamping itu, kesemua anggota pekerja hospital turut disaring untuk membanteras penyakit SARS setiap hari.*

*Kerjasama rapat diantara penyedia perkhidmatan prishatin, awam dan swasta, serta penglibatan penuh oleh pihak Kerajaan dan Kementerian Kesihatan, telah membantu mengawal penyakit ini. Walaupun sementara, keadaan ini begitu ketara dan telah melibatkan pertambahan kos bagi KPJ Healthcare untuk mengambil langkah-langkah keselamatan yang berkaitan. Dengan usaha pengawalan kos yang baik serta peningkatan strategi pemasaran, KPJ Healthcare dapat melupuskan kerugian dan mencatatkan pulangan yang positif di akhir tahun.*

*Selain dari fenomena SARS, prestasi Kumpulan turut dicabar oleh keadaan ekonomi yang tidak menentu yang mengakibatkan pengurangan perbelanjaan dari pihak pengguna. Walau bagaimanapun, dengan program kepelbagaian jenis perkhidmatan dan kemudahan di hospital-hospital di dalam Kumpulan seperti yang terkandung dalam polisi rangkakerja strategi pengurusan yang sedia ada, telah membolehkan KPJ Healthcare menangani cabaran ini dengan jayanya. Program penggalak ekonomi yang diperkenalkan oleh pihak Kerajaan dalam suku tahun kedua turut menyumbang kepada peningkatan dalam permintaan terhadap perkhidmatan prishatin.*

### Nilai Pegangan Saham

*Komitmen Syarikat terhadap peningkatan dan pembaikpulihan kemudahan di hospital-hospitalnya diteruskan dalam tahun 2003. Walaupun modal yang terlibat adalah besar, namun Syarikat masih berkemampuan untuk mencatatkan Nilai Pegangan Saham yang positif sebanyak RM3.3 juta. Menyedari kepentingan penambahan nilai adalah asas kepada pembangunan jangka panjang dalam mengekalkan kedudukan strategik bagi syarikat, Lembaga Pengarah berpendapat bahawa pelaburan modal yang lebih besar bertujuan untuk mengukuhkan asas bisnes KPJ Healthcare akan dapat menentukan pulangan yang lebih baik dimasa hadapan serta memberikan nilai yang lebih tinggi kepada pemegang saham dan pelabur.*

# Statement to Shareholders

## Penyata kepada Pemegang-pemegang Saham

### Dividend

Based on the better financial performance, KPJ Healthcare Board of Directors announced the payment of an interim gross dividend of 6 sen per share less 28 percent tax for the year ended 31 December 2003. This is an improvement from the 5 per cent dividend or 5 sen per share of the previous year.

### Investor Interest

The Group's Investor Relationship Program was carried out either through one-to-one sessions or on a group basis. This has contributed tremendously to KPJ Healthcare's overall good standing, resulting in the business community's better understanding and increased appreciation of the healthcare industry. Total Investors' interest in the KPJ Healthcare counter thus appeared to have been stimulated as reflected in share price performance in the year under review.

### CORPORATE GOVERNANCE

The Board acknowledges the need to enhance long-term value in a proper and ethical manner, within an appropriate framework that protects the interests of investors. The integrity of KPJ Healthcare's internal control procedures is continuously and carefully protected. KPJ Healthcare strictly complies with the overall corporate governance regulations stipulated by Bursa Malaysia and the Security Commission, stressing on transparency and management ethics, as well as the proper and timely disclosure of relevant information.



**Risk Management - a crucial integral part to ensure excellent clinical outcome.**

*Pengurusan Risiko - bahagian penting dalam menentukan keputusan klinikal yang baik.*

The Board acknowledges the contributions by the Audit Committee, where during the year under review, the Committee once again displayed proactiveness, commitment and thoroughness in ascertaining the integrity of the Group's internal controls through the close monitoring of organizational processes for assessing, evaluating, and monitoring significant business risks.

### Risk Management

The Board places paramount importance upon the effective and responsible management of all risks prevalent to the industry, thus ensuring that professional teams and the relevant processes have been developed accordingly.

### Dividen

*Berasaskan prestasi kewangan yang baik, Lembaga Pengarah KPJ Healthcare mengumumkan pembayaran dividen interim kasar sebanyak 6 sen sesaham ditolak cukai 28 peratus bagi tahun berakhir 31 Disember 2003. Ini adalah peningkatan dari 5 peratus dividen atau 5 sen sesaham bagi tahun sebelumnya.*

### Kepentingan Pelabur

*Program Perhubungan Pelabur Kumpulan telah dijalankan samada secara perseorangan ataupun dalam satu kumpulan. Ini telah memberikan sumbangan besar kepada kedudukan KPJ Healthcare secara keseluruhannya, memberikan gambaran yang lebih jelas tentang bisnes prisihatin kepada masyarakat dan memahami dan meningkatkan pengetahuan masyarakat terhadap industri prisihatin. Secara amnya, minat terhadap kaunter KPJ Healthcare meningkat dan telah dirangsang seperti yang digambarkan dalam prestasi harga saham di dalam tahun yang dinilai.*

### TADBIR URUS KORPORAT

*Lembaga Pengarah mengakui kepentingan peningkatan nilai bagi jangkamasa yang panjang menerusi cara yang betul dan beretika, mengikut rangkakerja yang melindungi kepentingan pelabur. Ketelusan prosedur kawalan dalaman KPJ Healthcare akan diteruskan dan dijaga dengan rapi. KPJ Healthcare mematuhi dengan ketat segala peraturan yang telah ditetapkan oleh Bursa Malaysia dan Suruhanjaya Sekuriti, yang menekankan kepada ketelusan dan etika pengurusan serta pendedahan maklumat yang berkaitan mengikut masa yang ditetapkan.*

*Lembaga Pengarah menghargai sumbangan Jawatankuasa Audit dimana disepanjang tahun, Jawatankuasa ini sekali lagi telah memperlihatkan sikap proaktif, komitmen serta ketelitiannya dalam menentukan ketelusan kawalan dalaman menerusi pemantauan proses-proses organisasi bagi menyemak, menilai serta memantau risiko bisnes yang ketara.*

### Pengurusan Risiko

*Lembaga Pengarah meletakkan kepentingan yang tinggi bagi keberkesanan dan tanggungjawab pengurusan dalam kesemua risiko yang berkaitan dalam industri, dan menentukan kumpulan profesional serta proses-proses berkaitan telah dibentuk mengikut ketetapan.*

Risk Management training sessions were conducted at all hospitals and companies in 2003 by KPJ Healthcare Chief Risk Officer (CRO) and the Group Compliance and Internal Audit (GCIA) team of Johor Corporation, who were appointed as KPJ Healthcare's Risk Management Consultants, with special consideration given to fulfilling the requirements of the hospital staff.

Simultaneously, the Group has adopted the "Guidelines for Managing Risk in Healthcare HB 228:2001" covered under the Australian and New Zealand Standards AS/NZS 4360:1999 as a tool for the Risk Management Framework since these guidelines are focusing on healthcare industry. These guidelines identified the categories of risks as critical components of the risk management in the healthcare sector including Patient Care Related Risks, Employee Related Risks, Financial Risks, Corporate Governance Risks, and Other Risks.

The Risk Management Policy has also been put in place to ensure the successful implementation of its Enterprise Wide Risk Management Strategy within the Group. The risk management policy provides the structure and framework outlining the principal risk management and control responsibilities of the relevant parties for the Board of Directors, Audit Committee, Risk Management Committee and Business Units.

### **Clinical Governance**

Realizing the correlation between Clinical Governance and the Group's long-term sustainability, KPJ Healthcare has given special emphasis on developing clinical governance policies for all hospitals.

The Clinical Governance Committee, which is also the Medical Advisory Committee (MAC), assisted by the Clinical Governance Policy Committee (CGPC), Clinical Governance Action Committee (CGAC), and the Clinical Risk Management Committee (CRMC) has continued to play a fundamental role in strengthening the Group's clinical governance measures through the setting-up of a broad framework and procedures for clinical audit, quality assurances and evidence-based practice as well as establishment of best practices. Procedures have also been developed to identify and review system constraints, which include critical incident reporting, customer feedback management procedures, among others.

The Committees, which comprise representatives of the Medical Consultants and Corporate Management team, meet regularly to review and assess the procedures within the Group as well as to monitor adherence to the guidelines provided.

*Sesi latihan Pengurusan Risiko telah dijalankan di kesemua hospital dan syarikat dalam tahun 2003 oleh Ketua Pegawai Risiko (CRO) dan Kumpulan Pematuhan dan Audit Dalaman (GCIA) Johor Corporation, yang telah dilantik sebagai Pakar Runding Pengurusan Risiko KPJ Healthcare, dengan pertimbangan khas diberikan bagi memenuhi keperluan anggota pekerja hospital.*

*Di masa yang sama, Kumpulan telah mengadaptasikan "Garis panduan dalam Pengurusan Risiko dalam Prinsip HB 228:2001" yang telah diterimapakai dibawah Piawaian Australia dan New Zealand AS/NZ 4360:1999 sebagai tatacara Rangkakerja Pengurusan Risiko oleh sebab garis panduan ini memberi tumpuan kepada industri prinsip. Garis panduan ini mengenalpasti kategori risiko sebagai komponen kritikal dalam pengurusan risiko dalam sektor prinsip termasuk Risiko Berkaitan Penjagaan Pesakit, Risiko Berkaitan Anggota Pekerja, Risiko Kewangan, Risiko Tadbir Urus Korporat, dan lain-lain risiko.*

*Polisi Pengurusan Risiko turut meletakkan kejayaan pelaksanaan Strategi Pengurusan Risiko Keseluruhan Perniagaan dalam Kumpulan. Polisi pengurusan risiko memberikan struktur dan rangkakerja yang menyenaraikan pengurusan risiko utama dan tanggungjawab kawalan bagi pihak-pihak berkaitan untuk Lembaga Pengarah, Jawatankuasa Audit, Jawatankuasa Pengurusan Risiko dan Unit-unit Bisnes.*

### **Tadbir Urus Klinikal**

*Menyedari perhubungan diantara Tadbir Urus Klinikal dan kesinambungan jangka panjang Kumpulan, KPJ Healthcare telah memberikan penekanan yang khas ke atas pembangunan polisi tadbir urus klinikal bagi kesemua hospital.*

*Jawatankuasa Tadbir Urus Klinikal, yang juga Jawatankuasa Penasihat Perubatan (MAC), dibantu oleh Jawatankuasa Polisi Tadbir Urus Klinikal (CGPC) dan Jawatankuasa Bertindak Tadbir Urus Klinikal (CGAC), serta Jawatankuasa Pengurusan Risiko Klinikal (CRMC) akan terus memainkan peranan fundamental untuk membentuk rangkakerja yang luas serta prosedur bagi audit klinikal, jaminan kualiti praktis berasaskan eviden dan juga pembentukan praktis terbaik. Prosedur turut di bentuk antara lain bagi mengenalpasti dan menyemak halangan sistem, termasuk laporan kejadian kritikal dan prosedur pengurusan maklumbalas pelanggan.*

*Jawatankuasa-jawatankuasa ini yang terdiri daripada Pakar Perubatan dan Ahli kumpulan Pengurusan Korporat, akan bermesyuarat bagi menyemak dan menilai prosedur dalam Kumpulan termasuk memantau pematuhan kepada garis panduan yang diberikan. Pelaksanaan polisi-polisi dan prosedur-prosedur ini di pantau oleh Pengarah Perubatan di setiap hospital dalam Kumpulan, yang mana*

## Statement to Shareholders

### Penyata kepada Pemegang-pemegang Saham

The implementation of these policies and procedures are overseen and guided by the Medical Directors at the Group's hospitals, who are each experienced and knowledgeable members of the respective clinical teams. It is important to emphasise that the Medical Directors have continuously played a fundamental role in ensuring that the medical component of the patients' overall hospital treatment adheres to KPJ Healthcare's stringent clinical benchmarks at all times, wherever the Group operates.

In our effort to continuously maintain high levels of medical excellence, clinical indicators are being continuously collected from all KPJ Healthcare hospitals, for regular tabulation and assessment by the CGAC, providing a reference point for the MAC to appraise the Group's overall clinical performance standards.



**One for the album - KPJ Healthcare's Medical Consultants & Management with YAB Dato' Seri Abdullah and YAB Dato' Abdul Ghani during the 2003 KPJ Healthcare National Medical Conference at Marriott Putrajaya.**

*Gambar kenangan Kumpulan Pakar Perubatan dan Pengurusan KPJ Healthcare bersama YAB Dato' Seri Abdullah dan YAB Dato' Abdul Ghani di Persidangan Perubatan Nasional KPJ Healthcare 2003 di Marriott Putrajaya.*

*merupakan ahli yang berkelayakan dan berpengetahuan bagi setiap pasukan klinikal. Penting ditekankan disini bahawa setiap Pengarah Perubatan telah menjalankan peranan mereka bagi menentukan komponen perubatan pesakit dalam hospital mematuhi tanda aras klinikal KPJ Healthcare disetiap masa dimana jua Kumpulan menawarkan perkhidmatannya.*

*Dalam usaha yang berterusan bagi menentukan pengekaln tahap keunggulan perubatan, KPJ Healthcare akan mengumpul tunjukkan klinikal bagi tujuan penilaian yang berterusan oleh GCAC, sebagai rujukan untuk MAC menilai piawaian keseluruhan prestasi klinikal Kumpulan.*

This dedication towards clinical excellence and professionalism is shared with our medical consultants at the annual KPJ Healthcare National Medical Conference. Apart from creating a platform for more than 200 medical consultants Group-wide to meet, interact and network, the Conference also establishes a forum for them to discuss the latest development in the field of healthcare services, including the crucial area of Risk Management.

The 2003 Conference, with the theme "Integration for Customer Care Excellence", was officiated by the then Deputy Prime Minister YAB Dato' Seri Abdullah Ahmad Badawi, who acknowledged KPJ Healthcare's contributions in complementing government services as well as promoting Malaysia as a hub for healthcare excellence. YAB Dato' Seri also launched the KPJ Medical Journal, an unprecedented achievement in the Malaysian healthcare scenario, motivated in part by the consultants' own commitment to share their knowledge with their colleagues as well as with the rest of the medical fraternity. The Consultants have also exhibited a high level of commitment to helping the needy through their initiative in setting up a charity fund called the "Medical Consultants of KPJ Charity Fund".

The Board also acknowledges that the current structure and systems and the positive relationship between KPJ Healthcare and our consultants are among the Group's critical success factors (CSFs). As such, the Medical Directors and the medical consultants are represented on the respective Boards and management committees, both at the KPJ Healthcare Board as well as at the hospital levels.

### OPERATIONAL ACTIVITIES

The global healthcare industry is undergoing rapid changes, with a heightened emphasis on value-for-money service, driven by progress in technology, globalization and market liberalization. Impacted areas are consumer expectations, market trends, emerging healthcare technology as well as organisational culture.

KPJ Healthcare further enhanced its growth plans, with the expansion and upgrading of services and facilities of the hospitals. The main focus was the creation of added value and competitive advantage, especially for increased customer



**Underprivileged members of Society continue to receive attention from KPJ Healthcare and our caring consultants through the Medical Consultants of KPJ Charity Fund.**

*Masyarakat kurang berkemampuan sentiasa terus mendapat perhatian dari KPJ Healthcare dan pakar perubatannya menerusi tabung kebajikan pakar perubatan KPJ.*

*Dedikasi terhadap profesionalisma dan keunggulan klinikal ini dikongsi dengan Pakar Perubatan semasa Persidangan Perubatan Nasional KPJ Healthcare yang diadakan setiap tahun. Disamping menyediakan peluang bagi lebih 200 orang pakar perubatan dalam Kumpulan untuk berjumpa dan berinteraksi, Persidangan ini turut menyediakan forum bagi mereka untuk berbincang mengenai perkembangan terbaru dalam bidang perkhidmatan prishatin termasuk bidang utama iaitu Pengurusan Risiko.*

*Persidangan 2003, dengan tema "Integrasi kearah Kecemerlangan Penjagaan Pelanggan" telah dilancarkan oleh bekas Timbalan Perdana Menteri Malaysia YAB Dato' Seri Abdullah Ahmad Badawi, yang mengakui sumbangan KPJ Healthcare sebagai pelengkap perkhidmatan kerajaan serta membantu mempromosikan Malaysia sebagai pusat keunggulan prishatin. YAB Dato' Seri turut melancarkan Jurnal Perubatan KPJ, satu pencapaian yang pertama dalam senario prishatin Malaysia, hasil dari motivasi pakar perubatan sendiri yang mempunyai komitmen untuk berkongsi pengetahuan mereka dengan rakan-rakan sejawat dan seterusnya rakan dalam frateniti perubatan. Pakar Perubatan KPJ Healthcare turut memaparkan kesedaran dan komitmen yang tinggi untuk membantu masyarakat daif menerusi penubuhan tabung kebajikan, "Tabung Kebajikan Pakar Perubatan KPJ".*

*Lembaga Pengarah mengakui bahawa struktur dan sistem masakini serta perhubungan baik diantara KPJ Healthcare dan pakar perubatan adalah antara faktor kritikal bagi kejayaan (CSFs). Hingga kini, Pengarah Perubatan dan Pakar Perubatan turut merupakan komponen dalam barisan Lembaga Pengarah dan Jawatankuasa Pengurusan, samada di dalam barisan Pengarah KPJ Healthcare ataupun di hospital-hospital.*

### AKTIVITI OPERASI

*Industri prishatin secara global menghadapi perkembangan pesat dengan penekanan keatas perkhidmatan yang memberi nilai, pembangunan dalam teknologi, globalisasi dan liberisasi pasaran. Antara aspek yang terbabit ialah kehendak pelanggan, trend pasaran, teknologi prishatin yang berkembang serta budaya organisasi.*

*KPJ Healthcare terus meningkatkan perancangan pertumbuhannya, termasuk peningkatan dan penaiktaraf perkhidmatan dan kemudahan di hospital-hospitalnya. Tumpuan utama adalah untuk membentuk nilai tambahan serta kedudukan kompetitif, terutama*

## Statement to Shareholders

### Penyata kepada Pemegang-pemegang Saham

comfort and safety. Customer service, in this scenario, includes the ability of the organisation to identify, meet, and in some cases, exceed the key internal and external customer requirements as well as fulfilling the ultimate objective of attaining optimum business performance.

#### Service and Facilities Enhancement

The Group's hospitals are continuously undergoing expansion and upgrading of facilities, to achieve total customer satisfaction. Specific focus is also paid to cater to the needs for safety and security of our customers at all the Group's hospitals nationwide, thus ensuring that KPJ Healthcare's hospitals are synonymous with a safe and secure environment.

Damansara Specialist Hospital (DSH) is the first hospital in the Group to introduce the "In Vitro Fertilization" (IVF) services to cater to the growing consumer needs. In addition, DSH's integrated cardiac complex, centrally housing a cardiac operation theatre, Cardiac Intensive Care Unit (CICU) and Catheterization Laboratory, was completed in December 2003. A team of renowned cardiology and cardiothoracic specialists has joined the hospital, thereby presenting new opportunities for yet another key growth milestone for the Group.

The 6th floor paediatric ward of Ampang Puteri Specialist Hospital (APSH), KPJ's other hospital in Selangor, which has been cheerfully and attractively decorated with the Sea World concept, continues to be a key factor in drawing in young patients to the hospital. The new MRI Supercon continues to perform better than anticipated. In addition a new Angiogram for the Catheterisation Laboratory is planned for 2004.



The new MRI Supercon at APSH projects the KPJ Healthcare committent towards precision of diagnosis.

*Mesin MRI Supercon baru di APSH menandakan komitmen KPJ Healthcare ke arah kemajuan diagnosis.*

Johor Specialist Hospital (JSH), KPJ's pioneer hospital, receives good feedback from patients for its new outpatient block which provides patients and customers with a distinctive and more comfortable ambience. Further to that, the hospital's radiotherapy services also received positive response from patients. The hospital also upgraded its MRI and angiography equipment thereby directly increasing the standard of its diagnostic capabilities. Corresponding to the new look of the outpatient block, the hospital is in the process of upgrading its inpatient block via improvement of its facilities including the Accident & Emergency (A&E) area.

*dalam mencapai kepuasan dan keselesaan serta keselamatan pengguna. Dalam senario ini, perkhidmatan pelanggan, termasuk keupayaan organisasi mengenalpasti, memenuhi dan, dalam sesetengah keadaan, melepasi kehendak utama pelanggan dalaman dan luar, disamping memenuhi objektif utama iaitu mencapai prestasi bisnes yang optimum.*

#### Peningkatan Kemudahan dan Perkhidmatan

Hospital dalam Kumpulan sentiasa menjalankan program pembangunan dan penaiktaraf kemudahannya bagi mencapai kepuasan pengguna secara menyeluruh. Tumpuan utama ialah untuk menentukan keselamatan pengguna di kesemua hospital di seluruh negara, dan menentukan hospital KPJ Healthcare adalah sinonim dengan prasarana yang selamat.

Damansara Specialist Hospital (DSH) adalah hospital pertama dalam Kumpulan yang memperkenalkan perkhidmatan "Pensenyawaan In Vitro" (IVF) bagi memenuhi kehendak yang semakin meningkat. DSH juga turut mengintegrasikan kompleks jantung yang memusatkan perkhidmatan jantung yang komprehensif, termasuk sebuah dewan bedah jantung, Unit Rawatan Rapi Jantung (CICU), dan Makmal Kateter, yang telah siap dalam bulan Disember 2003. Satu pasukan pakar kardiologi dan kardiotorasik yang terkenal telah menyertai hospital ini, yang mana akan membuka lebih peluang untuk Kumpulan mencatatkan pertumbuhan yang lebih baik.

Wad kanak-kanak di tingkat 6, Ampang Puteri Specialist Hospital sebuah lagi hospital KPJ di Selangor, telah di rekabentuk begitu menarik dengan konsep Sea World, telah menjadi faktor penarik pesakit kanak-kanak di hospital ini. Sementara itu, mesin Supercon MRI terus mendapat sambutan yang lebih baik dari yang dijangka. Tambahan pula, pembelian mesin angiogram yang baru untuk Makmal Kateter turut dimasukkan dalam perancangan 2004.

Johor Specialist Hospital (JSH), hospital pertama KPJ Healthcare, menerima maklumbalas yang baik dari pesakit terhadap blok pesakit luarnya yang baru yang memberikan pesakit dan pelanggan prasarana serta suasana yang lebih selesa dan menarik. Disamping itu, perkhidmatan radioterapi hospital turut menerima maklumbalas yang positif dari pesakit. JSH turut meningkatkan peralatan MRI dan angiografi, yang telah memberikan peningkatan dalam keupayaan diagnostiknya. Selaras dengan wajah baru blok pesakit luar, JSH sekarang sedang dalam proses menaiktaraf blok pesakit dalaman yang merangkumi pembaikan kemudahan termasuk unit Kemalangan & Kecemasan (A&E).

Puteri Specialist Hospital (PSH) in Johor has completed its new consultants' suites, and upgrading of support services such as its Outpatient Payment Unit and Pharmacy. Inpatient services have also been given a boost with the completion of 10 Executive Suites on the 5th floor. In order to cater to the growing number of patients, the hospital has added 70 parking bays.

Kedah Medical Centre (KMC) is in the midst of completing its 10-storey hospital building expansion, to be fully operational by the second quarter of 2004. This new block will accommodate 32 new clinics and an additional 64 beds, including a new maternity unit.

Kuantan Specialist Hospital (KSH) continues to receive very good response for its services in the new hospital block, which houses consultant suites and inpatient rooms, haemodialysis unit, among others to cater to the growing market. In order to fully leverage on the strong market potential, the hospital's plans for 2004 include the setting up of a new Cath Lab as well as the procurement of an MRI machine.

Perdana Specialist Hospital, having served its first full operational year, was also receiving strong support from the people of Kota Bharu, Kelantan. The hospital was officially opened by HRH the Sultan of Kelantan in a special ceremony on 28 July 2003. Marketing efforts have been intensified to further expand its customer base, to include patients from neighbouring states. In line with its efforts to further boost its overall services as a full-fledged hospital, Perdana also increased its number of doctors, bringing in more specialists to cater to the needs of the growing customer base, having a total of 16 medical consultants. The hospital added to its range of services by opening a dialysis centre during the year. In view of the growth potential, the hospital has decided to set up a new Cath Lab in 2004 to meet the anticipated demand of the surrounding community.

Apart from the expansion and upgrading of hospital services, KPJ Healthcare has also proceed its plans to relocate two existing hospitals, namely Tawakal Hospital in Kuala Lumpur and



**KMC new block - the new landmark of KPJ Healthcare's presence in the Northern Business Triangle.**

*Blok baru KMC - mercu tanda baru kehadiran KPJ Healthcare di Segitiga Bisnes Wilayah Utara.*

*Puteri Specialist Hospital (PSH), di Johor telah menyiapkan bilik pakar perubatannya dan penaiktarafan perkhidmatan sokongan seperti Unit Pembayaran Pesakit Luar dan Farmasi. Perkhidmatan pesakit dalaman turut ditingkatkan apabila 10 bilik Eksekutif di tingkat 5 hospital tersebut telah disiapkan. Bagi memenuhi peningkatan pelanggan, pihak hospital telah menambah 70 petak letak kereta.*

*Kedah Medical Centre (KMC) telah menyiapkan blok 10 tingkat bagi memulakan operasinya dalam suku tahun kedua 2004. Blok baru ini akan menempatkan 32 klinik baru dan 64 buah katil tambahan termasuk unit perbidanan yang baru.*

*Kuantan Specialist Hospital (KSH) terus menerima maklumbalas yang baik dari pelanggan bagi blok hospitalnya yang baru, yang menempatkan antara lain bilik pakar perubatan serta bilik pesakit dalaman, unit hemodialisis bagi memenuhi permintaan pasaran. Menyedari potensi pasaran, hospital dalam perancangan tahun 2004 akan menempatkan Makmal Kateter yang baru dan juga pembelian peralatan MRI.*

*Hospital Pakar Perdana, setelah setahun beroperasi, telah menerima sokongan yang teguh dari masyarakat Kota Bharu, Kelantan. Hospital ini telah dirasmikan oleh DYMM Sultan Kelantan dalam satu upacara rasmi pada 28 Julai 2003. Usaha pemasaran turut diperkemas bagi mempertingkatkan jumlah pelanggan termasuk pesakit dari negeri-negeri yang berdekatan. Dalam usahanya untuk mempertingkatkan perkhidmatan keseluruhan hospital sebagai hospital pakar penuh, Perdana turut menambah bilangan pakar perubatan yang kini berjumlah 16 orang, untuk memenuhi jumlah pesakit yang kian bertambah. Antara perkhidmatan tambahan termasuk pembukaan pusat dialisis pada tahun yang dinilai. Bagi memenuhi potensi pasaran serta peningkatan kehendak masyarakat setempat, pihak hospital akan menempatkan Makmal Kateter di Perdana pada tahun 2004.*

*Selain dari perkembangan dan peningkatan perkhidmatan hospital, KPJ Healthcare meneruskan perancangannya untuk mengalih dua buah hospitalnya iaitu Tawakal Hospital di Kuala Lumpur dan Bukit Mertajam Specialist Hospital di Pulau Pinang dari lokasi sekarang*

# Statement to Shareholders

## Penyata kepada Pemegang-pemegang Saham

Bukit Mertajam Specialist Hospital in Penang, from their current site, to more strategic locations. The redeveloped Tawakal Hospital, anticipated to open its doors to the public in year 2005, will provide a comprehensive range of specialist services in a customer-friendly environment, emphasising on patient safety, health and convenience. Meanwhile, Bukit Mertajam Specialist Hospital, which will be relocated to the high-technology township of Bandar Perda in Penang, will involve the development of a six-storey full-fledged specialist hospital, for the benefit and convenience of the residents.

KPJ Healthcare has also spread its wings to Sarawak where, in late December 2003, the Group opened the A&E and Outpatient Centre of Kuching Specialist Hospital, in Tabuan Laru, a new satellite town in Kuching. This inaugural venture into the state of Sarawak is a positive move for KPJ Healthcare, and the hospital is targeted to commence receiving inpatients by June 2004.

In line with the current rapid growth trend, the Group's 13th hospital, the 150-bedded Seremban Specialist Hospital, which is strategically located in the heart of bustling Seremban town is expected to be opened by the third quarter of 2004.

In the meantime, Puteri Nursing College's (PNC) new campus in Kota Seirramas in Nilai, Negeri Sembilan, is currently being developed through a collaborative effort with a reputable partner. This strategic partnership involves the partner in specially designing, building, and leasing the developed facility to KPJ Healthcare. This new campus will enable the College to increase its intake for training of nurses to meet the fast-growing business needs of KPJ Healthcare. It also promises an opportunity for the Group to venture into the business of training foreign nurses in the near future.

### MARKETING EFFORTS AND BRANDING

Customers have always been and will always remain KPJ Healthcare's main focus. The tagline "Care for Life", adopted by all hospitals in the Group, is part of the KPJ Healthcare Brand, and an embodiment of KPJ Healthcare's aspiration as a provider of holistic healthcare provision for all generations.



For the betterment of future generations, KPJ Healthcare sealed an agreement with its collaborative partner for the development of new PNC campus.

*Kearah pembangunan generasi masa depan. KPJ Healthcare memeterai perjanjian dengan rakan kongsi untuk pembangunan kampus baru PNC.*

KPJ Healthcare's hospitals regularly reviewed the feedback and comments made by both inpatients and outpatients as part of its service enhancement exercise to ascertain that limitations were overcome. Customer care par excellence is

*ke tapak yang lebih strategik. Pembangunan semula Tawakal Hospital, yang dijangka akan dibuka pada tahun 2005, akan menawarkan pelbagai perkhidmatan pakar dalam prasarana yang mesra pelanggan, menekankan keselamatan, kesihatan dan keselesaan pelanggan. Disamping itu Bukit Mertajam Specialist Hospital yang akan dipindah ke lokasi bandar berteknologi tinggi, Bandar Perda di Pulau Pinang, akan melibatkan pembinaan hospital pakar swasta 6 tingkat, bagi manafaat dan keselesaan penduduknya.*

*KPJ Healthcare telah berkembang ke Sarawak dimana pada lewat bulan Disember 2003, Kumpulan telah membuka Pusat Pesakit Luar dan unit Kecemasan & Kemalangan Kuching Specialist Hospital di Tabuan Laru, satu bandar satelit baru di Kuching. Penerokaan ke negeri Sarawak ini adalah satu langkah positif KPJ Healthcare, dan hospital ini dijangka akan mula menerima pesakit dalaman pada bulan Jun 2004.*

*Selaras dengan perkembangan pesat Kumpulan, hospital ke 13, KPJ Healthcare, Seremban Specialist Hospital yang mempunyai 150 buah katil dan terletak di lokasi yang strategik di tengah Bandar Seremban, dijangka akan dibuka pada suku ketiga tahun 2004.*

*Sementara itu kampus baru Puteri Nursing College (PNC) di Kota Seirramas di Nilai, Negeri Sembilan, yang sedang dibina menerusi kerjasama dengan rakan niaga iaitu sebuah syarikat pembangunan hartanah ternama. Kerjasama ini melibatkan rekabentuk, pembinaan serta penyewaan jangka panjang dari pihak rakan niaganya. Kampus baru ini membolehkan Kolej mempertingkatkan jumlah pelatih jururawatnya bagi memenuhi permintaan perkembangan bisnes KPJ Healthcare. Ia juga membuka peluang kepada Kumpulan untuk menerokai peluang untuk melatih jururawat luar negara dalam masa yang terdekat.*

### USAHA PEMASARAN DAN JENAMA

*Pelanggan sentiasa dan terus menjadi tumpuan utama KPJ Healthcare. Cogankata KPJ Healthcare "Penjagaan Sepanjang Hayat", yang diterapkan di kesemua hospital dalam Kumpulan, adalah sebahagian dari jenama KPJ Healthcare, yang merangkumi aspirasi KPJ Healthcare sebagai penyedia perkhidmatan prishatin yang menyeluruh kepada semua generasi.*

also extensively discussed at the Board of Directors' meetings, ensuring that patients' concerns receive the team's utmost attention and further action.

The Group truly values the strong support of our loyal customers and patients, and our hospitals are constantly exploring new ways to create value that will ultimately benefit our customers. In appreciation of their continued patronage of our hospitals, they were presented with privilege cards, facilitating them during their visits to the hospitals.

The Group has also developed strong rapport with our Corporate Clients who are considered our partners in the provision of healthcare services, rather than mere customers. This enabled KPJ Healthcare to work hand-in-hand with our clients to develop strategies on how best to meet their healthcare requirements, including conducting health talks and other related programs.

KPJ Healthcare has also strategically enhanced its position as a market leader through a Brand Journey exercise, via a two-pronged strategy, namely to penetrate into foreign markets via trade visits and marketing activities abroad, as well as strengthening KPJ Healthcare's market presence at international trade shows held in Malaysia. This strategy serves to not only attract customers and potential partners from abroad, but also to fully optimise the Malaysian government's efforts to make the nation a centre for healthcare excellence.

Trade missions abroad were carried out to Asian and Middle Eastern countries, through collaborations with Malaysia External Trade Development Corporation (MATRADE), Ministry of Tourism and the Ministry of Health. These trips included meetings with and presentations to potential business partners, medical consultants, travel agents and government representatives.



**The next generation of JCorp and KPJ Healthcare leaders attending a one month on job training as part of their MBA programme at Henley Management College UK.**

*Barisan kepimpinan masa depan JCorp dan KPJ Healthcare dalam rangka lawatan di Henley Management College UK, satu agenda dalam program MBA.*

*Hospital KPJ Healthcare sentiasa meneliti maklumbalas dan komen dari pesakit dalaman dan luar sebagai satu cara untuk menentukan segala halangan di tangani serta program peningkatan perkhidmatan dijalankan dengan lancar. Keunggulan perkhidmatan pelanggan dibincangkan secara terperinci didalam mesyuarat Ahli Lembaga Pengarah bagi menentukan pesakit tersebut mendapat perhatian serta tindakan yang sewajarnya.*

*Kumpulan amat menyanjungi segala sokongan serta kesetiaan pelanggan dan pesakit, dan setiap hospital terus menerokai cara baru untuk membentuk nilai yang akhirnya akan memberi manfaat kepada pelanggan. Sebagai penghargaan kepada mereka yang sentiasa memberi sokongan, kami memberikan kad keutamaan, bagi membantu mereka mendapat layanan utama apabila mereka berada di hospital kami.*

*Kumpulan turut membina perhubungan yang erat dengan pelanggan korporat yang mana mereka ini merupakan rakan kongsi dalam perkhidmatan kami, bukan hanya setakat pelanggan. Ini membolehkan KPJ Healthcare untuk berkerjasama dengan mereka dalam memenuhi kehendak program kesihatan mereka termasuk menjalankan ceramah kesihatan serta lain-lain program yang berkaitan.*

*KPJ Healthcare turut meningkatkan kedudukannya sebagai peneraju pasaran menerusi program peningkatan Jenamanya, menerusi dua (2) strategi iaitu menembusi pasaran luar negara menerusi lawatan perniagaan dan aktiviti pemasaran di luar negara, serta mengukuhkan kedudukan KPJ Healthcare dalam pasaran menerusi pameran dagangan yang diadakan di Malaysia. Strategi ini bukan sahaja dapat menarik pesakit dan rakan kongsi yang berpotensi dari luar, malah dapat mengoptimumkan usaha kerajaan Malaysia untuk menjadikan negara sebagai pusat keunggulan perkhidmatan prisihat.*

*Misi dagangan luar negara turut dijalankan ke negara-negara Asian dan Timur Tengah, menerusi usahasama dengan Perbadanan Pembangunan Dagangan Luar Negara Malaysia (MATRADE), Kementerian Pelancongan, dan Kementerian Kesihatan. Misi dagangan ini turut dipenuhi dengan mesyuarat serta pembentangan perniagaan kepada rakan kongsi yang berpotensi, pakar perubatan, agensi pelancongan serta wakil-wakil kerajaan.*

## Statement to Shareholders

### Penyata kepada Pemegang-pemegang Saham

KPJ Healthcare participated in the first official visit of the then-Deputy Prime Minister, YAB Dato' Seri Abdullah Ahmad Badawi, to The People's Republic of China in September 2003. Apart from providing support for the Government's efforts in strengthening ties with China, KPJ Healthcare was also able to meet three key objectives for the visit, namely to enhance the Group's Health Tourism opportunities via discussions with major travel agents and relevant authorities, to draw the interest of Chinese potential investors in healthcare as well as to explore collaboration opportunities with Chinese universities to encourage Chinese student nurses to study nursing in KPJ Healthcare's Puteri Nursing College (PNC).

Meanwhile, KPJ Healthcare also increased its market presence and networking opportunities through participation in events such as the 11th International Healthcare Conference 2003, which attracted healthcare service providers and suppliers from throughout the nation. KPJ also participated in exhibitions, such as the one held in conjunction with the 13th NAM Summit and the 10th OIC Summit, which resulted in KPJ Healthcare meeting delegates from foreign nations who were keen to explore possibilities of strategic collaboration, especially in areas of healthcare services, including professional nursing development and hospital commissioning advisory services, thus creating a new niche altogether for the Group. There is a strong potential, therefore, for KPJ Healthcare to market its competencies in these areas, not only within the nation but also beyond our shores.



**KPJ Healthcare's contribution in promoting the health tourism received acknowledgement from the leaders' of Malaysia.**

*Sumbangan KPJ Healthcare dalam mempromosikan pelancongan kesihatan turut menerima penghargaan dari pemimpin Malaysia.*

The Group's branding journey will continue its course in the years to come as KPJ Healthcare prepares itself to become a global player in the liberalized world market.

#### INFORMATION TECHNOLOGY

Several strategies were undertaken by the Group's IT team to set up an integrated Information System (IS) that will facilitate the collation of relevant information.

The IT team is also developing other support systems, such as the Clinical Information System (CIS), the Marketing Information System (MIS) and the Executive Information System (EIS).

*berkuasa yang berkaitan, menarik minat pelabur negara China dalam industri prisihatin, serta meneroka peluang usahasama dengan universiti-universiti di negara China untuk menggalakkan pelajar mereka mengikuti jurusan kejururawatan di kolej kejururawatan KPJ Healthcare, Puteri Nursing College.*

*Selain itu KPJ Healthcare turut meningkatkan kedudukan serta peluang perhubungan menerusi penglibatannya dalam acara-acara seperti Persidangan Antarabangsa Kesihatan ke 11 tahun 2003, yang menarik minat penyedia dan pembekal perkhidmatan prisihatin diseluruh negara. KPJ Healthcare turut melibatkan diri dalam pameran seperti yang dianjurkan sempena Persidangan NAM ke 13 dan Persidangan OIC ke 10, dimana KPJ Healthcare telah dapat bertemu dengan peserta dari negara luar yang berminat untuk bekerjasama, terutama dalam bidang prisihatin termasuk dalam pembangunan profesional kejururawatan, dan khidmat nasihat pembangunan hospital, yang mana telah membuka peluang kepada pengkhususan baru kepada Kumpulan. Terdapat potensi yang besar bagi KPJ Healthcare untuk memasarkan perkhidmatan serta kemahirannya dalam bidang-bidang ini, bukan sahaja di dalam malah di luar negara.*

*Perjalanan peningkatan Jenama KPJ Healthcare ini akan berterusan di masa-masa akan datang dan di masa yang sama KPJ Healthcare akan membuat persiapan untuk menjadi penggalak utama dalam pasaran dunia yang global.*

#### TEKNOLOGI MAKLUMAT

*Beberapa strategi telah dijalankan oleh Jabatan IT dalam Kumpulan bagi menyediakan Sistem Informasi Bersepadu (IS) yang akan memudahkan pengumpulan data.*

*Jabatan IT turut membentuk sistem sokongan seperti Sistem Informasi Klinikal (CIS), Sistem Informasi Pemasaran (MIS) dan Sistem Informasi Eksekutif (EIS).*

The first phase of the CIS has now been successfully pioneered at Puteri Specialist Hospital, Johor Bahru, involving the personal and highly committed participation of a medical consultant. The features of CIS have also been further enhanced for Pharmacy and Laboratory management, allowing the consultants to interface directly and order the investigations electronically as well as view the results promptly. These modules have been able to speed-up the diagnosis as well as the treatment processes. The CIS project, once fully implemented, will link all hospitals within the Group.

The MIS system has also contributed to the Group's marketing efforts, by enabling the hospitals to identify and track the activities of their customers, manage marketing initiatives more strategically and generate quality leads for further business development. Furthermore, it will allow the formation of individualized relationships with customers, with the aim of improving customer satisfaction, and providing them the highest level of service. Currently, the MIS system has been piloted at Damansara Specialist Hospital, Hospital Pakar Perdana and Johor Specialist Hospital, and will subsequently be implemented in all KPJ Healthcare's hospitals Group-wide.

Meanwhile, the IT team is developing the EIS system to provide critical and central source of information and statistics to assist the Management in decision making. The module provides the latest group information such as patient statistics and sales. With the availability of this up-to-date and organized information, KPJ Healthcare is better able to conduct sound analysis of its overall performance, facilitate rapid response to customer and service provider demands as well to meet the changing trends in business environment.

## HUMAN CAPITAL MANAGEMENT

KPJ Healthcare maintained its commitment to human capital development, on the basis that competent and skilled personnel is vital to ensure its continuous success in the service industry. Emphasis is being placed on the development of the Performance-Oriented culture, through the identification and fulfilment of each team members' Key Results Areas (KRAs), where staff at every level is encouraged to create value in every aspect of their daily activities. This translates to a greater sense of ownership, and commitment, resulting in a shared passion for excellence. The Group's human resource management system has also been further enhanced with the implementation of a Human Resource Information System (HRIS), an integrated, Internet-based application linking KPJ HQ with all its subsidiaries. The system is the basis for KPJ Healthcare's on-line staff management capabilities and competencies, allowing for better monitoring of staff movement, performance and

*Fasa pertama CIS telah berjaya dilaksanakan di Puteri Specialist Hospital di Johor Bahru, dengan penglibatan seorang pakar perubatan yang begitu komited. Ciri CIS turut dipertingkatkan untuk pengurusan Farmasi dan Makmal, membolehkan pakar perubatan berurusan dan membuat pesanan penyelidikan secara elektronik serta membuat penilaian terhadap keputusan penyelidikan dengan kadar segera. Modul-modul ini mempercepatkan proses diagnosis serta keputusan. Projek CIS ini, apabila siap dilaksanakan sepenuhnya akan menghubungkan kesemua hospital dalam Kumpulan.*

*Sistem Maklumat Pemasaran (MIS) pula telah memberi sumbangan kepada usaha pemasaran dengan membolehkan hospital untuk mengenalpasti serta mengikuti aktiviti kesihatan pelanggannya, mengendalikan inisiatif pemasaran dengan lebih strategik serta menjana rujukan yang berkualiti untuk pembangunan bisnes selanjutnya. Program ini turut membuka peluang KPJ Healthcare untuk membentuk perhubungan secara terus kepada pelanggannya dengan tujuan untuk mempertingkatkan kepuasan pengguna, serta memberikan mereka perkhidmatan yang terbaik. Bagi peringkat pertama, MIS ini sedang diuji di Damansara Specialist Hospital, Hospital Pakar Perdana dan juga Johor Specialist Hospital, dan akan dilaksanakan di kesemua hospital KPJ Healthcare kelak.*

*Sementara itu, Jabatan IT turut merangka Sistem Maklumat Eksekutif (EIS) bagi memberikan pusat sumber informasi serta statistik yang kritikal bagi membantu Pengurusan dalam membuat keputusan. Modul ini memberikan informasi yang terkini mengenai statistik pesakit serta jumlah jualan. Dengan kewujudan sistem yang memberi informasi yang terkini serta lebih tersusun, KPJ Healthcare akan berupaya untuk membuat penganalisaan yang baik terhadap keseluruhan prestasi, menyediakan peluang untuk bertindakbalas dengan kadar segera terhadap permintaan pelanggan dan penyedia perkhidmatan serta memenuhi trend prasarana bisnes yang sentiasa berubah.*

## PENGURUSAN TENAGA INSAN

*KPJ Healthcare sentiasa memberikan komitmen terhadap pembangunan tenaga insan kerana pekerja yang mahir serta cekap adalah penting bagi menentukan kesinambungan kejayaan syarikat dalam industri perkhidmatan. Penekanan diberikan ke atas budaya kerja berteraskan prestasi, menerusi pengenalan dan pencapaian terhadap Bidang Pencapaian Utama setiap anggota pekerja, dimana anggota pekerja di setiap tahap digalakkan untuk membentuk nilai dalam segala aspek pekerjaan seharian. Ini akan menggalakkan dan menimbulkan rasa kesetiaan dan komitmen yang boleh menjana kearah keunggulan. Pengurusan Tenaga Insan turut dipertingkatkan dengan pelaksanaan Sistem Informasi Tenaga Insan (HRIS), yang bersepadu, aplikasi yang menggunakan internet, yang menyambungkan KPJ Healthcare ke semua syarikat subsidiarinya. Sistem ini menjadi asas kepada kecekapan dan keupayaan*

## Statement to Shareholders

### Penyata kepada Pemegang-pemegang Saham

development. HRIS has been implemented in seven of the Group's hospitals, and the project is targeted to be fully completed by July 2004.

The emphasis on performance management was supported by KPJ Healthcare's strong thrust in continuing education and training programs. More than 3,000 staff members benefited from a total of 1,413 in-house and external programs, resulting in greater efficiency and effectiveness of staff performance.

KPJ Healthcare stands out in terms of its continuous emphasis on post-basic programmes for nurses, in collaboration with reputable foreign universities. Recognizing that nurses are the Group's core workforce, and ardently believing that the nursing profession today is one of endless growth opportunities, focus is given especially on skill development, patient care education and advance learning programs.

The Group renewed its collaboration with the University of South Australia (UniSA) for another term with future plans for introducing two (2) more new programs namely the Bachelor of Nursing Science with Honours and Master in Nursing. Currently, KPJ Healthcare's Puteri Nursing College (PNC) is also working towards the registration of a Degree program.

KPJ Healthcare also saw its current group of Operating Theatre Technicians complete their final module with Liverpool John Moore University, UK. The success of this program for the last five years has led to KPJ Healthcare applying for a renewal to continue its collaboration effort.



**The Hospital Management Committee meets regularly to discuss operational matters.**

*Jawatankuasa Pengurusan Hospital sentiasa mengadakan mesyuarat bagi berbincang mengenai isu-isu operasi hospital.*

*pengurusan anggota pekerja secara "on-line", membolehkan pemantauan pergerakan, prestasi dan pembangunan anggota pekerja. HRIS telah dilaksanakan di tujuh buah hospital dalam Kumpulan dan akan dilaksanakan sepenuhnya pada Julai 2004.*

*Penekanan terhadap pengurusan prestasi turut disokong oleh pegangan teguh KPJ Healthcare terhadap pembelajaran berterusan dan program-program latihan. Lebih 3,000 orang anggota pekerja telah mendapat manfaat dari 1,413 program latihan dalaman dan luaran, yang memberikan peningkatan dalam kecekapan dan keberkesanan terhadap prestasi anggota pekerja.*

*KPJ Healthcare amat menonjol dalam penekanannya terhadap pembelajaran berterusan dalam program pos basik untuk jururawat, menerusi program usahasama dengan universiti terkenal di luar negara. Menyedari bahawa jururawat adalah kumpulan utama dalam tenaga kerja Kumpulan, dan dengan kepercayaan penuh bahawa profesyen jururawat kini mempunyai peluang yang tidak terbatas, tumpuan turut diberikan dalam pembangunan kemahiran, pembelajaran penjagaan pesakit, dan program lanjutan.*

*Kumpulan meneruskan usahasama dengan University of South Australia (UniSA) bagi penggal terbaru dengan perancangan untuk memperkenalkan dua (2) lagi program terbaru iaitu Ijazah Sains Kejururawatan dan Ijazah Lanjutan Kejururawatan. Kini, Puteri Nursing College turut berusaha untuk mendapatkan pengiktirafan bagi program Ijazahnya.*

Following the initial success of the Group's Overseas Placement program for experienced nurses in the Middle East on a contractual basis, the Management has proceeded to offer this same opportunity to KPJ Healthcare nurses in the year under review. In this manner, the Group's nurses will have ample opportunity, on selective basis, to obtain hands-on experience working in an international hospital environment.

The KPJ Healthcare Management has also remained dedicated to the efforts of enhancing and upgrading the skills, knowledge and abilities of its management personnel. This measure is intended not only to benefit the Group, but more importantly, to also provide career growth opportunities, enrich career prospects as well as add meaning to the working lives of executives and management staff.

KPJ Healthcare had benefited from the success of earlier Post Graduate Diploma program in Healthcare Services and Hospital Management conducted through collaboration with the University of Southbank, London, which involved twenty-four (24) KPJ executives. Senior executives of the Group are therefore strongly encouraged to pursue continuous learning. One ongoing program is the MBA of Henley Management College, London in collaboration with Johor Corporation. This 3-year program encourages participants to enhance their strategic thinking and management competencies, improving their effectiveness, maximizing their contribution to their organization and achieve their full career potential. Eleven (11) members of KPJ Healthcare management team are participating in this MBA program. Of these, five (5) are expected to complete in year 2004.

**BENCHMARKING AND QUALITY PROGRAMS**

Customer satisfaction, and service excellence remain as KPJ Healthcare's two top priorities, culminating in the Group's consistent push for Quality Improvement Programs. The Group has advanced tremendously since its first Group-wide training programs in quality implementation and management in 1996.

To date, 8 hospitals have been certified with MS ISO 9001:2000 and they continued their certification with zero non-conformances

*Kumpulan juruteknik dewan bedah KPJ Healthcare yang sedang menjalani modul terakhir akan menamatkan program mereka dengan Liverpool John Moore University, UK. Hasil kejayaan program selama lima tahun ini menggalakkan KPJ Healthcare untuk membuat permohonan baru bagi meneruskan usahasama ini.*

*Lanjutan dari kejayaan program penempatan luar negara bagi jururawat yang berpengalaman di negara Timur Tengah menerusi program kontrak ini, Pengurusan kini telah meneruskan program tersebut bagi tahun yang dinilai. Menerusi program ini, jururawat yang terpilih mempunyai peluang untuk memiliki pengalaman kerja di hospital luar negara.*

*Pengurusan KPJ Healthcare meneruskan dedikasinya dalam usaha untuk mempertingkatkan kemahiran, pengetahuan dan keupayaan anggota pengurusannya. Langkah ini bukan sahaja untuk memberi manfaat kepada Kumpulan malah lebih penting lagi membuka peluang peningkatan kerjaya, prospek perkembangan kerjaya serta memberikan nilai dalam kerjaya para eksekutif dan anggota pengurusan.*

*KPJ Healthcare telah mendapat manfaat dari kejayaan program Diploma Lanjutan Lulusan Ijazah dalam Perkhidmatan Kesihatan dan Pengurusan Hospital yang dianjurkan secara usahasama dengan University of Southbank, London, yang melibatkan seramai dua puluh empat (24) eksekutif KPJ Healthcare. Eksekutif kanan dalam Kumpulan amat digalakkan untuk menyertai program pembelajaran berterusan. Salah satu program yang sedang berlangsung ialah program MBA dengan Henley Management College, London yang dijayakan secara usahasama dengan Johor Corporation. Program 3 tahun ini menggalakkan peserta untuk mempertingkatkan pemikiran strategik dan kecekapan pengurusan, mempertingkatkan keberkesanan, serta mempertingkatkan sumbangan kepada organisasi serta mencapai potensi kerjaya sepenuhnya. Seramai 11 orang pegawai pengurusan KPJ Healthcare telah menyertai program MBA ini. Dari jumlah ini, lima (5) orang dijangka akan menamatkan pengajian mereka dalam tahun 2004.*



**Quality staff and processes are the vital ingredients to excellence in care delivery.**

*Anggota pekerja serta proses kerja yang berkualiti adalah faktor utama ke arah menentukan pemberian penjagaan yang unggul.*

# Statement to Shareholders

## Penyata kepada Pemegang-pemegang Saham

for the year 2003. In addition, two KPJ Healthcare's subsidiaries, namely Pharmaserv Alliances Sdn Bhd and Lablink Sdn Bhd were also certified with MS ISO 9001:2000 standard.

KPJ Healthcare Bhd also achieved two national record-breaking feats in terms of quality, proving that KPJ Healthcare is truly committed to making quality an integral part of its business life and corporate culture. The first record was created when APSH became the first hospital (public and private) in Malaysia to be accorded the 2nd consecutive cycle of the full 3-year Hospital Accreditation Status by the Malaysian Society for Quality in Health (MSQH), from year 2003 to 2006. This is in addition to APSH's groundbreaking achievement in 2000 when it became the first private hospital in Malaysia to be awarded the full 3-year Accreditation status, for years 2000 - 2003. All hospitals in the KPJ Healthcare Group are currently pursuing the Accreditation Status, based on a shared passion for, and commitment to, customer care excellence.

The second achievement was by Ipoh Specialist Hospital (ISH), which was again conferred the OHSAS 18001 certification for the second year, after being audited by SIRIM QAS International in December 2003. In the previous year, ISH had become the first healthcare institution in Malaysia to ever receive such a prestigious award. It is KPJ Healthcare's ultimate aim to get all Group hospitals to be OHSAS 18001 certified in the near future.

As an advocator of quality certification and implementation, KPJ Healthcare's hospitals and companies actively participated in other external quality activities such as Quality Control Circle (QCC) Convention organized by National Productivity Corporation (NPC).

APSH also participated in the Asian Hospital Management 2003, which was affiliated with John Hopkins International, Joint Commission International and other Asian Hospitals such as Philippines, Thailand and Vietnam. Under the category of PR, Marketing and Branding Management Project, APSH was awarded as the 1st runner up.

The Quality Unit is aggressively embarking into more quality certifications such as Halal Certification by JAKIM, Hazard Analysis Critical Control Point (HACCP) for the Hospital Kitchen and improving on its Quality Objectives to improve on the customer service and quality of care. These benchmarks are also indicative of KPJ Healthcare's strong leadership potential in the nation's healthcare industry.

### **PROGRAM PENANDA ARAS DAN KUALITI**

*Kepuasan pengguna dan keunggulan perkhidmatan menjadi dua (2) tunggak utama dalam KPJ Healthcare, menjadi pendorong dalam penggerak Kumpulan kearah Program Peningkatan Kualiti. Secara keseluruhannya, Kumpulan telah berkembang dengan pesatnya sejak latihan pelaksanaan dan pengurusan program Kualiti diterapkan di dalam seluruh Kumpulan pada tahun 1996.*

*Sehingga kini, 8 buah hospital telah mendapat pengiktirafan MS ISO 9001:2000 dan telah berjaya mendapatkan pengiktirafan semula dengan pematuhan penuh bagi tahun 2003. Juga, dua subsidiari KPJ Healthcare, Pharmaserv Alliances Sdn Bhd dan Lablink Sdn Bhd turut diberi pengiktirafan MS ISO 9001:2000 pada tahun yang sama.*

*KPJ Healthcare Berhad turut mencapai dua (2) rekod pengiktirafan kebangsaan dalam aspek kualiti, mencerminkan komitmen KPJ Healthcare untuk menjadikan kualiti sebagai sebahagian daripada pengurusan bisnes dan budaya korporat. Rekod pertama yang dicatatkan ialah apabila APSH diiktiraf sebagai hospital pertama (awam dan swasta) di Malaysia mendapat pengiktirafan kali kedua berturut-turut status Akreditasi Hospital dari Malaysian Society for Quality in Health (MSQH), dari tahun 2003 hingga 2006. Ini memperkukuhkan lagi pengiktirafan pertama dan julung kali diterima oleh hospital swasta apabila APSH telah diberi pengiktirafan penuh 3-tahun dari tahun 2000 – 2003. Berdasarkan pegangan teguh terhadap keunggulan perkhidmatan pelanggan, kesemua hospital KPJ Healthcare sedang mempergiatkan usaha untuk mencapai status Akreditasi ini.*

*Pengiktirafan kedua ialah apabila Ipoh Specialist Hospital (ISH), telah sekali lagi diberi pengiktirafan OHSAS 18001 bagi tahun kedua selepas pengauditan semula oleh SIRIM QAS International pada bulan Disember 2003. Dalam tahun sebelumnya, ISH telah menjadi institusi prisihatin pertama yang pernah mendapat pengiktirafan yang bermakna ini. Adalah menjadi matlamat utama KPJ Healthcare agar kesemua hospitalnya mendapat pengiktirafan OHSAS 18001 ini.*

*Sebagai penggalak pelaksanaan dan pengiktirafan kualiti, hospital dan syarikat dalam KPJ Healthcare terlibat secara aktif dalam program kualiti luaran seperti Konvensyen Kumpulan Kawalan Kualiti yang dianjurkan oleh Perbadanan Produktiviti Negara (NPC).*

*APSH turut terlibat dalam Pengurusan Hospital Asian 2003, yang dijayakan bersama John Hopkins International, Joint Commission International dan lain-lain hospital Asian seperti Filipina, Thailand dan Vietnam. Dibawah kategori Perhubungan Awam, Pemasaran dan Projek Pengurusan Jenama, APSH telah mendapat tempat kedua.*

KPJ Healthcare also participated in a national study of the Health Sector Performance Indicators, jointly conducted by the National Productivity Corporation (NPC), in collaboration with Universiti Kebangsaan Malaysia (UKM) and Ernst & Young Malaysia (E & Y) in year 2002. The study encompassed areas such as technical efficiency, staff utilization, clinical indicators, patient satisfaction and finance. KPJ Healthcare's big five hospitals (with 100 beds and above) participated in the survey, namely Ampang Puteri Specialist Hospital, Damansara Specialist Hospital, Tawakal Hospital, Johor Specialist Hospital and Ipoh Specialist Hospital. The survey results showed that the KPJ Healthcare Hospitals surveyed had not only achieved the average industrial standards, but that several of them also surpassed the benchmarks especially in areas such as operating theatre utilization, outpatient waiting time, and waiting time for admission or to the Emergency Room. As the outcome of the survey was positive, the study was also extended to the rest of the hospitals in the Group to assess our efficiency and effectiveness.

### COMMUNITY OUTREACH SERVICES

Apart from instilling efforts to strengthen its business operations, KPJ Healthcare has also continuously played an active role as a caring corporate citizen, extending assistance wherever possible to the needy and less privileged.

To reach this objective, KPJ Healthcare hospitals regularly hold outreach programs and awareness campaigns to diligently educate the community at large, enhance health awareness and promote healthy lifestyles. This is undertaken through regular public health talks conducted by the Group's medical consultants and medical officers. Health screening, diet counselling, exercise sessions as well as other activities were also held regularly. KPJ Healthcare hospitals also organize blood donation drives in public venues, always receiving strong and positive response from the public.

In addition, KPJ Healthcare hospitals also carried out community awareness campaigns for the public, in line with the Government's effort in curbing the spread of SARS and dengue, which has affected the country adversely in early 2003.



**KPJ Healthcare hospitals voluntarily render the health screening to curb the spread of SARS.**

*Hospital-hospital KPJ Healthcare secara sukarela menyediakan saringan kesihatan bagi membanteras wabak SARS.*

*Unit Kualiti amat agresif dalam program pengiktirafan kualiti seperti Sijil Halal oleh JAKIM, Pusat Analisis Kawalan Kritikal Bencana (HACCP) untuk Pusat Penyajian hospital serta program untuk mempertingkatkan Objektif Kualiti dalam perkhidmatan pelanggan dan kualiti penjagaan pesakit. Tanda aras ini juga menjadi petunjuk bagi potensi kepimpinan KPJ Healthcare yang mantap dalam industri prisihatn negara.*

*KPJ Healthcare turut terlibat dalam penyelidikan kebangsaan dalam Indikator Prestasi Sektor Kesihatan, yang dijalankan bersama dengan NPC, dengan kerjasama Universiti Kebangsaan Malaysia, dan Ernst & Young Malaysia pada tahun 2002. Penyelidikan ini yang melibatkan kecekapan teknikal, penggunaan anggota pekerja, indikator klinikal, kepuasan pesakit dan kewangan. Hospital KPJ Healthcare yang mempunyai katil melebihi 100 buah terlibat dalam kaji selidik ini iaitu APSH, DSH, Tawakal, JSH dan ISH. Keputusan yang terhasil bukan sahaja membuktikan KPJ Healthcare telah mencapai tahap purata piawaian industri, malah sesetengahnya telah melepasi petunjuk tanda aras terutama dalam penggunaan dewan bedah, masa menunggu bagi pesakit luar, serta masa menunggu untuk kemasukan ke wad atau ke bilik kecemasan. Oleh kerana pencapaian positif ini, kaji selidik ini turut dilaksanakan ke hospital-hospital lain di dalam Kumpulan bagi mengkaji keberkesanan dan kecekapan mereka.*

### PERKHIDMATAN KEMASYARAKATAN

*Selain dari usaha untuk memperteguhkan operasi bisnes, KPJ Healthcare turut sentiasa memainkan peranannya sebagai warga korporat yang penyayang, menawarkan perkhidmatannya kepada yang memerlukan dan yang kurang berkemampuan apabila perlu.*

*Bagi memenuhi objektif ini, hospital-hospital KPJ Healthcare sentiasa mengadakan program kemasyarakatan dan kempen kesedaran bagi memberikan pengetahuan kepada masyarakat keseluruhannya, mempertingkatkan kesedaran mereka terhadap penjagaan kesihatan serta mempromosikan gaya hidup sihat. Ini semua dijalankan menerusi program ceramah kesihatan yang dijayakan oleh pakar perubatan dan pegawai perubatan Kumpulan. Saringan kesihatan, kaunseling diet, sesi latihan jasmani serta lain-lain aktiviti turut giat dijalankan. Hospital-hospital KPJ Healthcare turut menjalankan kempen derma darah di tempat-tempat awam, dan sentiasa menerima maklumbalas yang baik serta positif dari orang ramai.*

# Statement to Shareholders

## Penyata kepada Pemegang-pemegang Saham

### CHARITY SERVICES - AN-NUR WAQAF CLINICS AND DIALYSIS CENTERS

KPJ Healthcare also continues to be a prime mover and supporter of Johor Corporation's community outreach program through the Waqaf An-Nur charity outpatient clinics and dialysis centres for the underprivileged members of the society.

The clinics, for the period under review, provided more than 100,000 patients at its four clinics, three of which are located in Johor, namely at Kotaraya, Johor Bahru; Batu Pahat and Pasir Gudang, in collaboration with Majlis Agama Islam Johor (MAIJ). Similar services were also extended to the newly-opened fourth Waqaf An-Nur Clinic in Senawang, Negeri Sembilan which was realised through KPJ's collaboration with Majlis Agama Islam Negeri Sembilan (MAINS).

In addition, the An-Nur Dialysis Centres have also received strong positive feedback in terms of patient numbers for its charity dialysis centres. There are currently 27 dialysis machines available, namely 8 in Kotaraya, 11 in Pasir Gudang, and another 8 in Batu Pahat, treating a total of 92 patients.

Plans are already in place to expand the An-Nur Clinics and Dialysis Centres' operations both within Johor as well as to other states. In this light, KPJ Healthcare has been actively involved in the initiative to set up a clinic for the underprivileged in Selangor, through collaboration with Majlis Agama Islam Selangor (MAIS). KPJ Healthcare and its hospitals have also supported efforts to open more clinics in all states where the Group has a presence. It is targeted that an additional 4 clinics will be opened by the end of year 2004.



**Towards building a healthy nation in line with the Government's Vision 2020 through health education and awareness campaigns.**

*Ke arah pembentukan rakyat sihat selaras dengan Visi 2020 Kerajaan menerusi kempen kesedaran dan penerangan kesihatan.*

### FUTURE STRATEGIC DIRECTIONS

In moving forward, KPJ Healthcare will continue with its strong focus on strategic integration and collaboration while simultaneously ensuring that the delivery of quality care to our patients is not compromised. Hence, the focus will be completing the integration process within the Group as well as improving KPJ Healthcare's synergies for operational efficiency and effectiveness as well as leveraging on advantages of critical mass. These notwithstanding, key

*Disamping itu, hospital-hospital KPJ Healthcare turut menjalankan kempen kesedaran masyarakat, sejajar dengan usaha Kerajaan untuk membendung merebaknya wabak SARS dan denggi, yang telah melanda negara awal tahun 2003.*

### PERKHIDMATAN KEBAJIKAN - KLINIK DAN PUSAT DIALISIS WAQAF AN-NUR

*KPJ Healthcare turut menjadi tunggak serta penggerak utama program kemasyarakatan Johor Corporation menerusi klinik pesakit luar dan pusat dialisis Waqaf An-Nur bagi mereka yang kurang berkemampuan.*

*Sepanjang tahun yang dinilai, klinik ini telah menawarkan perkhidmatan kepada lebih 100,000 orang pesakit di keempat-empat buah klinik, dimana tiga darinya terletak di Johor iaitu di Kotaraya, Johor Bahru; Batu Pahat dan Pasir Gudang, dengan usahasama Majlis Agama Islam Johor (MAIJ). Perkhidmatan yang serupa turut diadakan di klinik keempat yang baru dibuka iaitu Klinik Waqaf An-Nur di Senawang, Negeri Sembilan yang telah dijayakan menerusi usahasama KPJ Healthcare dan Majlis Agama Islam Negeri Sembilan (MAINS).*

*Seterusnya, Pusat Dialisis An-Nur turut menerima maklumbalas positif dari segi jumlah pesakit. Kini terdapat 27 mesin dialisis, dimana 8 di Kotaraya, 11 di Pasir Gudang, dan 8 lagi di Batu Pahat yang menawarkan perkhidmatan kepada 92 pesakit.*

*Pengurusan Klinik dan Pusat Dialisis An-Nur telah merancang untuk memperluaskan perkhidmatannya di Johor dan juga di negeri-negeri lain. Dalam perkara ini, KPJ Healthcare amat aktif dalam inisiatifnya untuk membuka klinik bagi masyarakat yang kurang berkemampuan di Selangor, menerusi usahasama dengan Majlis Agama Islam Selangor (MAIS). KPJ Healthcare dan hospital-hospitalnya turut menyokong usaha untuk membuka lebih banyak lagi klinik di negeri-negeri dimana terdapat hospital KPJ Healthcare beroperasi. Mengikut perancangan, sebanyak 4 buah lagi klinik akan dibuka sehingga akhir tahun 2004.*

**APSH - The KPJ Healthcare flagship hospital specially built to meet customers' healthcare needs.**

*APSH - Hospital "flagship" KPJ Healthcare yang dibina khas untuk memenuhi keperluan prishatin pengguna.*



consideration at all times will be given towards maximizing comfort, safety and satisfaction of our patients and customers, wherever the KPJ Healthcare Group operates.

Based on its past performance as well as the enhanced competitive capability derived from its enlarged structure, the Group is expected to continue on its corporate growth and expansion path in a manner that will not compromise on sustaining its long-term shareholder value.

In seeking and seizing future expansionary opportunities, KPJ Healthcare will continue to place priority on developing smart partnerships with associates whose core strengths are property development and are prepared to invest in hospital buildings and facilities. Such a strategy will allow the Group to focus on its core competency, namely specialist healthcare services delivery, and dedicate financial resources specifically on to the need to efficiently and effectively leverage that core competency. It is indeed encouraging that the Group continues to receive invitations from both domestic and well as international interests keen to enter into partnership with KPJ Healthcare.

KPJ Healthcare is also in the process of leveraging its critical mass to strengthen its procurement system and enhance value in its supply chain through collaboration with suppliers, ultimately creating an integrated procurement and supply management system. It is envisioned that this integrated system will make inventory management even more systematic, and contribute to KPJ Healthcare's cost containment efforts. Enhanced coordination and efficiencies will enable KPJ Healthcare to create added value that can subsequently be passed on to benefit patients and customers.

KPJ Healthcare will continuously explore new market niches, in order to sustain the expansion of its customer base. In the pipeline are plans for KPJ Healthcare to eventually move forward as an integrated healthcare service provider, as well as a life-long and inter-generational provider of specialist healthcare services, leveraging on the opportunities that are being revealed by the gradual liberalization of the Malaysian market.

Most importantly, KPJ Healthcare will also be constantly looking into the needs of our patients, to keep up with the demanding expectations of Malaysians for increasingly higher standards of healthcare delivery. KPJ Healthcare remains committed to the

## **ARAH TUJU STRATEGIK MASA DEPAN**

*Didalam melangkah ke hadapan, KPJ Healthcare akan terus memberi tumpuan sepenuhnya kepada integrasi dan usahasama yang strategik dan dimasa yang sama menentukan kualiti perkhidmatan penjagaan pesakit tidak dikompromi. Maka, tumpuan akan diberikan kearah melengkapkan proses integrasi dalam Kumpulan serta mempertingkatkan sinergi didalam KPJ Healthcare untuk keberkesanan dan kecekapan serta memperolehi kelebihan dari kekuatan Kumpulan. Walaupun begitu, pertimbangan utama pada setiap masa adalah bagi memaksimumkan kepuasan, keselamatan dan keselesaan pengguna dan pesakit, dimana jua hospital KPJ Healthcare beroperasi.*

*Berdasarkan prestasi yang lepas, serta keupayaan kompetitif yang telah dipertingkatkan hasil dari struktur yang telah berkembang, Kumpulan menjangkakan pertumbuhan korporat yang berterusan dan pelan untuk berkembang tidak akan menjejaskan nilai jangka panjang pemegang saham.*

*Dalam menerokai dan meninjau peluang perkembangan masa depan, KPJ Healthcare akan terus meletakkan keutamaan dalam membentuk usahasama pintar dengan rakan sekutu yang mempunyai kekuatan utamanya dalam pembangunan hartanah dan bersedia untuk melabur dalam pembangunan hospital dan kemudahannya. Strategi sebegini akan memberikan Kumpulan peluang untuk menumpukan kepada kecekapan utamanya iaitu pemberian perkhidmatan prisihatin pakar swasta, serta memperuntukkan keutamaan sumber kewangannya untuk mempertingkatkan kecekapan dan keberkesanan yang sedia ada. Adalah amat menggalakkan bahawa Kumpulan sentiasa menerima jemputan dari dalam dan luar negara yang berminat untuk menjayakan usahasama dengan KPJ Healthcare.*

*KPJ Healthcare turut menggunakan kekuatan Kumpulan bagi mempertingkatkan lagi sistem pembelian dan meningkatkan nilai dalam rangkaian bekalan menerusi usahasama dengan pembekal, yang akhirnya membentuk sistem pembekalan dan pembelian yang bersepadu. Adalah diharapkan agar sistem bersepadu ini akan menjadikan pengurusan inventori lebih sistematik, dan menyumbang kepada usaha pengawalan kos KPJ Healthcare. Kecekapan dan koordinasi dapat dipertingkatkan serta membolehkan KPJ Healthcare untuk memberikan pertambahan nilai yang mana dapat disalurkan seterusnya kepada pesakit dan pelanggan.*

*KPJ Healthcare akan sentiasa menerokai pasaran baru, dalam usahanya untuk memantapkan serta memperluaskan jumlah pelanggannya. Dalam perancangannya, KPJ Healthcare sedang berusaha untuk bergerak ke arah menjadi penyedia perkhidmatan prisihatin bersepadu, sepanjang hayat bagi semua generasi, menerusi peluang yang terbentang dalam pasaran Malaysia yang liberal.*

continuous upgrading and enhancement of services in all Group hospitals, for the safety and comfort of our patients, wherever we operate.

## APPRECIATION

On behalf of KPJ Healthcare Berhad, we take this opportunity to convey our gratitude and sincere thanks to all our customers, who have been very supportive throughout the year. Your support and loyalty have been instrumental in helping to shape our success and it is indeed invaluable. KPJ Healthcare looks forward to servicing your healthcare needs going forward.

Our appreciation goes also to the shareholders and investors of KPJ Healthcare. The trust and confidence that was rendered to us is a great motivator and is indeed the principal reason for KPJ Healthcare to continue to strive for the very best in overcoming all challenges to fully realise our goals and objectives in the interest of all stakeholders and customers alike.

Thank you also to our partners, business associates, as well as government authorities for providing their much-needed support. Their invaluable assistance and cooperation have contributed to the shaping of KPJ Healthcare's success in carrying out projects and various undertakings, as well as the honing of our competitive advantage.

KPJ Healthcare is also grateful to the Medical Consultants, Allied Health members, and staff members for their untiring effort, continuous whole-hearted support and their professionalism in giving their best towards meeting patients' and customers' expectations and demands. A special word of thanks to our consultants who have served on the Board and management committees in the hospitals as well as at the KPJ Healthcare Berhad level.

Our deepest appreciation also to our highly committed colleagues on the Board for their highly professional input, guidance and reminders, and ultimately for the unconditional and enthusiastic support at all times. The leadership, management and staff of KPJ Healthcare Berhad are indeed fortunate to have such outstanding and distinguished personalities on our side, ensuring that every step is a success and every mistake is an invaluable lesson.

*Yang penting, KPJ Healthcare akan terus memberi tumpuan kepada keperluan pesakit, memenuhi jangkaan permintaan rakyat Malaysia yang kian meningkat terhadap penyediaan perkhidmatan prisihatin. KPJ Healthcare terus komited dalam mempertingkatkan dan menaiktaraf perkhidmatan dan kemudahannya di kesemua hospital dalam Kumpulannya, bagi keselesaan dan keselamatan pesakit dimana hospital kami beroperasi.*

## PENGHARGAAN

*Bagi pihak KPJ Healthcare Berhad, kami mengambil kesempatan ini untuk menyampaikan penghargaan serta ucapan terima kasih yang seikhlasnya kepada semua pelanggan, yang telah memberikan sokongan disepanjang tahun. Sokongan dan kesetiaan anda adalah instrumental dalam membantu kami membentuk kejayaan kami, dan amat dihargai. KPJ Healthcare akan sentiasa berusaha untuk memenuhi permintaan terhadap perkhidmatan prisihatin yang kian meningkat.*

*Penghargaan kami juga kami nyatakan kepada pemegang saham dan pelabur KPJ Healthcare. Keyakinan dan kepercayaan yang telah diberikan merupakan penggalak utama malah sebab utama bagi KPJ Healthcare untuk terus berusaha memberikan yang terbaik dan melalui pelbagai rintangan bagi mencapai matlamat dan objektif dalam menjaga kepentingan pemegang saham dan pelanggan.*

*Terima kasih kami ucapkan kepada rakan niaga, rakan sekutu perniagaan, dan juga pihak Kerajaan yang telah memberikan sokongan yang amat kami perlukan. Bantuan serta kerjasama yang diberikan turut menyumbang kepada pembentukan kejayaan KPJ Healthcare dalam menjayakan pelbagai projek disamping mempertingkatkan kelebihan kompetitif kami.*

*KPJ Healthcare turut berterima kasih kepada Pakar Perubatan, ahli Allied Health, dan juga anggota pekerja bagi usaha mereka yang tidak mengira penat lelah, sokongan padu serta profesionalisma mereka dalam memberikan yang terbaik untuk memenuhi permintaan dan kehendak pelanggan. Sekalung terima kasih kepada Pakar Perubatan kami yang telah memberikan khidmat mereka didalam kumpulan Lembaga Pengarah dan jawatankuasa pengurusan samada di peringkat hospital mahupun di peringkat KPJ Healthcare Berhad.*

*Penghargaan tidak terhingga kami kepada rakan kami di dalam Lembaga Pengarah bagi segala input profesional, tunjuk ajar dan peringatan, dan seterusnya sokongan padu tanpa batasan setiap masa. Barisan kepimpinan, pengurusan dan anggota pekerja KPJ Healthcare amat bertuah mempunyai personaliti yang terkemuka dan terunggul di pihak kami, yang menentukan setiap langkah adalah langkah kejayaan dan setiap kesilapan sebagai teladan.*

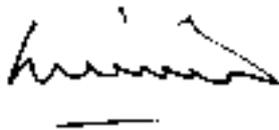
# KPJ in the News

Berita-berita KPJ

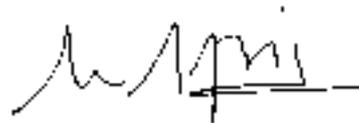


Finally, we are indeed very proud to be associated with a team of highly dedicated and selfless managers, executives and staff, so many among whom were so often willing to rise to the occasion when it is expected of them. Without such dedicated people, KPJ Healthcare will not be able to reach these heights, meeting with all the challenges and the often extreme demands of growing a corporate organisation in a highly competitive, knowledge- and technology-driven business. It is they who contributed the most for whatever successes achieved by KPJ Healthcare, and to them we dedicate the future of the Group, promising an enriching and meaningful career that will continue to release their full potential and realise their need to express all their talent and capabilities.

*Akhir sekali, kami amat berbangga dengan kumpulan pengurusan, eksekutif dan anggota pekerja yang berdedikasi serta tidak mementingkan diri, yang kebanyakannya bersedia untuk berkhidmat ke tahap tertinggi apabila dikehendaki. Tanpa dedikasi ini, KPJ Healthcare tentunya tidak dapat mencapai tahap pencapaian ini, menghadapi cabaran dan kehendak yang ekstrim dari organisasi korporat yang amat kompetitif, serta berterasa gaya bisnes yang digerakkan oleh pengetahuan dan teknologi. Mereka adalah penyumbang utama dalam apa jua kejayaan yang dicapai oleh KPJ Healthcare, dan kepada mereka kami letakkan masa depan Kumpulan, yang menjanjikan kerjaya yang bermakna dan cemerlang yang akan terus menyerlahkan potensi mereka dalam merelisasikan keupayaan dan kemahiran mereka.*



**TAN SRI DATO' MUHAMMAD ALI HASHIM**  
Chairman / *Pengerusi*



**DATIN PADUKA SITI SA'DIAH SHEIKH BAKIR**  
Managing Director / *Pengarah Urusan*

# KPJ Hospitals-**InFocus**

## Hospital KPJ-Fokus



### HOSPITAL PAKAR PERDANA

#### Vital Statistics of Hospital Pakar Perdana / Perangkaan Penting Hospital Pakar Perdana

Bed capacity / Jumlah katil	126
Fulltime Resident Consultants / Pakar Perubatan Sepenuh Masa	12

#### 2003 Performance / Prestasi 2003 :

Outpatient / Pesakit luar	14,227
Inpatient / Pesakit dalaman	2,551

Hospital Pakar Perdana (Perdana), the eleventh (11th) hospital in the KPJ Healthcare Group is located at Jalan Bayam, Kota Bharu, Kelantan. The hospital is providing outpatient services effective from December 2001 and the inpatient services effective from April 2002.

Perdana has 126 beds capacity and is currently operating at 55 beds ranging from VIP rooms, single deluxe, single standard, two bedded and four bedded rooms. The wards have been categorized into Medical/Surgical Ward, Paediatric Ward and Maternity Ward. The integrated healthcare services include Intensive Care (6 beds), Labour Rooms and Nursery, Operating Theatre Rooms, 24 hours Accident and Emergency Clinic managed by Medical Officer, Pharmacy, Diagnostic Imaging Department, Laboratory, Physiotherapy Department, Special Diagnostic Department (with Echocardiography, Stress Test, Audiometry and Endoscopy equipment) and Hemodialysis unit. The hospital plans to have a Catheterisation Laboratory facility in the 3rd quarter of 2004 to enhance the cardiac services to patients.

Currently, 12 Medical Consultants are practising at Perdana comprising of Internal Medicine, Cardiology, Obstetrics and Gynaecology, Paediatric, Ophthalmology, General Surgery, Paediatric Surgery, Orthopedic Surgery, Otorhinolaryngology (ENT), Anaesthesiology and Radiology practising as full time Specialist Doctor.

Perdana has sessional/visiting Medical Consultants for Urology, Plastic Surgery, Nephrology and Dermatology.

The hospital is very concerned about service quality and is preparing to get the ISO 9001:2000 certification in 2004. Risk Management is also a part of the management focus to minimize risk, and creates safe environment in the hospital. Continuous staff training is the major focus of the hospital to ensure the competency of staff and facilitate the delivery of quality service through specialized post basic courses and ongoing customer service training.

*Hospital Pakar Perdana (Perdana) ialah hospital ke sebelas (11) Kumpulan KPJ Healthcare yang terletak di Jalan Bayam Kota Bharu, Kelantan. Hospital ini telah menawarkan perkhidmatan pesakit luar sejak Disember 2001 dan perkhidmatan pesakit dalaman sejak April 2002.*

*Perdana mempunyai jumlah katil sebanyak 126 buah dan kini beroperasi hanya dengan 55 buah termasuk bilik VIP, bilik seorang, bilik dua-katil dan empat-katil. Wadnya pula di kategori kepada Perubatan/Pembedahan, Bersalin dan Sakit Puan, dan Wad Kanak-kanak. Sementara itu Perdana akan turut menawarkan perkhidmatan yang bersepadu termasuk Unit Rawatan Rapi (6 buah katil), Bilik Bersalin dan Nurseri, Bilik Bedah, Farmasi, Unit Diagnostik, Makmal, Pusat Pemuliharaan Fisioterapi, Jabatan Diagnostik Istimewa (termasuk perkhidmatan echocardiografi, Ujian Stress, Audiometri, dan Endoskopi), unit hemodialisis, dan juga Klinik Pesakit Luar dan Pusat Kecemasan dan Kemalangan yang beroperasi selama 24 jam yang dikendalikan oleh Pegawai Perubatan. Hospital ini merancang untuk menempatkan satu Makmal Kateter pada suku tahun ketiga 2004 bagi meningkatkan perkhidmatan penyakit jantung kepada pelanggan.*

*Kini terdapat 12 pakar perubatan sepenuh masa di pelbagai bidang di Perdana termasuk Perubatan Dalaman, Kardiologi, Perbidanan dan Sakit Puan, Pediatrik, Ophthalmologi, Pembedahan Am, Hidung, Tekak dan Telinga, Bius dan Radiologi.*

*Perdana mempunyai pakar perubatan lawatan bagi perawatan Urologi, Pembedahan Plastik, Nefrologi dan Dermatology.*

*Pihak hospital amat mengambil berat terhadap kualiti dalam perkhidmatan dan sedang bersiap sedia untuk mendapatkan pensijilan ISO 9001 : 2000 dalam tahun 2004. Pengurusan Risiko turut menjadi fokus pengurusan untuk meminimalkan risiko, dan membentuk prasarana yang selamat di hospital. Pihak hospital turut menjalankan latihan yang berterusan kepada anggota pekerjaannya terutama bagi latihan lanjutan dan perkhidmatan pelanggan bagi menentukan kecekapan serta kualiti dalam perkhidmatan.*



## KUCHING SPECIALIST HOSPITAL

### Vital Statistics of Kuching Specialist Hospital / Perangkaan Penting Kuching Specialist Hospital

Beds/Jumlah Katil	90
Clinics/Klinik	16
Cost/Kos	RM12 (million/juta)
Completion/Siap	December/Disember 2003
Shareholding/Pegangan saham	70% KPJ 30% Usaha Cendera Cerah Sdn Bhd

Kuching Specialist Hospital (KcSH), is the twelveth (12th) hospital and the latest addition to the KPJ Healthcare Group. KcSH's outpatients and A&E Centre was officially opened to public on 31 December 2003. This four-storey hospital building of 61,200 sq.ft. built up area, is located within the Setia Raja Commercial Centre in Tabuan Laru, and is about 10km away from the Kuching town centre. It will offer a wide range of services to the local community within its vicinity, to as far as Miri in the north and across the border of Brunei.

KcSH will have a 90 patient beds capacity ranging from VIP rooms, single deluxe, single standard, two beds and four beds rooms. The wards will be categorized into Medical/Surgical Ward, Maternity Ward and Paediatric Ward. The integrated healthcare services include Intensive Care Unit (ICU), Labour Rooms and Nursery, Operating Theatre Rooms, 24 hours Accident & Emergency Clinic managed by Medical Officer, Pharmacy, Diagnostic Imaging and Laboratory.

Highly experienced medical consultants comprising Internal Medicine, Obstetrics and Gynaecology, Paediatric, Ophthalmology, General Surgery, Orthopaedic Surgery, Otorhinolaryngology (ENT), Anaesthesiology and Radiology will support KcSH.

*Kuching Specialist Hospital (KcSH), ialah hospital kedua belas (12) dan terbaru dalam Kumpulan KPJ Healthcare. Pusat Pesakit Luar dan Unit Rawatan Kecemasan & Kemalangan telahpun dirasmikan pada 31 Disember 2003. Hospital 4 tingkat dengan keluasan sebanyak 61,200 kaki persegi ini terletak di Pusat Perniagaan Setia Raja Tabuan Laru, 10km dari bandaraya Kuching. Hospital ini akan menawarkan pelbagai jenis perkhidmatan untuk masyarakat tempatan dan sekitar sehingga ke Miri dan sempadan Brunei.*

*KcSH akan menawarkan sejumlah 90 buah katil pesakit yang merangkumi bilik kenamaan, bilik seorang, bilik dua-katil dan empat-katil. Wadnya pula akan di kategorikan kepada Perubatan/Pembedahan, Bersalin dan Sakit Puan, dan Wad Kanak-kanak. Sementara itu KcSH akan turut menawarkan perkhidmatan yang bersepadu termasuk Unit Rawatan Rapi, Bilik Bersalin, Nurseri, Bilik Bedah Farmasi, Unit Diagnostik, Makmal dan juga Klinik Pesakit Luar dan Pusat Kecemasan dan Kemalangan yang beroperasi selama 24 jam.*

*Kesemua perkhidmatan ini akan disediakan menerusi khidmat doktor pakar dari pelbagai bidang termasuk Perubatan Dalaman, Sakit Puan dan Perbidanan, Paediatric, Optomologi, Pembedahan Am, Pembedahan Tulang, Perubatan Telinga, Hidung dan Tekak, Bius dan Radiologi.*

# Audit Committee

## Jawatankuasa Audit

The primary objective of the Audit Committee (as a sub-committee of the Board of Directors) is to assist the Board in the effective discharge of its fiduciary responsibilities for Corporate Governance, Financial Reporting and Internal Control. The Audit Committee of KPJ Healthcare Berhad is pleased to present its report for the year ended 31 December 2003.

*Objektif utama Jawatankuasa Audit (sebagai jawatankuasa kecil Lembaga Pengarah) ialah untuk membantu Lembaga Pengarah dalam menjalankan tanggungjawabnya dengan lebih berkesan bagi aspek Tadbir Urus Korporat, Laporan Kewangan dan Kawalan Dalaman. Jawatankuasa Audit KPJ Healthcare Berhad dengan sukacitanya membentangkan laporannya untuk tahun kewangan berakhir 31 Disember 2003.*



From Left to right / *Dari kiri ke kanan*  
Tan Sri Datuk Arshad Ayub, Zainah Mustafa, Dato' Dr K Kulaveerasingam, Azzat Kamaludin

### COMPOSITION

The Audit Committee was established since August 1994 and the present members of the Audit Committee for the financial year ended 31 December 2003 comprise the following three (3) Independent Non-Executive Directors and one (1) Non-Executive Director.

### KOMPOSISI

*Jawatankuasa Audit telah ditubuhkan sejak Ogos 1994 dan ahlinya bagi tahun berakhir 31 Disember 2003 terdiri daripada tiga (3) Pengarah Bebas Bukan Eksekutif serta seorang (1) Pengarah Bukan Eksekutif.*

	NAME / <i>NAMA</i>	DESIGNATION / <i>JAWATAN</i>
(a)	Tan Sri Datuk Arshad Ayub (Chairman of the Audit Committee) <i>(Pengerusi Jawatankuasa Audit)</i>	Independent Non-Executive Director <i>Pengarah Bebas Bukan Eksekutif</i>
(b)	Azzat Kamaludin	Independent Non-Executive Director <i>Pengarah Bebas Bukan Eksekutif</i>
(c)	Dato' Dr K Kulaveerasingam	Independent Non-Executive Director <i>Pengarah Bebas bukan Eksekutif</i>
(d)	Zainah Mustafa	Non-Executive Director <i>Pengarah Bukan Eksekutif</i>

## TERMS OF REFERENCE OF AUDIT COMMITTEE

### Membership

The Board shall elect the Audit Committee members from amongst themselves, comprising no fewer than three (3) directors, where the majority shall be Independent Directors.

The term of office and performance of the Audit Committee members are reviewed by the Board yearly and may be re-nominated and appointed by the Board of Directors.

The Chairman of the Audit Committee, elected from amongst the Audit Committee members, shall be an Independent Director. The Chairman of the Committee shall be approved by the Board of Directors.

### Objectives

The objectives of the Committee are to oversee the compliance of the Company with the requirements of Bursa Malaysia as well as to assist the Board in examining and reviewing the results of internal and external audit.

### Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors have:

- a. the authority to investigate any matter within its terms of reference;
- b. the resources which are required to perform its duties;
- c. full and unrestricted access to any information pertaining to the Group;
- d. direct communication channels with the external auditors and internal auditors;
- e. ability to obtain independent professional advice; and
- f. ability to convene meetings with the external auditors, excluding the attendance of the Executive Members of the Committee, whenever deemed necessary.

### FUNCTION OF THE AUDIT COMMITTEE

The function of Audit Committee is to review, appraise and report to the Board of Directors on matters such as:-

- i. The appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- ii. Discuss with the external auditor before the audit commences, the nature and scope of the audit;
- iii. Review the quarterly and year-end financial statements of the Company, focusing particularly on:-
  - Any changes in accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Compliance with accounting standards and other legal requirements;
- iv. Discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss;
- v. Review the external auditor's Management Letter and Management's response;

## BIDANG TUGAS JAWATANKUASA AUDIT

### Keahlian

Lembaga Pengarah akan melantik Jawatankuasa Audit dari kalangan mereka sendiri, merangkumi tidak kurang dari tiga (3) pengarah, dimana majoritinya mestilah Pengarah Bebas.

Bidang tugas dan prestasi Jawatankuasa Audit akan disemak oleh Lembaga Pengarah setiap tahun kewangan dan boleh dicalonkan dan dilantik semula oleh Lembaga Pengarah.

Pengerusi Jawatankuasa Audit, yang dilantik dari kalangan ahli Jawatankuasa Audit, hendaklah seorang Pengarah Bebas. Pengerusi Jawatankuasa mestilah diluluskan oleh Lembaga Pengarah.

### Objektif

Objektif Jawatankuasa ini adalah untuk menyelia tahap pematuhan Syarikat terhadap keperluan Bursa Malaysia dan juga membantu Lembaga Pengarah untuk menimbang dan menilai keputusan audit dalaman dan audit luaran.

### Bidang Kuasa

Jawatankuasa Audit selaras dengan bidang kerja yang ditentukan oleh Lembaga Pengarah berhak untuk:

- a. menyasiat mana-mana hal yang berkaitan dengan bidang tugas mereka;
- b. mempunyai sumber-sumber yang diperlukan bagi menjalankan tugas-tugasnya;
- c. mempunyai keupayaan penuh dan terus untuk mendapatkan maklumat mengenai Kumpulan;
- d. mempunyai komunikasi secara langsung dengan juruaudit luaran dan dalaman;
- e. mendapatkan khidmat nasihat profesional bebas; dan
- f. mengadakan mesyuarat dengan juruaudit luaran, tanpa dihadiri oleh Ahli Jawatankuasa Eksekutif, apabila perlu.

### FUNGSI JAWATANKUASA AUDIT

Fungsi Jawatankuasa Audit adalah untuk menyemak, menilai, dan melaporkan kepada Lembaga Pengarah perkara-perkara seperti:-

- i. Perlantikan juruaudit luaran, yuran pengauditan dan sebarang pertanyaan mengenai perletakan jawatan dan pemberhentian kerja;
- ii. Berbincang dengan juruaudit luaran sebelum audit dijalankan, skop dan bidang pengauditan;
- iii. Menyemak penyata kewangan Syarikat bagi setiap suku tahunan dan akhir tahun dengan penumpuan terhadap:-
  - Sebarang perubahan dalam polisi dan amalan perakaunan;
  - Penyelarasan yang ketara hasil dari pengauditan;
  - Andaian perniagaan yang berterusan;
  - Pematuhan kepada piawaian perakaunan serta syarat perundangan;
- iv. Berbincang mengenai masalah yang timbul hasil dari audit interim dan akhir, dan sebarang perkara lain yang diutarakan oleh juruaudit;
- v. Menyemak surat pengurusan juruaudit luaran dan maklumbalas Pengurusan;

## Audit Committee

### Jawatankuasa Audit

- vi. Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- vii. Review the internal audit program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- viii. Review any appraisal or assessment of the performance of members of the internal audit function;
- ix. Approve any appointment or termination of senior staff members of the internal audit function;
- x. Review resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- xi. To consider any related party transactions that may arise within the Company or Group;
- xii. To consider the major findings of internal investigations and Management's response;
- xiii. To consider other matters as defined by the Board.

#### ACTIVITIES OF THE COMMITTEE DURING THE YEAR

During the year under review, the Committee carried out the following activities in the discharge of its functions and duties.

- Reviewed the quarterly financial statements, interim financial announcements and year end financial statements of the Group and press releases relating to financial matters prior to the approval by the Board, focusing particularly on:
  - a. significant and unusual events;
  - b. significant adjustments arising from audit;
  - c. going concern assumption; and
  - d. compliance with accounting standards and other legal requirements.
- Reported and recommended to the Board to approve the annual financial statements.
- Reviewed the Internal Audit Reports and appraised the adequacy of actions taken by the Management in resolving the reported issues and in implementing suggested improvements.
- Met with the external auditors to discuss the Group's Management Letter issued by the external auditor.
- Reviewed risk management programs.

- vi. Menyemak kesempurnaan skop, fungsi dan sumber-sumber juruaudit dalaman, dan memastikan ia mempunyai bidang kuasa yang diperlukan untuk menjalankan tugasannya;
- vii. Menyemak program dan keputusan juruaudit dalaman dan dimana perlu memastikan tindakan yang sesuai diambil dari cadangan fungsi audit dalaman;
- viii. Menyemak sebarang penilaian prestasi ahli fungsi audit dalaman;
- ix. Meluluskan sebarang perantikan dan pemecatan anggota pekerja kanan fungsi audit dalaman;
- x. Mengkaji perletakan jawatan anggota pekerja audit dalaman dan menyediakan peluang untuk memberikan alasan perletakan jawatannya;
- xi. Mempertimbangkan urusniaga yang mungkin timbul di antara Syarikat atau Kumpulan;
- xii. Mempertimbangkan penemuan ketara hasil dari penyiasatan dan maklumbalas Pengurusan;
- xiii. Mempertimbangkan sebarang perkara yang ditentukan oleh Lembaga Pengarah.

#### KEGIATAN JAWATANKUASA AUDIT SEPANJANG TAHUN

Sepanjang tahun kewangan, Jawatankuasa Audit telah menjalankan aktiviti-aktiviti berikut dalam melaksanakan tugas dan fungsinya.

- Menyemak laporan penyata kewangan suku tahunan, pengumuman kewangan interim dan laporan penyata akhir tahun Kumpulan dan siaran akhbar berkaitan dengan hal-hal kewangan sebelum kelulusan Lembaga Pengarah, dengan tumpuan utamanya terhadap:
  - a. peristiwa penting dan luarbiasa;
  - b. penyesuaian yang ketara hasil dari pengauditan;
  - c. andaian perniagaan yang berterusan; dan
  - d. pematuhan kepada piawaian perakaunan dan syarat perundangan.
- Melaporkan dan mencadangkan kepada Lembaga Pengarah untuk meluluskan penyata kewangan tahunan.
- Menyemak Laporan Audit Dalaman dan menilai kesempurnaan tindakan yang diambil oleh Pengurusan dalam menyelesaikan isu-isu yang dibangkitkan dan dalam melaksanakan cadangan untuk pembaikan.
- Berbincang dengan juruaudit luar mengenai Surat Pengurusan Kumpulan yang dikeluarkan oleh juruaudit luaran.
- Menyemak program pengurusan risiko.

## INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Function whose principal responsibilities are to undertake regular and systematic reviews of the system of controls so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group.

The Internal Audit Department carried out the following activities for the period:

- reviewed and appraised the adequacy and integrity of the internal financial controls so as to ensure that it provides a reasonable but not absolute assurance that assets are properly safeguarded;
- ascertained the effectiveness of Management in identifying principal risks and to manage such risks through appropriate systems of internal control set-up by the Group;
- ascertained the level of compliance with Group's plans, policies, procedures and adherence to laws and regulations; and
- appraised the effectiveness of administrative and financial controls applied and the reliability and integrity of data that is produced within the Group.

## MEETINGS

During the financial year ended 31 December 2003, the Committee held a total of six (6) meetings. The attendance record of the Audit Committee members in each of the meetings was as follows:-

	NAME / NAMA	26 Feb/ Feb	26 Mar/ Mac	21 May/ Mei	16 Aug/ Ogos	3 Nov/ Nov	17 Dec/ Dis
(a)	Tan Sri Datuk Arshad Ayub (Chairman of the Audit Committee) <i>(Pengerusi Jawatankuasa Audit)</i>	✓	✓	✓	✓	✓	✓
(b)	Azzat Kamaludin	✓	✓	×	✓	✓	×
(c)	Dato' Dr K Kulaveerasingam	✓	✓	✓	✓	✓	×
(d)	Zainah Mustafa	✓	✓	✓	✓	✓	✓

The members of the Audit Committee, Managing Director, Senior Management, Executive Directors and General Managers of the hospitals as well as the Head of Internal Audit will normally be in attendance at the meetings. Representative of the External Auditors are in attendance at meetings where matters relating to the audit of the statutory accounts and external auditors are discussed.

Other Directors, officers and employees of the Company and Group may be invited to attend where appropriate.

## FUNGSI AUDIT DALAMAN

*Fungsi Audit Dalaman Kumpulan adalah bertanggungjawab untuk menjalankan semakan secara sistematik dan berterusan ke atas sistem kawalan bagi memberikan jaminan yang bersesuaian bahawa sistem tersebut sentiasa beroperasi dengan memuaskan dan berkesan.*

*Jabatan Audit Dalaman telah menjalankan beberapa aktiviti sepanjang tempoh tersebut:*

- *menyemak dan menilai kesempurnaan dan kewibawaan kawalan kewangan dalaman bagi menentukan jaminan yang munasabah tetapi bukan menyeluruh bahawa segala aset dilindungi dengan sewajarnya;*
- *memastikan keberkesanan Pengurusan dalam mengenalpasti risiko utama dan menguruskan risiko tersebut menerusi sistem kawalan dalaman yang bersesuaian yang telah ditubuhkan oleh Kumpulan;*
- *memastikan tahap pematuhan selaras dengan perancangan, polisi dan prosedur Kumpulan serta mengikut peraturan dan perundangan; dan*
- *menilai keberkesanan pengurusan dan kawalan kewangan yang digunakan dan kebolehpercayaan dan kewibawaan data yang dicerna oleh Kumpulan.*

## MESYUARAT

*Sepanjang tahun kewangan berakhir 31 Disember 2003, Jawatankuasa telah mengadakan sejumlah enam (6) mesyuarat. Rekod kehadiran ahli Jawatankuasa Audit dalam setiap mesyuarat adalah seperti berikut:-*

*Ahli Jawatankuasa Audit, Pengarah Urusan, Pengurusan Kanan, Pengarah Eksekutif dan Pengurus Besar hospital serta Ketua Audit Dalaman selalunya akan menghadiri mesyuarat ini. Wakil dari juruaudit luaran akan menghadiri mesyuarat ini apabila terdapat perkara-perkara yang berkaitan dengan audit dan akaun-akaun berkanun yang akan dibincangkan.*

*Pengarah lain, pegawai dan anggota pekerja Syarikat dan Kumpulan akan dijemput hadir bila perlu.*

# Statement On Corporate Governance

## Penyata Tadbir Urus Korporat

(Pursuant to Section 15.26 of the KLSE Listing Requirements)  
(Lanjutan kepada Bahagian 15.26 Peraturan Penyenaiaan BSKL)

The Board of KPJ Healthcare Berhad ("KPJ Healthcare") is pleased to report to the shareholders, in particular and other stakeholders in general, on the manner the Group has applied the Principles as set out in Part 1 of the Malaysian Code on Corporate Governance ("The Code"). The Board, to the best of their knowledge, confirms that the Group has complied with the Best Practices as set out in Part 2 of the Code throughout the year ended 31 December 2003.

*Lembaga Pengarah KPJ Healthcare Berhad ("KPJ Healthcare") dengan sukacitanya melaporkan kepada pemegang saham, khususnya serta pemegang kepentingan secara umum, tatacara dimana Kumpulan telah menerapkan Prinsip-prinsip yang ditetapkan dalam Bahagian 1 Kod Tadbir Urus Korporat Malaysia ("Kod"). Lembaga Pengarah, sebaik pengetahuan mereka, mengesahkan bahawa Kumpulan telah mematuhi Praktis Terbaik yang telah ditetapkan di dalam Bahagian 2 Kod tersebut sepanjang tahun berakhir 31 Disember 2003.*

### THE BOARD OF DIRECTORS

#### • The Board

There is no change in the composition of the Board of Directors of KPJ Healthcare from last year. The Directors bring a wide range of professional, business and financial experience relevant to the direction of a large, expanding Group. The Board as part of its leadership role co-ordinates and delegates specific responsibilities to 4 working Subcommittees (Audit Committee, Medical Advisory Committee, Nomination Committee and Remuneration Committee). These Committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decisions and recommendations on all matters emanating from these Committees, however, lies with the entire Board.

During the year ended 31 December 2003, the Board and its Sub-committees have conducted several meetings and the detail attendance of each Director is as follows:-

### AHLI LEMBAGA PENGARAH

#### • Lembaga Pengarah

*Tiada perubahan dalam komposisi Lembaga Pengarah KPJ Healthcare dari tahun sebelumnya. Pengarah telah menyumbangkan pengalaman perniagaan dan kewangan serta profesionalisma mereka selaras dengan arahnya Kumpulan yang sedang berkembang. Lembaga Pengarah sebagai sebahagian peranan kepimpinannya mengendalikan dan mengagihkan tanggungjawab tertentu kepada 4 Jawatankuasa Kecil (Jawatankuasa Audit, Jawatankuasa Penasihat Perubatan, Jawatankuasa Pencalonan dan Jawatankuasa Imbuhan). Jawatankuasa berkenaan mempunyai kuasa untuk mengkaji isu tertentu dan melaporkan kembali kepada Lembaga Pengarah berserta dengan saranan mereka. Walau bagaimanapun, adalah menjadi tanggungjawab mutlak Lembaga Pengarah untuk membuat keputusan akhir dan membuat cadangan atas segala perkara yang di bawa oleh Jawatankuasa berkenaan.*

*Sepanjang tahun berakhir 31 Disember 2003, Lembaga Pengarah dan Jawatankuasa Kecilnya telah menjalankan beberapa mesyuarat dan rekod kehadiran setiap Pengarah adalah seperti berikut:-*

BIL	NAME/NAMA	BOD		AC		MAC		RC		NC	
1	Tan Sri Dato' Muhammad Ali Hashim	C	4/4					C	2/2	C	2/2
2	Zainah Mustafa	M	4/4	M	6/6			M	2/2		
3	Tan Sri Datuk Arshad Ayub	M	4/4	C	6/6					M	2/2
4	Tan Sri Dato' Dr Abu Bakar Sulaiman	M	4/4			C	3/3				
5	Dato' Dr Lim Kee Jin	M	2/4			M	3/3				
6	Dato' Dr Hussein Awang	M	3/4			M	3/3				
7	Dato' Dr K Kulaveerasingam	M	4/4	M	5/6	M	3/3	M	2/2	M	2/2
8	Azzat Kamaludin	M	2/4	M	4/6					M	2/2
9	Dr Chakr Sri Na Nagara	M	4/4			M	3/3				
10	Datin Paduka Siti Sa'diah Sh Bakir	M	4/4	(*)	6/6	M	3/3	(*)	2/2	(*)	2/2

BOD - Board of Directors/*Lembaga Pengarah*  
AC - Audit Committee/*Jawatankuasa Audit*  
MAC - Medical Advisory Committee/*Jawatankuasa Penasihat Perubatan*  
RC - Remuneration Committee/*Jawatankuasa Imbuhan*

NC - Nomination Committee/*Jawatankuasa Pencalonan*  
C - Chairman/*Pengerusi*  
M - Member/*Ahli*  
(\*) - In attendance/*Hadir*

- **Board Balance**

Whilst the Company has a significant and majority shareholder (Johor Corporation), the investment of minority shareholders is fairly reflected through Board representation of Independent Non-Executive Directors.

The Board comprising of seven (7) Independent Non-Executive Directors, two (2) Non-Executive Directors, including the Chairman as representative of the majority shareholders and one (1) Managing Director. There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Managing Director has the principal responsibility of reporting, clarifying and communicating matters to the Board.

Although the Chairman encourages full discussion and deliberation of issues affecting the Group by all Board members, the Board has appointed Tan Sri Datuk Arshad Ayub as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The Board has developed a term of reference defining the authority and responsibility of the Board and the Management involving the limits to Management's responsibilities. The Board has also developed and approved the corporate objectives for 2004, which the Managing Director is responsible to achieve.

- **Quality of Information**

All Directors review the Board Report prior to the Board Meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

There is also a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to management and control structure of the Group, including key policies, procedures and authority limits.

The Board has approved a procedure for Directors, whether as a full Board or in their individual capacity, to have access to all information within the Company and to take independent advice, where necessary.

All Directors are also entitled to have access to the advice and services of the Company Secretary.

- **Appointments to the Board**

The Board, through the Nomination Committee, will review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board. Two meetings were held during the year 2003.

- **Re-Election**

Except for the Managing Director, all Directors shall retire from office at least once in every three years and shall be eligible for re-election as provided by the Company's Articles of Association.

- **Keseimbangan Lembaga Pengarah**

*Walaupun Syarikat mempunyai pemegang saham utama dan majoriti (Johor Corporation), pelaburan pemegang saham minoriti turut diwakili melalui wakil Lembaga Pengarah Bebas Bukan Eksekutif.*

*Lembaga Pengarah terdiri dari tujuh (7) Pengarah Bebas Bukan Eksekutif, dua (2) Pengarah Bukan Eksekutif, termasuk Pengerusi sebagai wakil pemegang saham majoriti dan seorang Pengarah Urusan. Terdapat pembahagian tanggungjawab yang nyata diantara Pengerusi dan Pengarah Urusan bagi memastikan terdapat keseimbangan bidang kuasa. Pengarah Urusan mempunyai tanggungjawab utama untuk melaporkan, menerangkan dan memaklumkan hal-hal berkaitan kepada Lembaga Pengarah.*

*Walaupun Pengerusi mengalakkan perbincangan yang menyeluruh diantara ahli Lembaga Pengarah tentang isu-isu yang memberi kesan kepada Kumpulan, Lembaga Pengarah telah melantik Tan Sri Datuk Arshad Ayub sebagai Pengarah Bebas Bukan Eksekutif Kanan dimana sebarang kemusykilan dan pertanyaan boleh diajukan.*

*Lembaga Pengarah telah merangka bidang tugas, kuasa dan tanggungjawab Lembaga Pengarah dan Pengurusan berkaitan dengan had bidang kuasa tanggungjawab pihak Pengurusan. Lembaga Pengarah telah merangka dan meluluskan objektif korporat bagi tahun 2004, dimana Pengarah Urusan bertanggungjawab ke atas pencapaiannya.*

- **Kualiti Maklumat**

*Kesemua Pengarah menyemak Laporan Lembaga Pengarah sebelum Mesyuarat Lembaga Pengarah. Laporan ini diedarkan dengan memberi masa yang mencukupi bagi membolehkan Pengarah mendapatkan penerangan lanjut dimana perlu supaya taklimat yang sewajarnya dapat diberikan sebelum mesyuarat.*

*Terdapat juga jadual khusus disediakan untuk tujuan keputusan Lembaga Pengarah, termasuk kelulusan bagi perancangan dan belanjawan korporat, pembelian dan pelupusan aset yang penting bagi Kumpulan, pelaburan utama, perubahan kepada pengurusan dan struktur kawalan Kumpulan termasuk polisi utama, prosedur dan had bidang kuasa.*

*Lembaga Pengarah telah meluluskan prosedur dimana Pengarah, samada Lembaga Pengarah penuh ataupun dalam kapasiti individu, boleh mendapatkan semua maklumat dalam Syarikat dan mendapatkan nasihat bebas, dimana perlu.*

*Kesemua Pengarah boleh mendapatkan nasihat serta perkhidmatan Setiausaha Syarikat.*

- **Perlantikan Lembaga Pengarah**

*Lembaga Pengarah, menerusi Jawatankuasa Pencalonan, akan membuat semakan sepanjang tahun ke atas gabungan kemahiran dan pengalaman serta lain-lain kualiti, termasuk kelebihan daya saing yang perlu ada pada Pengarah Bukan Eksekutif. Dua mesyuarat telah diadakan di dalam tahun 2003.*

- **Perlantikan Semula**

*Semua Pengarah mesti bersara dari jawatannya sekurang-kurangnya sekali dalam tiga tahun dan layak dipilih semula seperti yang diperuntukkan di dalam Tataurusan Penubuhan Syarikat, kecuali Pengarah Urusan.*

# Statement On Corporate Governance

## Tadbir Urus Korporat

The Articles also states that the Managing Director shall, subject to the provisions of any contract between her and the Company, be subjected to the same provisions on resignation and removal as the other Directors of the Company.

### • Directors' Training

As an integral element of the process of appointing new Directors, the Nomination Committee ensures that there is an orientation and education program for new Board members. Directors also received further training from time to time through Continuous Education Program ("CEP"), particularly on relevant laws and regulations and changing commercial risks as required by the Bursa Malaysia.

*Tataurusan tersebut turut menyatakan bahawa Pengarah Urusan, tertakluk kepada peruntukan kontrak diantara beliau dan Syarikat, juga tertakluk kepada peruntukan yang sama untuk perletakan jawatan dan pemecatan sebagaimana Pengarah lain dalam Syarikat.*

### • Latihan Pengarah

*Sebagai elemen penting dalam proses perantikan Pengarah baru, Jawatankuasa Pencalonan perlu memastikan bahawa program orientasi dan pendidikan diatur untuk ahli Lembaga Pengarah yang baru. Pengarah turut menerima latihan dari masa ke semasa menerusi Program Pendidikan Berterusan ("CEP"), terutama dalam perkara berkaitan dengan peraturan perundangan dan perubahan risiko komersil yang ditetapkan oleh Bursa Malaysia.*

### DIRECTORS' REMUNERATION

There is no change in the composition of the Remuneration Committee members consisting mainly of Non-Executive Directors. Two meetings were held during the year. The details of the remuneration of each Director during the year are as follow:-

### IMBUHAN PENGARAH

*Tiada pindaan dalam komposisi ahli Jawatankuasa Imbuhan yang dianggotai oleh kebanyakannya Pengarah Bukan Eksekutif. Sebanyak dua mesyuarat telah diadakan sepanjang tahun. Butiran lengkap imbuhan setiap Pengarah sepanjang tahun adalah seperti berikut:-*

NAME / NAMA	Basic Salary Gaji RM'000	Allowances, Fees Elaun, Yuran RM'000	Bonuses Bonus RM'000	Benefit In-kind Faedah Ehsan RM'000	Total Jumlah RM'000
<b>Non-Executive Directors</b> <i>Pengarah Bukan Eksekutif</i>					
Tan Sri Dato' Muhammad Ali Hashim (a)	-	60			60
Zainah Mustafa (a)		30			30
<b>Independent Non-Executive Directors</b> <i>Pengarah Bebas Bukan Eksekutif</i>					
Tan Sri Datuk Arshad Ayub	-	30			30
Tan Sri Dato' Dr Abu Bakar Suleiman (b)	-	162			162
Azzat Kamaludin (d)	-	40			40
Datuk Dr Hussein Awang (c)	-	94			94
Dato' Dr Lim Kee Jin (d)	-	45			45
Dato' Dr K Kulaveerasingam (c)	-	225			225
Dr Chakr Sri Na Nagara (d)	-	45			45
<b>Executive / Managing Director</b> <i>Eksekutif / Pengarah Urusan</i>					
Datin Paduka Siti Sa'diah Sh Bakir	360	115	50	67	592

(a) Representatives of majority shareholders  
*Wakil pemegang saham majoriti*

(b) Received allowances for giving professional advisory services as Medical Advisory Chairman  
*Menerima elaun khidmat nasihat profesional sebagai Pengerusi Penasihat Perubatan*

(c) Received allowances for giving professional advisory services as Medical Director of subsidiary hospitals  
*Menerima elaun khidmat nasihat profesional sebagai Pengarah Perubatan hospital subsidiari*

(d) Received allowances for their appointment as Independent Director of subsidiary hospitals  
*Menerima elaun diatas perantikan sebagai Pengarah Bebas hospital subsidiari*

## SHAREHOLDERS

- **Dialogue between Companies and Investors**

The Group values dialogue with shareholders. The Chairman and Managing Director hold discussions with analysts and shareholders from time to time on the Group's results to the Bursa Malaysia. Presentations are made, as appropriate, to explain the Group's strategy, performance and major developments. However, any information that may be regarded as undisclosed material information about the Group will be safeguarded.

In addition, the Group has established a web site at [www.kpj.com.my](http://www.kpj.com.my), which shareholders can access for information. The Group's quarterly, half-yearly and annual results announcements and press releases are also posted on the Group's web-site.

- **Annual General Meeting**

At each Annual General Meeting, the Chairman presents the progress and performance of the business and encourages shareholders to participate in the question and answer session. The Managing Director, the Chairman of the Audit Committee and other Board of Director members are available to respond to shareholders' questions during the meeting. Where appropriate, the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered on the spot.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of its effects. Separate resolutions are proposed for substantially different issues at the meeting and the Chairman declares the number of proxy votes received both for and against each separate resolution.

The Company provides shareholders with a summary of the discussion at the Annual General Meeting.

## ACCOUNTABILITY AND AUDIT

- **Financial Reporting**

In presenting the annual financial statements and quarterly announcement to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. This also applies to other price-sensitive public reports and reports to regulators.

- **Statement Of Directors Responsibility For Preparing The Financial Statements**

The Board acknowledged its responsibility for preparing the annual audited accounts and for ensuring that the Company keeps accounting records which disclose with reasonable accuracy, the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act 1965.

## PEMEGANG SAHAM

- **Dialog diantara Syarikat dan Pelabur**

*Kumpulan menghargai dialog dengan pemegang saham. Pengerusi dan Pengarah Urusan mengadakan perbincangan dengan penganalisa dan pelabur dari masa ke semasa mengenai pencapaian Kumpulan yang dihantar kepada Bursa Malaysia. Taklimat yang dibuat adalah untuk menerangkan strategi, prestasi dan perkembangan penting Kumpulan. Walau bagaimanapun, segala maklumat yang dianggap sebagai maklumat yang tidak boleh didedahkan, tetap akan dilindungi.*

*Disamping itu, Kumpulan telah menyediakan laman web [www.kpj.com.my](http://www.kpj.com.my), dimana pemegang saham boleh mendapatkan maklumat. Pengumuman keputusan suku tahunan, separuh tahunan dan tahunan Kumpulan serta siaran akhbar turut dimuatkan di dalam laman web Kumpulan.*

- **Mesyuarat Agung Tahunan**

*Pada setiap Mesyuarat Agung Tahunan, Pengerusi akan membentangkan kemajuan serta prestasi perniagaan dan mengalakkan pemegang saham untuk mengambil bahagian ketika sesi soal jawab. Pengarah Urusan, Pengerusi Jawatankuasa Audit dan lain-lain ahli Lembaga Pengarah akan turut serta memberikan maklumbalas kepada sebarang pertanyaan dari pemegang saham semasa mesyuarat. Pengerusi akan menyediakan jawapan secara bertulis kepada sebarang pertanyaan penting yang tidak dapat diberikan jawapan segera, bila perlu.*

*Setiap perkara mengenai urusan khas akan dimuatkan dalam notis mesyuarat dan disusuli dengan penerangan penuh mengenai kesannya. Resolusi berasingan akan dicadangkan bagi isu-isu berbeza pada mesyuarat tersebut dan Pengerusi akan mengumumkan jumlah undian proksi bagi kedua-dua bahagian sokongan atau bantahan bagi setiap resolusi.*

*Syarikat menyediakan ringkasan perbincangan kepada pemegang saham di Mesyuarat Agung Tahunan.*

## KEBERTANGGUNGJAWABAN DAN AUDIT

- **Laporan Kewangan**

*Dalam membentangkan penyata kewangan tahunan dan suku tahunan kepada pemegang saham, Pengarah beriltizam untuk membentangkan penilaian yang seimbang dan mudah difahami mengenai kedudukan dan prospek Kumpulan. Ini turut di aplikasikan kepada laporan awam yang sensitif kepada nilai saham dan laporan kepada pengawal selia pasaran.*

- **Penyata Tanggungjawab Pengarah dalam Menyediakan Penyata Kewangan**

*Lembaga Pengarah memperakui tanggungjawabnya dalam menyediakan akaun tahunan yang diaudit dan memastikan Syarikat menyimpan rekod perakaunannya yang dapat membuat pendedahan dengan ketepatan yang munasabah tentang kedudukan kewangan Kumpulan dan Syarikat serta memastikan penyata kewangan tersebut mematuhi Akta Syarikat 1965.*

# Statement On Corporate Governance

## Tadbir Urus Korporat

In presenting the annual audited financial statements and quarterly announcements to shareholders, the Board aims to present a balanced and understandable assessment of the Company's position and prospects.

The Directors have overall responsibilities for taking such steps necessary to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

- **Internal Control**

The Statement on Internal Control is set out on pages 53 - 57.

- **Relationship with the Auditors**

The Board through the Audit Committee has maintained an appropriate relationship with the external auditors and there is a formal and transparent arrangement in the review of the external auditor's audit plan, report, internal control issues and procedures. Representatives from the external auditor are invited to attend every Audit Committee meeting. The Committee also meets with the external auditor without the presence of the Executive Board member.

- **Audit Committee**

The report by the Audit Committee for the year is set out on pages 44 - 47.

*Dalam membentangkan penyata kewangan tahunan yang diaudit dan pengumuman suku tahunan kepada pemegang saham, Lembaga Pengarah beriltizam untuk membentangkan penilaian yang seimbang dan mudah difahami mengenai kedudukan dan prospek Syarikat.*

*Kesemua Pengarah mempunyai tanggungjawab menyeluruh untuk mengambil langkah yang dianggap wajar bagi melindungi aset Kumpulan dan mencegah serta mengesan sebarang pemalsuan serta keadaan lain yang tidak mematuhi peraturan.*

- **Kawalan Dalaman**

*Penyata Kawalan Dalaman ada dinyatakan di mukasurat-mukasurat 53 - 57.*

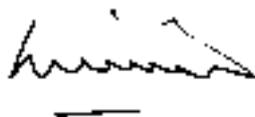
- **Perhubungan dengan Juruaudit**

*Lembaga Pengarah menerusi Jawatankuasa Audit sentiasa menjalinkan perhubungan yang bersesuaian dengan juruaudit luaran dimana wujud peraturan yang formal dan telus dalam menyemak perancangan audit, laporan, isu kawalan dalaman dan prosedur juruaudit luaran. Wakil dari juruaudit luaran akan turut dijemput menghadiri mesyuarat Jawatankuasa Audit. Jawatankuasa tersebut juga bertemu dengan juruaudit luaran tanpa kehadiran ahli Lembaga Pengarah Eksekutif.*

- **Jawatankuasa Audit**

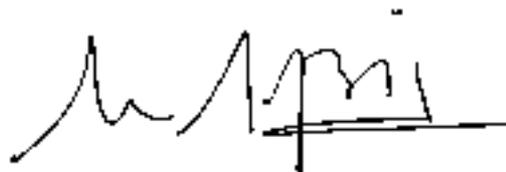
*Laporan Jawatankuasa Audit untuk tempoh kewangan dinyatakan di mukasurat-mukasurat 44 - 47.*

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 February 2004.



**TAN SRI DATO' MUHAMMAD ALI HASHIM**  
Chairman / *Pengerusi*

*Ditandatangani bagi pihak Lembaga Pengarah sejajar dengan resolusi mereka bertarikh 25 Februari 2004.*



**DATIN PADUKA SITI SA'DIAH SHEIKH BAKIR**  
Managing Director / *Pengarah Urusan*

# Statement On Internal Control

## Penyata Kawalan Dalaman

(Pursuant to paragraph 15.27(b) of the Kuala Lumpur Stock Exchange Listing Requirements)  
(Lanjutan dari perenggan 15.27(b) Peraturan Penyenaaraan BSKL)

The Board of Directors of KPJ Healthcare Berhad ("KPJ Healthcare") is pleased to provide the following statement on the state of internal control of the Group for the financial year ended 31 December 2003, which has been prepared in accordance with the Statement on Internal Control - Guidance for Directors of Public Listed Companies. The system of internal control process described in this statement is considered appropriate to business operations and are designed and applied to manage the likelihood and consequences of risks to an acceptable level within the context of the business environment throughout the Group.

*Lembaga Pengarah KPJ Healthcare Berhad ("KPJ Healthcare") dengan sukacitanya membentangkan penyata status kawalan dalaman Kumpulan untuk tahun kewangan berakhir 31 Disember 2003, yang telah disediakan berdasarkan Penyata Kawalan Dalaman – Garispanduan untuk Pengarah Syarikat Senaraian Awam. Sistem proses kawalan dalaman yang dinyatakan dalam penyata ini dikira munasabah mengikut operasi perniagaan dan direkabentuk dan diaplikasikan bagi pengurusan kebarangkalian kejadian risiko ke tahap yang boleh diterima dalam konteks prasarana perniagaan dikeseluruhan Kumpulan.*

The Board of Directors recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility for the Group's systems of internal controls covering not only financial controls but also operational and compliance controls as well as risk management, and for reviewing the adequacy and integrity of those systems. The role of Managing Director and Management is to assist in the design and implementation of the Board's policies on risk and control.

The internal control systems, no matter how well designed and operated, are to manage and control risk rather than eliminate the risk entirely and can provide only reasonable assurance to Management and the Board of Directors regarding achievement of the entity's objectives. The likelihood of achievement is affected by the limitation inherent in all internal control systems. These include the realities that human judgement in decision-making can be faulty, and that breakdown can occur because of such human failures, errors or mistakes. Additionally, controls can be circumvented by the collusion of two or more people, and the occurrence of unforeseeable circumstances or events. Another limiting factor is the need to consider controls' relative costs and benefits.

*Lembaga Pengarah mengenalpasti kepentingan praktis kawalan dalaman dan pengurusan risiko yang baik bagi tadbir urus korporat. Lembaga Pengarah memperakui tanggungjawab yang menyeluruh bagi sistem kawalan dalaman Kumpulan bukan sahaja meliputi kawalan kewangan malah termasuk operasi dan kawalan pematuhan serta pengurusan risiko, dan bagi penyemakan kesempurnaan dan ketelusan sistem-sistem tersebut. Peranan Pengarah Urusan dan Pengurusan adalah untuk membantu dalam merangka dan melaksanakan polisi Lembaga Pengarah ke atas risiko dan kawalan.*

*Walau bagaimana terperinci perancangan dan cara operasi, sistem kawalan dalaman adalah bertujuan untuk mengurus dan mengawal risiko dan bukannya untuk melupuskan risiko sepenuhnya dan hanya boleh memberikan jaminan yang munasabah kepada Pengurusan dan Lembaga Pengarah mengenai pencapaian objektif entiti. Kebarangkalian pencapaian berkait rapat dengan had sedia ada dalam semua kawalan dalaman. Ini termasuk realiti bahawa keputusan manusia dalam membuat keputusan boleh kadangkala salah, dan kerosakan boleh berlaku atas sebab kesalahan, kesilapan dan kecuaiian manusia. Tambahan pula, kawalan boleh dielakkan oleh percanggahan dua atau lebih orang, maka pihak pengurusan boleh mengambilalih sistem kawalan dalaman dan segala peristiwa atau kejadian yang diluar jangkaan. Faktor lain yang menghadkan keputusan ialah keperluan untuk mengambil kira kos serta faedah yang berkaitan.*

# Statement On Internal Control

## Penyata Kawalan Dalaman

Because of changing circumstances and conditions, the effectiveness of an internal control system may vary over time. The Board is of the view that there is an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives in their daily activities throughout the year up to the date of approval of the annual report. This has been done through various executive and management committees set up to discuss specific issues that are affecting the achievement of the hospital's business objectives individually and also as a Group.

Guided by the COSO Internal Control Framework, the Board believes that an appropriate and sound system of internal control includes the following five (5) main elements namely:-

### CONTROL ENVIRONMENT

- **Integrity and Ethical Value**

Management has demonstrated its commitment to integrity and ethical behavior and has communicated that commitment to all employees. This was either conveyed through meetings and discussions with the Hospital Management and/or during the Corporate Address to all staff. The Group adopted Business Ethics and Standard Code of Conduct of the ultimate Holding Corporation and industry standards. This is to ensure that all hospital follow the same standards and do not deviate from the industry practices. All of them are made available through the Group's web site and CD-ROM.

- **Commitment to Competence**

KPJ Healthcare has formal written job descriptions for all supervisory personnel, whose job duties are clearly outlined and communicated. The job descriptions specify the knowledge and skills needed either generally or in terms of the nature and extent of education, training and experience required. The human resources department uses these descriptions in hiring, training and promotion decisions. The Group has cultivated a culture of continuous learning and upgrading of knowledge and skills through structured and non structured training program to improve staff productivity and competency.

A group of selected managers has been chosen to enrol in the MBA program. The first batch is now in their final module and expected to complete the program in 2004 and the second batch has started their program at the end of 2003.

- **Board of Directors / Audit Committee**

The Board of Directors and Audit Committee contribute meaningfully to the effectiveness of the control environment. They give opportunities for Management to rationalize and justify their initiatives and the Board requires justifications for any decision plan by the management and supported by relevant reports. The Audit Committee meets every quarter, and deliberate reports from various Board and Management Committees under its authority. The Board has also formed working sub-committee to oversee the operations more closely.

Oleh sebab pertukaran syarat dan persekitaran, kecekapan sistem kawalan dalaman mungkin berubah mengikut masa. Lembaga Pengarah beranggapan bahawa proses berterusan perlu bagi mengenalpasti, menilai, mengawal dan menguruskan risiko yang ketara yang akan melibatkan objektif bisnes dalam aktiviti seharian sepanjang tahun sehingga ke tarikh kelulusan akaun. Ini telah dijalankan menerusi Jawatankuasa Eksekutif dan Pengurusan yang telah ditubuhkan bagi membincangkan isu tertentu yang terbabit dalam pencapaian objektif bisnes hospital itu sendiri mahupun Kumpulan.

Berlandaskan Rangkakerja Kawalan Dalaman COSO, Lembaga Pengarah yakin bahawa sistem kawalan dalaman yang baik dan teratur berpandukan lima (5) elemen utama seperti:-

### KAWALAN PERSEKITARAN

- **Nilai Ketelusan dan Etika**

Pengurusan telah memaparkan komitmennya terhadap nilai-nilai ketelusan dan etika dan telah menerangkannya kepada kesemua anggota pekerja. Ini telah disampaikan samada melalui mesyuarat dan perbincangan dengan Pengurusan Hospital ataupun disampaikan semasa Perhimpunan Tahunan kepada semua anggota pekerja. Kumpulan telah menerapkan Etika Bisnes dan Kod Peraturan Piawaian Syarikat Pegangan Induk serta piawaian industri. Ini adalah bagi memastikan bahawa kesemua hospital mematuhi piawaian yang sama dan tidak bercanggah dari praktis piawaian industri. Kesemua ini disediakan menerusi laman web Kumpulan dan juga cakera padat.

- **Komitmen terhadap Kecekapan**

Kumpulan KPJ Healthcare menyenaraikan semua bidang tugas anggota pekerja penyelia, dimana bidang tugas mereka disenaraikan dan disampaikan secara terperinci. Senarai tugas ini menggambarkan pengetahuan serta kemahiran yang diperlukan secara keseluruhan atau dalam bentuk pendidikan, latihan dan pengalaman yang diperlukan. Jabatan Tenaga Insan menggunakan senarai ini dalam membuat keputusan bagi tujuan perlantikan, latihan dan kenaikan pangkat anggota pekerja.

Sekumpulan pengurus telah dipilih untuk menjalani program MBA. Kumpulan pertama sekarang ini dalam peringkat akhir sementara dan dijangka akan menamatkan program pada tahun 2004. Kumpulan kedua telahpun memulakan program pada akhir tahun 2003.

- **Ahli Lembaga Pengarah / Jawatankuasa Audit**

Ahli Lembaga Pengarah dan Jawatankuasa Audit telah menyumbang dengan penuh dalam keberkesanan pengawalan persekitaran. Mereka memberikan peluang kepada Pengurusan untuk menyediakan sebab inisiatif mereka dimana Lembaga Pengarah memerlukan justifikasi bagi kesemua keputusan perancangan pengurusan ini disokong oleh laporan yang berkaitan. Jawatankuasa Audit bermesyuarat setiap suku tahun, meneliti laporan dari pelbagai Jawatankuasa Pengurusan dan Lembaga Pengarah yang dibawah seliaannya. Lembaga Pengarah turut membentuk jawatankuasa kerja bagi mengawasi operasi secara lebih dekat.

- **Management's Philosophy and Operating Style**  
Management's philosophy and operating style are conducive to effective internal control. There is interaction between senior management and operation management in both formal or informal meetings.
- **Organizational Structure**  
There is a change in the organizational structure upon completion of the restructuring exercise of the Group. There were also some changes in the management team to strengthen and reflect the new structure. It allows managers of business units to have direct access to senior management in order to carry out their duties effectively.
- **Assignment of Authority and Responsibility**  
Authority and responsibility are appropriately established and reviewed by senior management. They are reflected in individual Job Descriptions and Key Result Areas as required by the ISO 9002 Manual Procedures.
- **Human Resources Policies and Procedures**  
Personnel policies and practices are appropriately established and implemented. New employees are made aware of their responsibilities and management's expectation during their interviews and employment. It is also reviewed during the performance appraisal and monthly department meetings.

## RISK ASSESSMENT FRAMEWORK AND PROCESS

- **Entity Wide Objectives**  
The Company's entity-wide objectives and strategies are set at an appropriate level and are addressing what the entity is to achieve and how it will be achieved. The Group has formulated specific Key Results Areas as performance target objectives for each business entity. It has been accepted as part of the MS ISO 9002 quality objectives and is acknowledged by all staff. It is reviewed during the operational department meetings.
- **Activity Level Objectives**  
Activity-level objectives are linked to the entity-wide objectives. Managers' involvement in developing the activity-level objectives contributes towards establishing achievable goals. Every business entity has established their own Key Results Area that need to be achieved to support the Group's objectives. All hospitals' General Managers need to acknowledge the target and communicate to all staff.
- **Risk Assessment**  
The Group has adopted the "Guidelines for Managing Risk in Healthcare HB 228:2001" covered under the Australian and New Zealand Standards AS/NZS 4360 : 1999 as a tool for the Risk Management Framework since these guidelines are focusing on healthcare industry. These guidelines identified the following category of risks as critical components of the risk management in the healthcare sector, such as Patient Care Related Risks, Clinical Staff Related Risks, Employee Related Risks, Property Related Risks, Financial Risks, Corporate Governance Risks, and also Other Risks.

- **Falsafah Pengurusan dan Gaya Operasi**  
Falsafah Pengurusan dan cara pengurusan penting bagi kawalan dalaman yang berkesan. Terdapat komunikasi serta interaksi diantara pengurusan kanan dan pengurusan operasi dalam kedua-dua keadaan formal dan tidak formal.
- **Struktur Organisasi**  
Terdapat pindaan dalam struktur organisasi setelah tamatnya program penstrukturan semula Kumpulan. Terdapat juga pindaan dalam kumpulan pengurusan bagi mengukuhkan serta mencerminkan struktur baru. Ini memberikan ruang bagi pengurus setiap unit-unit bisnes untuk berhubung terus dengan pengurusan kanan dalam menjalankan kerja mereka dengan berkesan.
- **Pengagihan Kuasa dan Tanggungjawab**  
Bidang kuasa dan tanggungjawab telah ditubuhkan dan di semak oleh Pengurusan Kanan. Ini dipaparkan dalam Senarai Tugas dan Bidang Pencapaian Utama Individu seperti yang di perlukan dalam Manual Prosedur ISO.
- **Prosedur dan Polisi Tenaga Insan**  
Polisi dan praktis tenaga insan telah ditubuhkan dan dilaksanakan. Anggota pekerja baru akan diberitahu mengenai tanggungjawab serta kehendak pengurusan semasa sesi temuduga dan pelantikan dibuat. Ini akan dinilai semula semasa penilaian prestasi dan mesyuarat jabatan setiap bulan.
- **PROSES DAN RANGKAKERJA PENILAIAN RISIKO**
- **Objektif Kumpulan**  
Objektif dan strategi Syarikat keseluruhannya telah ditetapkan mengikut tahapnya dan mengikut cara dan apa yang perlu di capai oleh Kumpulan. Kumpulan telah merangka Bidang Pencapaian Utama yang tertentu sebagai Sasaran Prestasi bagi setiap Kumpulan. Ini telah diterimapakai sebagai objektif kualiti MS ISO 9002 dan diketahui oleh anggota pekerja, dan disemak semasa mesyuarat operasi jabatan.
- **Objektif Tahap Aktiviti-aktiviti**  
Objektif tahap aktiviti dikaitkan dengan objektif Kumpulan. Penglibatan pengurus menyumbang dalam membangunkan objektif tahap aktiviti bagi menetapkan matlamat yang boleh dicapai. Setiap unit bisnes telah menetapkan Bidang Pencapaian Utama yang diperluas bagi menyokong objektif Kumpulan. Kesemua Pengurus Hospital mesti mengetahui sasaran serta menyampaikannya kepada semua anggota pekerja.
- **Penilaian Risiko**  
Kumpulan telah menerimapakai "Garis panduan Pengurusan Risiko dalam Prinsip HB 228:2001" yang terkandung dalam Piawaian Australia dan New Zealand AS/NZS 4360 : 1999 sebagai kaedah Perancangan Pengurusan Risiko oleh kerana garis panduan ini memberi tumpuan ke atas industri prinsip. Garis panduan ini mengenalpasti kategori-kategori Risiko Terhadap Penjagaan Pesakit, Risiko Terhadap Anggota Pekerja Klinikal, Risiko Terhadap Anggota Pekerja, Risiko Terhadap Hartanah, Risiko Terhadap Kewangan, Risiko Terhadap Tadbir Korporat dan lain-lain risiko.

# Statement On Internal Control

## Penyata Kawalan Dalaman

The Group has introduced a Chief Risk Officer (“CRO”) position and has appointed one Senior Manager to oversee the overall risks management implementation process. In addition to that, the Group has also appointed one Medical Doctor as the Risk Officer for clinical issues, who reports to the Clinical Governance Committees on a frequent basis. To support the CRO’s functions, Risk Coordinators were appointed at hospital level to closely monitor the risks implementation process. All risks identified are captured in a Risk Database and mapped in a Risk Matrix for deliberation. The Risks Mapping is based on the KPJ Healthcare Strategic Planning Report as well as the Key Result Area whereby the significant risks to the achievement of the objectives and the control process to manage these risks are identified.

During the year the Management has successfully conducted awareness training on risk management throughout the Group. These training have contributed to a greater understanding of the above risks facing the Group’s respective business functions and the actions required to deal with them. As a result a total of 513 risks have been identified and after implementing control mechanism and treatment plan, none of the risks identified was classified as an extreme risk.

- **Managing Change**

The Group discussed any changes in the industry that might affect the business through weekly EXCO Committee Meeting, chaired by the Managing Director and monthly Corporate Committee Meetings.

### CONTROL ACTIVITIES

- **Control Activities**

Committees are set up at various functional units to monitor their own activities and to report back to the main committee. Any major and significant issues will be reported in the weekly EXCO Committee meeting or the monthly Corporate Committee meeting for further action. There is also Hospital Management meetings to discuss issues on hospital administration and operation.

### COMMUNICATION PROCESS

- **Communication**

Generally, communication within the Company and between the Company and external parties is effective. Communication channels exist at all levels of staff, Management and Board. It can be done through employee suggestion scheme, memo and email. Management is quite flexible and allows staff to meet them without going through their immediate supervisor.

### CONTINUOUS MONITORING PROCESS

- **Ongoing Monitoring**

Ongoing monitoring on the internal control effectiveness is appropriate and sufficient. Besides the normal daily supervision from an immediate supervisor, the Group Internal Audit Function and the Internal Quality Auditor also make scheduled and surprised audit visits. Management also visits the hospital from time to time to monitor and evaluate their activities and performance.

*Kumpulan telah mewujudkan jawatan Ketua Pegawai Risiko (CRO) dan melantik seorang Pengurus Kanan bagi mengawasi segala proses pelaksanaan pengurusan risiko. Selain dari itu, Kumpulan turut melantik seorang Doktor Perubatan sebagai Pegawai Risiko bagi isu-isu klinikal, yang membuat laporan secara tetap kepada Jawatankuasa Pentadbiran Klinikal. Bagi menyokong fungsi CRO, Koordinator Risiko turut dilantik di peringkat hospital bagi mengawasi proses pelaksanaan risiko dengan terperinci. Setiap risiko yang dikenalpasti akan dimuatkan dalam Pengkalan Data dan dimasukkan dalam Matriks Risiko untuk penganalisaan seterusnya. Pemetaan Risiko dilandaskan atas Laporan Perancangan Strategik KPJ Healthcare dan juga Bidang Pencapaian Utama yang mana risiko yang ketara yang terlibat dalam pencapaian objektif dan proses kawalan bagi pengurusan risiko dikenalpasti.*

*Sepanjang tahun, Pengurusan telah dengan jayanya menjalankan latihan kesedaran pengurusan risiko bagi Kumpulan. Latihan ini telah menyumbang kepada pemahaman yang lebih baik terhadap risiko-risiko diatas yang dihadapi oleh fungsi setiap bisnes dan serta tindakan yang perlu diambil dalam menanganinya. Hasilnya, sejumlah 513 risiko telah dikenalpasti dan setelah pelaksanaan perancangan pembetulan dan mekanisma kawalan diambil, tiada risiko yang diklasifikasikan sebagai risiko yang ekstrim.*

- **Menguruskan Perubahan**

*Segala perubahan dalam industri yang mungkin memberi kesan kepada bisnes dibincangkan dalam mesyuarat mingguan Jawatankuasa EXCO dan juga Mesyuarat Korporat Bulanan, yang dipengerusikan oleh Pengarah Urusan.*

### AKTIVITI KAWALAN

- **Aktiviti Kawalan**

*Jawatankuasa ditubuhkan bagi pelbagai fungsi unit bagi mengawalselia aktiviti mereka dan melaporkan kembali ke jawatankuasa utama. Segala perubahan dan isu yang ketara dilaporkan kembali ke mesyuarat mingguan Jawatankuasa EXCO ataupun mesyuarat bulanan Jawatankuasa Korporat bagi tindakan selanjutnya. Terdapat juga mesyuarat Pengurusan Hospital bagi membincangkan isu pentadbiran dan operasi hospital.*

### PROSES KOMUNIKASI

- **Komunikasi**

*Secara amnya, komunikasi di dalam dan di antara Syarikat dengan pihak luar adalah berkesan. Saluran komunikasi wujud di antara semua peringkat anggota pekerja, Pengurusan dan Lembaga Pengarah. Ianya boleh dibuat menerusi skim cadangan anggota pekerja, memo dan juga emel. Pengurusan agak fleksibel dan membenarkan anggota pekerja berjumpa dengan mereka tanpa melalui penyelia terdekat.*

### PROSES PEMANTAUAN BERTERUSAN

- **Pemantauan Berterusan**

*Pemantauan berterusan di atas keberkesanan kawalan dalaman adalah tepat dan cukup. Disamping penyelia harian oleh penyelia terdekat, Fungsi Audit Dalaman dan Juru Audit Kualiti Dalaman turut membuat lawatan yang terancang ataupun secara mengejut. Pengurusan turut melawat hospital dari masa ke semasa bagi mengawasi dan menilai prestasi dan aktiviti hospital.*

- **Separate Evaluation**

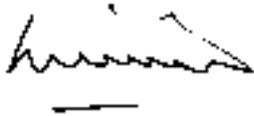
Evaluation process is always documented as part of the ISO procedures. The Internal Quality Audit and the Internal Audit Function visit regularly to ensure compliance to existing procedures.

- **Reporting Deficiencies**

The policies and procedures in place for reporting deficiencies are appropriate. The Group has introduced Borang Peradapan or Nahi Mungkar that can be used by all employees to highlight any deficiencies direct to the Chief Executive of the Ultimate Holding Corporation. However, it is up to the employee to use the channel when needed.

The system of internal controls that exist throughout the year provides a level of confidence on which the Board relies for assurance. In the year under review, it has not resulted in any material losses, contingencies or uncertainties that would require separate disclosure in the Annual Report.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 February 2004.



**TAN SRI DATO' MUHAMMAD ALI HASHIM**

Chairman / *Pengerusi*

- **Penilaian Berasingan**

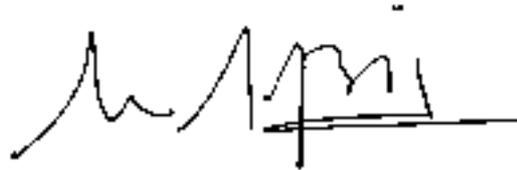
*Proses penilaian sentiasa didokumenkan sebagai prosedur ISO. Juru Audit Kualiti Dalam dan Fungsi Audit Dalam sentiasa membuat lawatan bagi menentukan pematuhan kepada prosedur sedia ada.*

- **Kekurangan Dalam Laporan**

*Segala prosedur dan polisi yang ditetapkan bagi melaporkan kekurangan adalah memadai. Kumpulan telah memperkenalkan Borang Peradapan atau Nahi Mungkar yang boleh digunakan oleh setiap anggota pekerja bagi mengenengahkan segala kekurangan secara terus kepada Ketua Eksekutif Perbadanan Induk. Walau bagaimanapun, anggota pekerja diberikan peluang untuk menggunakannya bilamana mereka perlu.*

*Sistem kawalan dalaman yang wujud sepanjang tahun memberikan tahap keyakinan yang di gunapakai oleh Lembaga Pengarah bagi mendapatkan jaminan. Dalam tahun kajian, ia tidak menyebabkan sebarang kehilangan material, kontigensi atau kejadian luar jangkaan yang memerlukan penerangan berasingan dalam Laporan Tahunan.*

*Ditandatangani oleh Lembaga Pengarah mengikut resolusi bertarikh 25 Februari 2004.*



**DATIN PADUKA SITI SA'DIAH SHEIKH BAKIR**

Managing Director / *Pengarah Urusan*

# Compliance Information

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

**1. Utilisation of proceeds raised from corporate proposal**

The proceeds of RM10.6 million raised from the Issue to selected Medical Specialist have been fully utilized for working capital requirements of the Group and to defray incidental expenses.

**2. Share buybacks**

During the financial year, there were no share buybacks by the Company.

**3. Options, warrants or convertible securities**

The Company did not issue any options, warrants or convertible securities.

**4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) program**

During the financial year, the Company did not issue any ADR or GDR Program.

**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. Non-audit fees**

Other than the following, there were no non-audit fees paid to the external auditors for the financial year:

Auditors	Services	RM
PricewaterhouseCoopers	Professional services in connection with;	
	– implementation of MASB 25	32,900
	– shares issue to selected Medical Specialist	50,000

**7. Profit estimate, forecast or projection**

The variance of actual profit from forecast profit in prospectus dated 27 June 2003 has not exceeded 10% as follows:

	As per Prospectus dated 27.6.03 RM '000	Year ended 31.12.03 RM '000	Variance %
Consolidated profit after taxation and minority interest	30,414	29,043	4.5

**8. Profit guarantee**

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

**9. Material contracts**

There is no material contract by the Company and its subsidiary companies, involving Directors' and major shareholders' interest substituting at the end of the financial year.

**10. Recurrent related party transactions statement**

The actual transactions for the financial year ended 31 December 2003 are disclosed in Notes 7 and 30 to the financial statements. The company is procuring a general mandate from the shareholders for recurrent related party transactions of a revenue nature at the forthcoming annual general meeting.

## Maklumat Pematuhan

Bagi mematuhi syarat penyenaian Bursa Malaysia, maklumat tambahan berikut telah disediakan:

- Penggunaan perolehan dana daripada cadangan korporat**  
Perolehan sebanyak RM10.6 juta hasil dari terbitan saham yang dibuat kepada pakar perubatan terpilih telah digunakan sepenuhnya untuk keperluan modal kerja kumpulan.
- Pembelian semula saham**  
Sepanjang tahun kewangan, Syarikat tidak membuat pembelian semula saham.
- Opsyen, waran atau sekuriti mudahalih**  
Syarikat tidak menerbitkan mana-mana opsyen, waran atau sekuriti mudahalih.
- Rancangan 'American Depository Receipt' (ADR) atau 'Global Depository Receipt' (GDR)**  
Sepanjang tahun kewangan, Syarikat tidak mengeluarkan sebarang rancangan ADR atau GDR.
- Pengenaan sekatan/penalti**  
Tiada pengenaan langkah-langkah tegas dan/atau penalti yang dikenakan ke atas Syarikat dan subsidiari, Pengarah-pengarah atau Pengurusan oleh badan kawalan berkaitan.
- Bayaran bukan audit**  
Selain daripada yang berikut, tiada lain-lain bayaran bukan audit yang dibayar kepada Juruaudit luar untuk tahun kewangan semasa:

Juruaudit	Perkhidmatan	RM
PricewaterhouseCoopers	Perkhidmatan profesional berkaitan dengan yang berikut: – penerima pakaian MASB 25 – terbitan saham kepada pakar perubatan terpilih	32,900 50,000

- Anggaran, jangkaan atau unjuran keuntungan**  
Perbezaan antara keuntungan sebenar dari keuntungan jangkaan di dalam prospektus ringkas bertarikh 27 Jun 2003 adalah tidak melebihi 10 % seperti berikut:

	Seperti yang terdapat dalam Prospektus bertarikh 27.6.03 RM '000	Tahun berakhir 31.12.03 RM '000	Perbezaan %
Penyatuan keuntungan selepas cukai dan kepentingan minoriti	30,414	29,043	4.5

- Jaminan keuntungan**  
Syarikat tidak memberikan mana-mana jaminan keuntungan untuk tahun kewangan semasa.
- Kontrak material**  
Tiada kontrak material bagi Syarikat dan subsidiari-subsidiari yang melibatkan kepentingan Pengarah-pengarah dan pemegang-pemegang saham utama yang masih aktif pada akhir tahun kewangan.
- Penyata transaksi pihak berkaitan berulang**  
Transaksi sebenar untuk tahun kewangan semasa berakhir 31 Disember 2002 telah dibentangkan dalam Nota-nota 7 dan 30 kepada penyata kewangan. Syarikat akan memperolehi mandat para pemegang saham untuk transaksi berulang dengan pihak berkaitan yang menjana hasil pada mesyuarat agung tahunan yang akan datang.

# Services & Facilities Enhancement

## Peningkatan Perkhidmatan & Kemudahan

The Group-wide program, which was undertaken during the year, involved the renovation and upgrading of all of its hospitals, to ensure continuous patient satisfaction and comfort and allow the Group's hospitals to broaden its range of services and facilities.

*Program seluruh Kumpulan yang telah dilaksanakan sepanjang tahun termasuklah pengubahsuaian dan penaiktarafan kesemua hospital-hospitalnya, bagi menentukan kepuasan dan keselesaan pengguna serta memberikan peluang kepada hospital dalam Kumpulan untuk memperluaskan rangkaian perkhidmatan dan kemudahannya.*



"Welcome to the 6th Floor Paediatric Ward of Ampang Puteri Specialist Hospital". This thematic Sea World concept ward which was opened since the third quarter 2002 has received tremendous feedback and accolades from the community.

*"Selamat Datang ke Wad Pediatrik di Tingkat 6, Ampang Puteri Specialist Hospital". Wad yang bertemakan konsep 'Sea World' telah mendapat pengiktirafan serta maklumbalas yang amat baik dari masyarakat.*

Ampang Puteri Specialist Hospital (APSH) new Supercon Magnetic Resonance Imaging (MRI) purchased late year 2002 has shown tremendous feedback and has enhanced the patients' satisfaction in the diagnosis services. APSH has also included in its plans to purchase a new Angiogram system for its Catheterization Laboratory in order to upgrade its facilities and services to further meet the increasing expectation and demand for the service.

*Mesin Pengimbasan Magnetik Supercon yang baru dibeli oleh Ampang Puteri Specialist Hospital (APSH) lewat tahun 2002 telah menerima sambutan baik serta memberi kepuasan kepada pelanggan bagi perkhidmatan diagnostiknya. Dimasa yang sama, APSH telah membuat keputusan untuk membeli sistem Angiogram yang baru bagi Makmal Kateternya bagi mempertingkatkan kemudahan dan perkhidmatannya untuk memenuhi peningkatan jangkaan dan kehendak pelanggan.*



Damansara Specialist Hospital (DSH) has completed its new Cardiac Centre at the 4th floor. The Centre comprises of one Cardiac Operation Theatre, a 5-bedded Cardiac Intensive Care Unit (CICU) and a Catheterization Laboratory, will be managed by two Cardiac Surgeons, one Anaesthetist and two Cardiologist. DSH's subsequent expansion will include the expansion of a 31-bedded surgical ward at the 4th floor.

*Damansara Specialist Hospital (DSH) telah menyiapkan Pusat Jantungnya di tingkat 4. Pusat yang dilengkapi dengan satu Dewan Bedah Jantung, Unit Rawatan Rapi Jantung (CICU) dengan 5 buah katil, dan Makmal Kateter Pusat tersebut yang di kendalikan oleh dua pakar bedah jantung, seorang pakar bius, dan dua orang pakar jantung. DSH akan turut memperbesarkan wad bedah di tingkat 4 dengan penambahan 31 buah katil.*

Also, DSH has introduced the "In Vitro Fertilization" (IVF) services at the hospitals. This service is an extension of its expertise in Gynaecology and Obstetrics to address to the demanding issues of couples having difficulties in conceiving.

*DSH turut memperkenalkan perkhidmatan "Pensenyawaan Cara In Vitro" di hospitalnya. Perkhidmatan ini adalah lanjutan kepada kemahiran dalam bidang Perbidanan dan Sakit Puannya bagi membantu mereka yang menghadapi kesukaran dalam mendapatkan zuriat.*





Johor Specialist Hospital (JSH), established in 1979, in Johor Bahru, is in the process of upgrading the existing block, to give a new look to the diagnostic imaging department, laboratory, Accident & Emergency (A&E) and admission department.

*Johor Specialist Hospital (JSH) di Johor Bahru, yang telah ditubuhkan dalam tahun 1979, kini sedang dalam proses penaiktarafan blok sedia ada termasuk jabatan imbasan diagnostik, makmal, kecemasan & kemalangan, serta jabatan kemasukan pesakit.*



Ipoh Specialist Hospital (ISH) is constructing a 5-storey Physician Consultant Block (PCB) on the land adjacent to its current location. The commencement of the construction of the new building was officially launched by the Chief Minister of Perak, YAB Dato Seri DiRaja Dr Tajol Rosli Ghazalli, in February 2004 and shall complete in early 2006.

*Ipoh Specialist Hospital (ISH) sedang membina blok 5 tingkat untuk pakar perubatan di tanah bersebelahan dengan lokasi sekarang. Pembinaan tersebut telah dirasmikan oleh Menteri Besar Perak YAB Dato Seri DiRaja Dr Tajol Rosli Ghazalli, pada bulan Februari 2004 dan dijangka siap awal 2006.*



Puteri Specialist Hospital (PSH) is commissioning the Executives Suites on the top floor of the new 5-storey wing, PSH has also introduced the lithotripsy services, and added additional parking bays for the convenience of the customers.

*Puteri Specialist Hospital (PSH) sedang menyiapkan bilik Eksekutif di tingkat teratas bangunan baru 5 tingkatnya. PSH telah turut memperkenalkan perkhidmatan litotripsi dan menambahkan ruang letak kereta untuk kemudahan pelanggan.*



Hospital Pakar Perdana (Perdana) in Kota Bharu, Kelantan and Kuantan Specialist Hospital (KSH) in Kuantan, Pahang receives a very good response for their services from the public in their respective area. The Management has taken steps to enhance its facilities with the planned installation of Magnetic Resonance Imaging facility at KSH and setting up Catheterization Laboratories at both hospitals in 2004 to enhance cardiac services in the region.

*Hospital Pakar Perdana (Perdana) di Kota Bharu, Kelantan dan Kuantan Specialist Hospital (KSH) di Kuantan, Pahang menerima maklumbalas yang menggalakkan dari masyarakat umum. Pihak Pengurusan telah mengambil langkah untuk mempertingkatkan lagi perkhidmatan dengan keputusan untuk menempatkan mesin Pengimbasan Maknetik di KSH dan Makmal Kateter di kedua-dua hospital tersebut dalam tahun 2004 bagi mempertingkatkan perkhidmatan perawatan jantung di sana.*



Kedah Medical Centre (KMC) has completed its new 10-storey building, to accommodate additional clinics and diagnostic services, to meet the increasing demand from the local community and the Northern Business Triangle, namely Medan, Phuket and Kedah.

*Kedah Medical Centre (KMC) telah menyiapkan blok baru 10 tingkat bagi menempatkan klinik tambahan serta perkhidmatan diagnostiknya bagi memenuhi permintaan yang meningkat dari masyarakat setempat dan juga Kawasan Perniagaan Segitiga Utara Medan, Phuket dan Kedah.*



KPJ Healthcare's 13th hospital in Malaysia, which is at the final stage of development, is the 150-bedded Seremban Specialist Hospital. The hospital is expected to be commissioned in the third quarter of 2004. Located in the town of Seremban, the hospital will serve the people of Negeri Sembilan as well as the high growth areas in Sepang, Nilai and Putrajaya.

*Seremban Specialist Hospital ialah hospital ketiga belas (13) KPJ Healthcare di Malaysia yang sedang dalam peringkat akhir pembinaannya dengan kapasiti katil sejumlah 150. Hospital ini dijangka siap pada suku ketiga tahun 2004. Terletak di tengah-tengah bandar Seremban, hospital ini akan menawarkan perkhidmatannya kepada rakyat Negeri Sembilan dan juga kawasan yang pesat membangun di sekitar Sepang, Nilai and Putrajaya.*

# Corporate Events

## Aktiviti Korporat

### The Year Full of Activities

KPJ Healthcare corporate diary had gone through an active year in 2003. With the focus on its theme of "Integration for Customer Care Excellence", many programs were lined-up to promote the idea and enhance group synergy.

### Tahun yang Penuh dengan Aktiviti

Diari korporat KPJ Healthcare amat aktif pada tahun 2003. Pelbagai program telah dijalankan berlandaskan Tema "Integrasi Untuk Keunggulan Penjagaan Pelanggan" bagi mempromosikan ide tersebut serta mempertingkatkan sinergi Kumpulan.

### OFFICIAL LAUNCHES/UPACARA PERASMIAN



Kedah Medical Centre (KMC) extended its outpatient services when its clinic at the Kulim Technopark (KTPC) Administration Centre was officially launched on 20 May 2003.

*Kedah Medical Centre (KMC) telah memperluaskan perkhidmatan pesakit luarnya bila kliniknya di Pejabat Pentadbiran Kulim Technopark (KTPC) telah dirasmikan pada 20 Mei 2003.*



HRH Sultan of Kelantan, YTM Tengku Ismail Petra bestowed the honour to officially launch the KPJ Healthcare's 11th hospital, Hospital Pakar Perdana on 28 July 2003. The ceremony, full of tradition, marks the presence of KPJ Healthcare in the East Coast of Malaysia.

*Kebawah Duli Yang Maha Mulia Sultan Kelantan, YTM Tengku Ismail Petra telah mencemar duli untuk merasmikan hospital ke 11 KPJ Healthcare, Hospital Pakar Perdana pada 28 Julai 2003. Majlis yang penuh adat istiadat itu melambangkan kehadiran KPJ Healthcare di Pantai Timur Malaysia.*

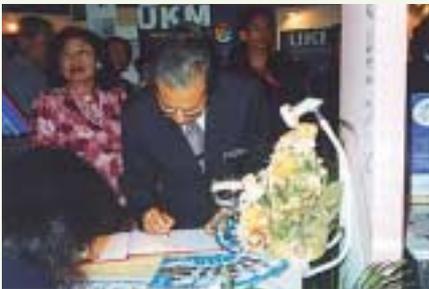


KPJ Healthcare opened the A&E and Outpatient Centre of Kuching Specialist Hospital in Tabuan Laru, Kuching Sarawak. This twelfth (12th) hospital (first in East Malaysia) is a testimony of KPJ Healthcare's commitment and continuous effort in making private healthcare facilities and services accessible to the community nationwide.

*KPJ Healthcare telah membuka Pusat Pesakit Luar dan Kecemasan & Kemalangan Kuching Specialist Hospital, di Tabuan Laru Kuching Sarawak. Hospital kedua belas (12) KPJ Healthcare (pertama di Malaysia Timur) ini adalah lambang komitmen dan usaha berterusan KPJ Healthcare untuk menawarkan kemudahan dan perkhidmatan prishatin swasta di seluruh tanahair.*

### INTERNATIONAL EXPOSURE & HEALTH TOURISM ACTIVITIES

KPJ Healthcare's effort in promoting health tourism was further enhance especially with the participation in the largest and memorable government organized summit such as NAM and OIC. KPJ Healthcare received proposals for business participation in various countries since then.



The thirteenth (13th) NAM Summit and Exhibition was held at Putra World Trade Centre from 18 - 26 February 2003. KPJ Healthcare with the support from the three Klang Valley hospitals, the nursing college, and the retail pharmacy participated in this internationally recognized summit and exhibition.

*Perhimpunan serta pameran NAM ketiga belas (13) telah diadakan di Pusat Dagangan Dunia Putra dari 18 - 26 Februari 2003. KPJ Healthcare dengan sokongan ketiga-tiga hospital di Lembah Kelang, kolej kejururawatan dan kedai farmasi telah turut terlibat dalam perhimpunan peringkat antarabangsa yang diiktiraf sepenuhnya.*

KPJ Healthcare including a doctor was invited to participate in the International Health Promotion, in Manama, Bahrain in September 2003. This trade fair which was organized by the Malaysian Tourism Board, is part of the government's effort to lure foreign tourists and patients to seek treatment in Malaysia.

*KPJ Healthcare termasuk seorang doktor telah dijemput untuk terlibat dalam Promosi Kesihatan Antarabangsa di Manama, Bahrain pada bulan September 2003. Pameran perniagaan yang telah dianjurkan oleh Lembaga Pelancongan Malaysia, adalah sebahagian dari usaha kerajaan untuk menggalakkan pelancong serta pesakit dari luar negara untuk mendapatkan perubatan di Malaysia.*



## STRATEGIC PARTNERSHIP/*KERJASAMA STRATEGIK*



Tawakal Hospital signed a S&P Agreement with Metroplex Bhd on 5 April 2003 to purchase a 3-acre piece of land to realize a new building for Tawakal Hospital and corporate office for KPJ Healthcare. The building of the new Tawakal will enable KPJ Healthcare to offer better and most up-to-date services and treatment to its customers in a better ambience.

*Tawakal Hospital telah menandatangani Perjanjian JualBeli untuk membeli 3 ekar tanah dengan Metroplex Bhd pada 5 April 2003 bagi merealisasikan pembinaan Hospital Tawakal yang baru termasuk pejabat korporat KPJ Healthcare. Bangunan baru ini akan memberikan peluang kepada Tawakal untuk menawarkan perkhidmatan dan perawatan yang lebih baik kepada pelanggannya di prasarana yang lebih selesa.*

Puteri Nursing College (PNC) looks forward to a new, bigger and more conducive campus in Kota Sierramas Nilai, Negeri Sembilan, when the leasing agreement was signed with Golden Hope Properties (Johor) Sdn Bhd on 11 September 2003 at Darby Park. This new campus will enable PNC to train more nurses, from local and abroad, at both basic and advance levels.

*Puteri Nursing College (PNC) sedang menanti pembinaan kampus baru yang lebih besar dan selesa di Kota Seirramas Negeri Sembilan, setelah perjanjian sewabeli ditandatangani dengan Golden Hope Properties (Johor) Sdn Bhd pada 11 September 2003 di Darby Park. Dengan kampus baru ini PNC akan berupaya untuk melatih lebih ramai jururawat dari dalam dan luar negara bagi peringkat asas dan tertinggi.*



Bukit Mertajam Specialist Hospital (BMSH) signed a tripartite agreement with Penang Rural Development Authority (Perda) and Aseania Development Sdn Bhd for the building of its new hospital, which will be named as Seberang Perai Specialist Hospital in the modern township of Bandar Perda.

*Bukit Mertajam Specialist Hospital (BMSH) memeterai perjanjian tiga pihak dengan Lembaga Pembangunan Luar Bandar Pulau Pinang (PERDA) dan Aseania Development Sdn Bhd bagi membina hospital baru yang akan dinamakan Seberang Perai Specialist Hospital di bandar baru serba moden, Bandar Perda.*



## AKTIVITI PELANCONGAN KESIHATAN DAN PROMOSI ANTARABANGSA

*Usaha KPJ Healthcare dalam mempromosikan pelancongan kesihatan telah ditingkatkan lagi apabila ia telah terlibat dalam perhimpunan besar dan penuh makna yang dianjurkan oleh kerajaan. Sejak itu, KPJ Healthcare telah menerima pelbagai cadangan kerjasama bisnes dengan pelbagai negara luar.*



KPJ Healthcare Corporate and the Klang Valley team participated in the OIC EXPO held at the Putrajaya Convention Centre from 14 - 19 October 2003. This week-long expo was held in conjunction of the 10th OIC Summit.

*Anggota pekerja pejabat korporat KPJ Healthcare dan Lembah Klang telah terlibat dalam EXPO OIC yang telah dijalankan di Konvensyen Putrajaya dari 14 - 19 Oktober 2003. Ekspo seminggu ini diadakan sempena Perhimpunan Ke 10 OIC*

KPJ Healthcare participated in the promotion of the Malaysian health tourism effort spearheaded by the Medical Coordination Services International (MSCI). The event held at Sheraton Imperial, Kuala Lumpur on 30 December 2003 marks the working collaboration between KPJ and the other 4 medical centres in Klang Valley, and MSCI to promote health tourism, initially with the Middle Eastern market.

*KPJ Healthcare turut terlibat dalam promosi pelancongan kesihatan Malaysia yang diketuai oleh Medical Coordination Services International (MSCI). Acara yang diadakan di Hotel Sheraton Imperial, Kuala Lumpur pada 30 Disember 2003 menandakan kerjasama diantara KPJ Healthcare dan 4 lagi pusat perubatan di Lembah Klang, dan MSCI bagi mempromosikan pelancongan kesihatan di Negara Timur Tengah pada awal pelancarannya ini.*



# Quality Programs & Benchmarking

## Program Kualiti & Penanda Aras

### The thrust of KPJ Customer Service Care Excellence

KPJ Healthcare continuous quest to provide its customers and patient with excellence service is certified through its Quality Improvement Programs and activities. This is the testimony to the untiring hard work of its loyal and dedicated employees since its first pilot project in 1996.

Almost all hospitals owned by KPJ Healthcare are certified with MS ISO 9001:2000 standard with zero non-conformances for year 2003. Also, two KPJ Healthcare's subsidiaries companies, namely Pharmaserv Alliances and Lablink Malaysia are also certified with MS ISO 9001:2000 standard this year.

Meanwhile, KPJ's Healthcare flagship hospital, Ampang Puteri Specialist Hospital (APSH) and was again being accredited by the Malaysian Society of Quality in Health (MSQH) the Accreditation Standard for the 2nd consecutive 3 full year term. This is another great milestone in KPJ Healthcare history as APSH become the first hospital, both in public and private sector, to maintain this esteemed national level certification, and will be the model for other hospitals in the Group to follow.

During the same year, Ipoh Specialist Hospital (ISH) was again conferred the OHSAS 18001 certification for the second year after being audited by SIRIM QAS International. ISH was the first healthcare institution to receive such creditable award in the healthcare sector. This certification, which emphasizes on the safety of employees and customers, is appropriate for KPJ Healthcare as safety is one of its core values. KPJ Healthcare is now preparing APSH and Johor Specialist Hospital (JSH) for this certification.

As an advocator of quality, KPJ Healthcare's hospitals and companies actively participated in other quality activities such as Quality Control Circle (QCC) Convention and Benchmarking exercise organized by National Productivity Cooperation (NPC), at all levels including the Mini, Regional or National Convention.

KPJ Healthcare also participated in a national survey; the National Report on the Healthcare Sector Performance Indicators of the Private Hospital which was organized jointly by NPC, Universiti Kebangsaan Malaysia (UKM), and Ernst & Young Malaysia (E&Y) in the year 2002.

Benchmarking is a continuous process of measuring services and practises against the competitors who are in the same industry. This process examines attributes of performance in comparing system against standard that are considered attainable and desirable.

The survey covered the performance measurement framework for nineteen (19) indicators through five (5) categories such as Technical Efficiency, Staff Utilization, Clinical Indicators, Patient Satisfaction, and Financial Medication.

### Asas Keunggulan Perkhidmatan Pelanggan KPJ

Usaha berterusan KPJ Healthcare dalam memberikan kecemerlangan dalam perkhidmatan kepada pelanggan dan pesakitnya disokong menerusi aktiviti-aktiviti Program Peningkatan Kualiti. Ini dapat dilihat dari hasil kerja keras serta dedikasi dan kesetiaan anggota pekerjaannya sejak projek pertamanya dalam tahun 1996.

Hampir kesemua hospital yang dimiliki KPJ Healthcare telah mendapat pengiktirafan piala MS ISO 9001:2000 dengan pematuhan penuh bagi tahun 2003. Juga, dua dari syarikat subsidiari KPJ Healthcare iaitu Pharmaserv Alliances dan Lablink Malaysia turut mendapat pengiktirafan tersebut tahun ini.

Sementara itu, Ampang Puteri Specialist Hospital (APSH) telah mendapat pengiktirafan Akreditasi 3 tahun berturut-turut buat kali kedua dari Malaysian Society for Quality in Health (MSQH) pada tahun yang sama. Pengiktirafan ini menempa satu lagi sejarah bagi KPJ Healthcare dan menjadikan APSH sebagai hospital pertama, bagi sektor awam dan swasta, yang berjaya mengekalkan pengiktirafan tersebut buat kali kedua berturut-turut, yang mana usahanya akan dituruti oleh hospital-hospital lain dalam Kumpulan.

Dalam tahun yang sama, Ipoh Specialist Hospital (ISH) telah sekali lagi di berikan pengiktirafan OHSAS 18001 oleh SIRIM QAS International. ISH merupakan institusi kesihatan yang pertama di anugerahkan pengiktirafan tersebut dalam sektor perisihatin. Pengiktirafan ini yang menekankan aspek keselamatan bagi anggota pekerja dan pelanggan amat berkaitan dengan nilai utama KPJ Healthcare. KPJ Healthcare sekarang ini sedang membuat persiapan bagi APSH dan Johor Specialist Hospital untuk mendapatkan pengiktirafan ini.

Sebagai penggalak dalam bidang kualiti, hospital dan syarikat-syarikat KPJ Healthcare bergiat cergas dalam aktiviti-aktiviti kualiti seperti Kumpulan Kawalan Kualiti dan Tanda Aras yang dianjurkan oleh Perbadanan Produktiviti Negara (NPC) di semua peringkat termasuk konvensyen Mini, Kawasan dan Kebangsaan.

Laporan Nasional mengenai Indikator Prestasi Sektor Kesihatan Hospital Swasta telah dijalankan bersama dengan NPC, Universiti Kebangsaan Malaysia dan Ernst & Young (E & Y) dalam tahun 2002.

Penentuan tanda aras adalah proses berterusan untuk mengukur perkhidmatan dan praktis setanding dengan pesaing dalam industri yang sama. Proses ini menilai atribut prestasi dan membandingkan sistem dengan piawaian yang dikira boleh dicapai dan di kehendaki.

Soalselidik menilai prestasi yang dikaji menerusi 19 indikator prestasi utama dalam lima (5) kategori utama iaitu Kecekapan Teknikal, Pengagihan dan Penggunaan Anggota Pekerja, Indikator Klinikal, Kepuasan Pengguna, dan Kewangan untuk Perubatan.

Five (5) Hospitals from KPJ Healthcare Berhad participated in the above exercise namely Ampang Puteri Specialist Hospital, Damansara Specialist Hospital, Tawakal Hospital, Johor Specialist Hospital and Ipoh Specialist Hospital.

However, KPJ Healthcare also conducted our own similar benchmarking by adding five (5) more hospitals such as Puteri Specialist Hospital, Kuantan Specialist Hospital, Kedah Medical Centre, Bukit Mertajam Specialist Hospital and Hospital Pakar Perdana.

From the results of the survey, all of the ten (10) hospitals were within the average results, with some hospitals performing much better than the average indicators shown such as Length of Stay, Bed Occupancy, Staff per Occupied Bed and Waiting time in discharge and admission.

The results of this benchmarking exercise had provided many useful insight for us to improve on our performance, to raise or review standards whenever possible. It also assists us to be creative and innovative in giving quality service at reasonable costs and also to serve as a tool to help to promote health tourism.

Lima (5) hospital KPJ Healthcare terlibat dalam soalselidik tersebut iaitu Ampang Puteri Specialist Hospital, Damansara Specialist Hospital, Tawakal Hospital, Johor Specialist Hospital dan Ipoh Specialist Hospital.

Walau bagaimanapun, KPJ Healthcare menjalankan kajiselidik lanjutan dengan melibatkan lima (5) buah lagi hospital dalam Kumpulannya iaitu Puteri Specialist Hospital, Kuantan Specialist Hospital, Kedah Medical Centre, Bukit Mertajam Specialist Hospital dan Hospital Pakar Perdana.

Dari keputusan kajiselidik, kesemua sepuluh (10) hospital adalah terletak didalam jurang purata keputusan, dengan sesetengah hospital menunjukkan prestasi yang lebih baik dari indikator purata yang dicapai.

Keputusan Tanda Aras telah membuka peluang untuk KPJ Healthcare memperbaiki prestasinya, serta menilai semula piawaian dimana perlu. Ini dapat membantu KPJ Healthcare untuk memberikan perkhidmatan berkualiti dengan kos yang munasabah dan juga sebagai satu peluang untuk mempromosikan sektor pelancongan.

## RESULTS OF BENCHMARKING NATIONAL REPORT LAPORAN HASIL KAJI SELIDIK PENANDA ARAS KEBANGSAAN

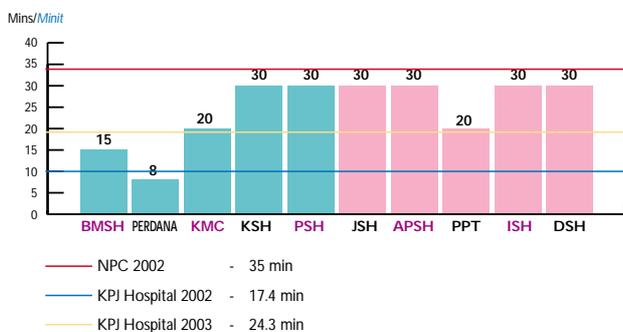
**AVERAGE LENGTH OF STAY  
PURATA TEMPOH HARI PESAKIT DALAMAN**



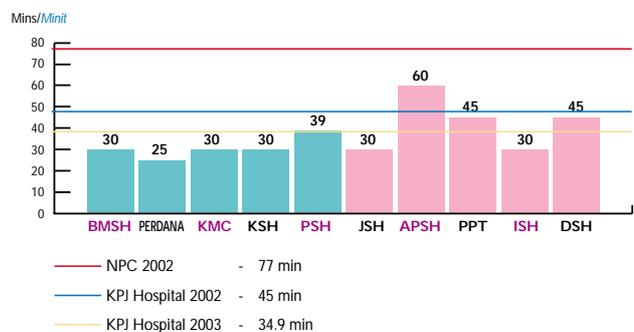
**FTE PER OCCUPIED BED  
FTE BAGI SETIAP SATU KATIL DIDIAM**



**WAITING TIME FOR ADMISSION FROM OPD  
OR EMERGENCY ROOM  
TEMPOH MENUNGGU KEMASUKAN DARI JABATAN  
PESAKIT LUAR ATAU BILIK KECEMASAN**



**WAITING TIME FOR DISCHARGE  
TEMPOH MENUNGGU UNTUK KELUAR**



■ Hospitals participated in the national survey / Hospital-hospital yang terlibat dalam kajiselidik nasional.  
■ Hospitals included in the extended survey / Hospital-hospital yang termasuk dalam kajiselidik lanjutan.

# Quality Achieve



### Johor Specialist Hospital

- 1997 - 2002 - ISO 9002:1994
- 2003 - ISO 9001:2000

### Puteri Specialist Hospital

- 1998 - 2002 - MS ISO 9002:1994
- 2003 - MS ISO 9001:2000

### Tawakal Hospital

- 1998 - 2002 - MS ISO 9002:1994.
- 2003 - MS ISO 9001:2000
- Anugerah Kualiti Perdana Menteri

### Ampang Puteri Specialist Hospital

- 1996 - 2002 - MS ISO 9002:1994
- 2003 - MS ISO 9001:2000
- 2000 - 2003 - Accreditation Award
- 2003 - 2006 - Accreditation Award (2nd term)
- 2002 - Asian Hospital Management Award - Human Resource
- 2003 - Asian Hospital Management Award - PR Marketing

### Damansara Specialist Hospital

- 1998 - 2002 - MS ISO 9002:1994
- 2003 - MS ISO 9001:2000



# Quality Achievements

## Kecemerlangan Dalam Program Kualiti

# Achievements

### Ipoh Specialist Hospital

- 1997 - 2001 - MS ISO 9002:1994
- 2002 - MS ISO 9001:2000
- 2002 - OHSAS 18001
- 2003 - OHSAS 18001 (2nd term)
- 1999 - Quality Management (Excellence Award)
- 2000 - Enterprise 50 (47th Position)
- 2002 - Enterprise 50 (17th Position)

### Kedah Medical Centre

- 1999 - 2002 - MS ISO 9002:1994
- 2003 - MS ISO 9001:2000

### Kuantan Specialist Hospital

- 1999 - 2002 - MS ISO 9002:1994
- 2003 - MS ISO 9001:2000

### Bukit Mertajam Specialist Hospital

- 2003 - 2nd Best Outpatient Dispensing Time among KPJ Hospital (Award of Excellence)
- Tempat Ketiga Pertandingan Program Kitar Semula Peringkat Komuniti Kerajaan Negeri Pulau Pinang
- Sijil Penghargaan untuk Program Pendermaan Darah Dari Rangkaian Hospital Seberang Perai



## Human Capital Management Pembangunan Tenaga Insan

# "Strength" for Strength. The Rhythm to "teamwork" Chorus No Bound"

"KEKUATAN" demi kekuatan.  
Nadi kerja "BERPASUKAN" Tiada batasan"

In the healthcare industry, people are the critical link between patients and care givers. In line with the five (5) corporate Core Values: Safety, Continuous Improvement, Courtesy, Teamwork and Professionalism, which are well internalized by the care givers. KPJ Healthcare continuously focus on human capital development through various training programs and thus promoting group synergy and cohesiveness within its workforce.

New initiatives implemented in 2003 focused on content management, improvement to the facilities and systems available for learning and training, integration of several hospitals Resources and Services the hospital information system as well as the performance measurement system.

Corporate events such as the Annual and Mid-Year Corporate Addresses, at both Group and Hospital levels, keeps all the staff informed on the achievement of the Group as well as the direction for the future. An open forum is organized to enable the staff to a dialogue with the Chairman and Managing Director on any concern issues.

KPJ Healthcare continued to enhance the current human resource policies and practises, in particular sharper focus on performance measurement and staff efficiency.

KPJ Healthcare investment in staff training amounted to RM4.4 million for year 2003. An increase of 67% compared to 2002.



*Dalam industri prisihat, anggota pekerja ialah "penghubung" antara pesakit dan pemberi kesihatan. Selaras dengan lima (5) nilai asas KPJ Healthcare iaitu Keselamatan, Pembaikan Berterusan, Budi Pekerti, Kerja Berpasukan dan Profesionalisma, KPJ Healthcare sentiasa memberi tumpuan terhadap pembangunan tenaga insan menerusi pelbagai latihan serta memupuk semangat kerjasama diantara anggota pekerja.*

*Pelbagai inisiatif baru dilaksanakan dalam tahun 2003 yang memberi tumpuan kepada pengurusan kandungan, memperbaiki kemudahan serta sistem bertujuan untuk pembelajaran dan latihan, integrasi sumber dan perkhidmatan serta sistem maklumat bagi beberapa buah hospital, serta sistem pengukuran prestasi.*

*Aktiviti korporat seperti Perhimpunan Tahunan dan Pertengahan Tahun, di peringkat Kumpulan dan juga hospital diadakan bagi menentukan penyampaian maklumat tentang pencapaian Kumpulan serta arahnya masa depan. Forum dialog terbuka diadakan untuk interaksi dengan Pengerusi dan Pengarah Urusan bagi sebarang isu.*

*KPJ Healthcare sentiasa mempertingkatkan polisi serta praktis tenaga insan yang sedia ada dengan memberi tumpuan terhadap pengukuran prestasi dan kecekapan anggota pekerja.*

*KPJ Healthcare telah melabur sebanyak RM4.4 juta bagi melatih anggota pekerja dalam tahun 2003, 67% lebih tinggi dari jumlah yang dilaburkan dalam tahun 2002.*



The Group also organized Convention and conference for its shareholders, Medical Consultants and staffs such as KPJ 10th Annual General Meeting which was held at Puteri Pan Pacific Hotel on 26 May 2003.

Especially for their significant staff members i.e. the nurses the Group organized the 5th KPJ Healthcare National Nursing Convention which was held at Flamingo Hotel in July 2003. About 300 nurses from all hospitals within the Group attended the yearly Conference, with the objective of sharing experience as well gaining new knowledge from local and foreign speakers.

The 3rd National KPJ Healthcare Medical Conference was held at Marriott Putrajaya Hotel in August 2003. Participated by more than 200 medical consultants, allied health members and management of the Group, the Conference is a platform of both business and social and networking sessions amongst consultants and staff.

On a lighter side, KPJ Healthcare hosted the 6th KPJ Sports Carnival. Bank Pertanian Malaysia Sports Complex, Bangi was the venue for the event, which was held in September 2003 and participated by more than 450 staff from all over Malaysia. The South team comprising of JSH, PSH and Penawar was the overall champion team.

In closing the most eventful year and to thank the staff, KPJ Healthcare and the Klang Valley Hospitals and companies held a joyous and fun-filled Family Day at Desa Waterpark on 21 December 2003. After a full year of hard work, the staff had great fun amongst themselves as well as their families.



*Kumpulan turut menganjurkan pelbagai acara seperti konvensyen dan seminar untuk pemegang saham, pakar perubatan dan anggota pekerja seperti Mesyuarat Agung Tahunan Ke 10 yang telah diadakan di Hotel Puteri Pan Pacific pada 26 Mei 2003.*

*Khusus untuk kumpulan anggota pekerja teramai, iaitu jururawat, Kumpulan telah menganjurkan Konvensyen Jururawat KPJ Healthcare ke 5 di Hotel Flamingo pada bulan Julai 2003. Seramai 300 orang jururawat wakil dari kesemua hospital dalam Kumpulan telah hadir pada konvensyen tahunan, dengan objektif utama untuk berkongsi pengalaman serta mempelajari pengetahuan baru dari penceramah dalam dan luar negara.*

*Persidangan Perubatan Kebangsaan KPJ Healthcare Ke 3 telah diadakan di Hotel Marriott Putrajaya pada bulan Ogos 2003. Lebih 200 orang pakar perubatan, ahli kesihatan allied dan pihak pengurusan Kumpulan telah hadir pada persidangan itu. Persidangan tersebut sebagai satu peluang untuk berinteraksi antara semua yang hadir bagi tujuan bisnes dan sosial.*

*KPJ Healthcare turut menganjurkan Karnival Sukan KPJ di Kompleks Sukan Bank Pertanian Malaysia di Bangi pada bulan September 2003. Seramai lebih 450 orang anggota pekerja dari seluruh Malaysia turut mengambil bahagian dalam acara sukan tersebut. Pasukan yang mewakili kawasan Selatan yang terdiri dari JSH, PSH dan Penawar telah menjadi juara keseluruhan.*

*Bagi menutup tirai tahun lalu, KPJ Healthcare dan hospital-hospital dan syarikat-syarikat di Lembah Kelang telah menjayakan Hari Keluarga di Taman Air Desa pada 21 Disember 2003. Setelah berpenat lelah, kesemua anggota pekerja yang hadir bersuka ria bersama-sama berserta ahli keluarga mereka.*



## Community Outreach/Charity Programs Program Kemasyarakatan

# WeCareforYou

## Kami Prihatin Terhadap Anda

Fostering better relationship between Corporate and Community is vital in ensuring the Group's existence and purpose. As a caring corporate citizen, KPJ Healthcare facilitates and encourages public at large to participate together in serving the community.

*Menggalakkan perhubungan baik antara pihak Korporat dan Masyarakat penting dalam menentukan kewujudan serta sebab Kumpulan. Sebagai sebuah syarikat korporat yang prihatin, KPJ Healthcare menggalakkan serta menyediakan peluang untuk masyarakat untuk terlibat bersama-sama dalam memberikan perkhidmatan kepada masyarakat.*



The dengue outbreak, which incapacitated the country in early part of the year, called for KPJ Healthcare to educate the public more on the prevention of the disease. The Group Nationwide Anti-Dengue Campaign was launched together with the Resident Association at Kg Kuala Ampang on 16 February 2003. Simultaneously, other anti-dengue campaigns were held at KPJ Healthcare's hospitals nationwide throughout the month of February till April 2003.

*KPJ Healthcare telah memberikan pendidikan kesihatan yang lebih terutama dari segi pencegahan penyakit kepada masyarakat dalam usaha untuk menangani wabak denggi yang telah melanda negara awal tahun ini. Kempen Anti-Denggi peringkat Kumpulan telah dirasmikan bersama-sama dengan Persatuan Penduduk Kg Kuala Ampang pada 16 Februari 2003. Dimasa yang sama kempen anti denggi turut diadakan di kesemua hospital KPJ Healthcare di seluruh negara dari Februari sehingga April 2003.*



KPJ Healthcare was once again challenged with the corporate responsibility to assist the Ministry of Health and the Government of Malaysia to educate the public on the sudden first time emergence of Severe Acute Respiratory Syndrome. KPJ Healthcare's hospitals aggressively worked closely with MoH in SARS Awareness Campaigns held nationwide in public centres such as shopping complexes and other public area.

*KPJ Healthcare telah sekali lagi terpanggil untuk menjalankan tanggungjawab korporatnya dan membantu Kementerian Kesihatan dan Kerajaan Malaysia memberikan kesedaran kepada masyarakat apabila Sindrom Pernafasan Akut muncul buat pertama kalinya. Hospital-hospital KPJ Healthcare giat bekerja dengan Kementerian Kesihatan dalam Kempen Kesedaran SARS yang dijalankan diseluruh negara di tempat-tempat awam seperti kompleks membeli-belah.*



Meanwhile, KPJ Healthcare also plays its part in assisting the Blood Bank keep optimum level of blood supply. Blood donation drives were widely organised from time to time either together with a health awareness campaign or on its own, at various locations including schools, corporate clients premise as well as high traffic public areas. KPJ Healthcare is glad with the response from the caring Malaysian citizen who will always come forward to participate in this noble cause of helping to save life.

*KPJ Healthcare turut membantu Tabung Darah untuk menyediakan darah di tahap optimum. Kempen derma darah diadakan diseluruh negara dari masa ke semasa, samada beserta dengan kempen kesedaran kesihatan maupun dengan sendirinya dipelbagai lokasi termasuk sekolah, premis pelanggan korporat dan juga tempat awam.*

KPJ Healthcare through its hospitals organized and participated in various kinds of health education programs for all ages. During these health campaigns, health talks on various topics, exhibitions on related diseases and healthy lifestyles, health screening, healthy cooking demonstration were held to enhance the public awareness and knowledge on the importance of healthy living and self healthcare management.

*KPJ Healthcare menerusi hospital-hospitalnya turut terlibat dalam pelbagai program pendidikan untuk pelbagai peringkat. Semasa kempen-kempen ini, taklimat kesihatan bagi pelbagai topik, pameran pelbagai penyakit serta gaya hidup sihat, saringan kesihatan, demonstrasi masakan sihat turut diadakan untuk mempertingkatkan kesedaran dan pengetahuan terhadap kepentingan gaya hidup sihat dan pengurusan kesihatan sendiri.*



Young and old, KPJ Healthcare cares for all. The Group all over Malaysia continues to reach and visit the Old Folks Homes in the community where it serves.

*Tua dan muda, semuanya menjadi tumpuan penjagaan KPJ Healthcare. Kumpulan KPJ Healthcare di seluruh Malaysia sentiasa menjangkau dan membuat lawatan ke Rumah Orang Tua di sekitar kawasan dimana hospital KPJ berada.*



Promoting health through sports is the best way especially to the younger generations. KPJ Healthcare's hospitals participated in the Street Soccer competition organized during a nationwide tour of TV3's "Karnival Sure Heboh".

*Mempromosikan kesihatan melalui sukan adalah cara terbaik terutama bagi generasi muda. Hospital-hospital KPJ Healthcare telah terlibat dalam pertandingan Futsal yang diadakan semasa program Karnival Sure Heboh TV3 di seluruh negara.*

# Health Talks to the Community by KPJ Healthcare Medical Consultants 2003

Ceramah Kesihatan 2003 kepada Masyarakat oleh Pakar Perubatan KPJ Healthcare

TOPIC TAJUK	CONSULTANTS PAKAR PERUBATAN	DISCIPLINE DISIPLIN	HOSPITALS HOSPITAL	MONTH BULAN
Memory Failure... Is it Alzheimer's?	Dr Zakaria A Kadir	Neurology	ISH	Jan
Update on Cancer Treatment	Dr Ahmad Radzi Badruddin	Oncology	JSH	Jan
Arthritis & Knee Pain	Dr Roslan G Simanjuntak	Orthopaedic	Tawakal	Jan
Perkembangan Kanak-kanak	Dr Abd Razif Abd Razak	Paediatric	KMC	Feb
Kanser Pada Genitalia Wanita	Dr Kamaruzaman Ali	O & G	KMC	Feb
Breast Cancer	Dr David Khoo Sin Keat	Cardiac Surgery	ISH	Feb
Care in Pregnancy	Dr Noor Aini Hj Sa'ari	O & G	PSH	Feb
Heart Disease & Its Prevention	Dr Tan Kien	Cardiology	KSH	Mac
Dengue Fever	Dr Noor Hisham Mansor	Internal Medicine	Tawakal	Mac
Danger of Dengue Fever	Dr Mat Riffin Jusoh	Internal Medicine	APSH	Mac
Update on Prostate Cancer	Dr Tong How Seong	Urology	JSH	Mac
Healthy & Smart Students	Dr Chua May Wah	Paediatric	KMC	Mac
Jantung & Anda	Dr Ismail Yaacob	Internal Medicine	KMC	Mac
Diabetis & Darah Tinggi	Dato' Dr Amin M Sani	Cardiology	KMC	Mac
Perkembangan Remaja	Dr Chua May Wah	Paediatric	KMC	Mac
Understanding Hepatitis	Dr Mohamad Nazim Dato' Hj Mohd Salleh	Internal Medicine & Gastroenterology	DSH	Mac
Mengubati Resdung	Dr Mohamad bin Hamzah	ENT	Perdana	Mac
Penyakit Hati & Viral Hepatitis	Dr Rosemi bin Salleh	Gastroenterology	Perdana	Mac
SARS	Dr Ismail Yaacob	Internal Medicine	KMC	April
Wanita & Kanser Serviks	Dr Thoka Muhammad	O & G	Penawar	April
Backache & Body Posture	Dr Ruslan G Simanjuntak	Orthopaedic	Tawakal	April
Arthritis & Obesity	Dr Abd Malik Mohd Hussein	Orthopaedic	DSH (April)	April
Arthritis	Dr Syed Abdul Latif Alsagoff	Orthopaedic	APSH	June
Overview on SARS	Dr Noor Hisham Mansor	Internal Medicine	Tawakal	June
Jantung & Anda	Dato' Dr Amin M Sani	Cardiology	KMC	June
Kanser Payu Dara	Mr Muhammad Abdullah	Surgery	KMC	June
Asthma Control	Dr Zainuddin Md Zin	Internal Medicine	DSH	July
What is IVF?	Dr Maziah Ahmad Mahidin & Dr Jaafar Ali	O & G	DSH	July
Cancer & Peptides Formula	Dr Gucharan Singh Khera	Oncology	DSH	July
'A New World of COPD Relief is about to open up – Spiriva'.	Dr Wan Nik Ahmad Mustafa	Anaesthesiology	DSH	July
'Stress Urinary Incontinence: The Need for Proper Evaluation'	Dr Kamil Noordin	Urology	DSH	July
'Assisted Reproductive Techniques – The Past, Present and Future'	Dr Maziah Ahmad Mahidin	O & G	DSH	July
High Blood Pressure	Dr Nik Noor Azmi Mohd Yunus	Internal Medicine	Perdana	July
Issues on Ophthalmology	Dr Abdul Mutalib Othman	Ophthalmology	Perdana	July
Contact Lens on the Eyes	Dr Noraini Nador	Ophthalmology	DSH	Aug
An Audit on ERCP	Dr Mohamad Nazim Dato' Hj Mohd Salleh	Internal Medicine & Gastroenterology	DSH	Aug
Low Back Pain Management	Mr Ibrahim Mokti	Orthopaedic	Penawar	Aug
Period Pain	Dr Zanariah Jaafar	O & G	Perdana	Aug
Breast Cancer	Dr A Zahari Zakaria	Surgery	Perdana	Aug
Muscular Skeletal Problem	Dr Zainuddin Mohd Shah	Orthopaedic	KSH	Aug
Living with Diabetes	Dr Sh Sakinah Sh Othman	Internal Medicine	APSH	Sept
Cardiovascular Health and Disease in Women	Dr Thiru Vavookarasu	Cardiology	APSH	Sept
"Two or One"	Dr Ibtisan Ibrahim	Anaesthesiology	DSH	Sept
Dialysis in ICU : from IHD to CVVHVH	Dr Jayabalan Velayutham	Nephrology	DSH	Sept
Baby Friendly Hospital Initiative	Dr Musa Noordin	Paediatric	DSH	Sept
Heart Disease	Dr Mah Hang Soon	Cardiology	ISH	Sept
Heart Surgery	Dr David Khoo Sin Keat	Cardiac Surgery	ISH	Sept
Women's Reproductive Cancer	Dr Kamaruzzaman Ali	O & G	KMC	Sept
TB Disease	Dr Ismail Yaacob	Internal Medicine	KMC	Sept
Women & Cancer	Dr Suraya Arshad	O & G	KSH	Oct

# Financial Statements

## Penyata Kewangan

Directors' Report	74 - 79	<i>Laporan Pengarah</i>
Statement by Directors	80	<i>Kenyataan oleh Pengarah-pengarah</i>
Statutory Declaration	80	<i>Akuan Berkanun</i>
Report of the Auditors	81	<i>Laporan Juruaudit</i>
Income Statements	82	<i>Penyata Pendapatan</i>
Balance Sheets	83	<i>Lembaran Imbangan</i>
Consolidated Statement of Changes in Equity	84 - 85	<i>Penyata Perubahan Ekuiti yang Disatukan</i>
Company Statement of Changes In Equity	86	<i>Penyata Perubahan Ekuiti Syarikat</i>
Cash Flow Statements	87 - 88	<i>Penyata Aliran Tunai</i>
Notes to the Financial Statements	89 - 134	<i>Nota-nota kepada Penyata Kewangan</i>

# Directors' Report

## Laporan Pengarah

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2003.

*Para Pengarah dengan sukacitanya membentangkan Laporan Tahunan mereka bersama-sama Penyata Kewangan Kumpulan dan Syarikat yang telah diaudit bagi tahun berakhir 31 Disember 2003.*

### PRINCIPAL ACTIVITIES/AKTIVITI-AKTIVITI UTAMA

The principal activities of the Company are investment holding and provision of management services to subsidiary companies. The principal activities of the subsidiary companies in the Group are described in Note 13 to the financial statements.

There was no significant change in the nature of these activities during the financial year ended 31 December 2003. During the financial year the results of the newly restructured group was reported for a full year as compared to only two months, in previous financial year.

*Aktiviti-aktiviti utama syarikat adalah syarikat pelaburan induk dan peruntukan khidmat pengurusan bagi syarikat-syarikat subsidiari. Aktiviti-aktiviti utama syarikat-syarikat subsidiari adalah seperti yang ditunjukkan di dalam Nota 13 penyata kewangan ini.*

*Tiada perubahan ketara dalam aktiviti -aktiviti syarikat di sepanjang tahun kewangan 31 Disember 2003. Sepanjang tahun kewangan semasa, keputusan kewangan struktur baru Kumpulan dilaporkan berdasarkan keputusan kewangan sepanjang tahun, berbanding dengan hanya dua bulan dalam tahun kewangan sebelumnya.*

### FINANCIAL RESULTS/KEPUTUSAN KEWANGAN

	Group/ Kumpulan RM'000	Company/ Syarikat RM'000
Profit from ordinary activities after tax/ <i>Keuntungan daripada aktiviti biasa selepas cukai</i>	27,833	8,690
Minority interest/ <i>Kepentingan minoriti</i>	1,210	0
Net profit attributable to shareholders/ <i>Keuntungan yang boleh diagihkan kepada pemegang saham</i>	29,043	8,690

### DIVIDENDS/DIVIDEN

The dividends paid by the Company since 31 December 2002 were as follows:

*Dividen yang dibayar oleh Syarikat sejak 31 Disember 2002 adalah seperti berikut:*

	RM'000
In respect of the financial year ended 31 December 2002, as shown in the Directors' report of that year: <i>Bagi tahun kewangan berakhir 31 Disember 2002, seperti yang dilaporkan di dalam Laporan Pengarah pada tahun tersebut:</i>	
Interim gross dividend of 5 sen per share on 191,384,615 ordinary shares, tax exempt, paid on 17 March 2003 <i>Dividen interim kasar sebanyak 5 sen sesaham di atas 191,384,615 saham biasa, dikecualikan cukai, dibayar pada 17 Mac 2003</i>	9,569

In respect of the financial year ended 31 December 2003, the Directors now recommend the payment of an interim gross dividend of 6 sen per share on 200,984,615 ordinary shares, less 28% tax, amounting to RM8,682,535 paid on 27 February 2004.

*Bagi tahun kewangan berakhir 31 Disember 2003, para Pengarah mencadangkan pembayaran dividen interim kasar sebanyak 6 sen sesaham atas 200,984,615 saham biasa, ditolak 28% cukai, berjumlah RM8,682,535 dibayar pada 27 Februari 2004.*

# Directors' Report

## Laporan Pengarah

### RESERVES AND PROVISIONS/RIZAB DAN PERUNTUKAN

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

*Semua pemindahan-pemindahan material yang telah dilakukan kepada atau daripada akaun rizab dan peruntukan dalam tahun ini telah dinyatakan dalam penyata kewangan.*

### ISSUE OF SHARES/TERBITAN SAHAM

On 7 August 2003, the Company completed a non-renounceable restricted issue of 9,600,000 new ordinary shares of RM1.00 each for cash at an issue price of RM1.10 each to selected medical specialists of the Group. Kuala Lumpur Stock Exchange has granted the listing and quotation of the 9,600,000 ordinary shares issued pursuant to this restricted issue on 18 August 2003.

The newly issued ordinary shares rank pari passu in all respects with the existing issued ordinary shares of the Company.

*Pada 7 Ogos 2003, Syarikat telah berjaya menyempurnakan terbitan terhad yang tidak mempunyai pelepasan sebanyak 9,600,000 saham baru biasa bernilai RM1.00 sesaham secara tunai pada harga terbitan RM1.10 sesaham dibuat kepada pakar perubatan terpilih di dalam Kumpulan. Bursa Saham Kuala Lumpur telah meluluskan penyenaian dan sebutharga untuk penerbitan 9,600,000 saham biasa selaras dengan terbitan terhad ini yang dibuat pada 18 Ogos 2003.*

*Terbitan baru saham-saham biasa bertaraf pari passu dengan terbitan saham-saham biasa Syarikat yang sedia ada.*

### DIRECTORS/PENGARAH-PENGARAH

The Directors who have held office during the financial year since the date of the last report are as follows:

*Para Pengarah yang memegang jawatan di sepanjang tahun kewangan semenjak tarikh laporan yang lalu ialah:*

Tan Sri Dato' Muhammad Ali bin Hashim (**Chairman/Pengerusi**)

Datin Paduka Siti Sa'diah Sh Bakir (**Managing Director/Pengarah Urusan**)

Tan Sri Datuk Arshad bin Ayub

Tan Sri Dato' Dr Abu Bakar bin Suleiman

Datuk Dr Hussein bin Awang

Dato' Dr Kanagasabai Kulaveerasingam

Dato' Dr Lim Kee Jin

Dr Chakr Sri Na Nagara

Zainah bte Mustafa

Azzat bin Kamaludin

Jamaludin bin Md. Ali

(Alternate Director to Tan Sri Dato' Muhammad Ali bin Hashim/Pengarah gantian kepada Tan Sri Dato' Muhammad Ali bin Hashim)

In accordance with Article 96 of the Company's Articles of Association, Tan Sri Dato' Dr Abu Bakar bin Suleiman and Datuk Dr Hussein bin Awang retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Section 129 of the Companies Act, 1965, Tan Sri Datuk Arshad bin Ayub, Dato' Dr Lim Kee Jin and Dato' Dr Kanagasabai Kulaveerasingam retire, and being eligible, offer themselves for re-election.

*Tan Sri Dato' Dr Abu Bakar bin Suleiman dan Datuk Dr Hussein bin Awang bersara menurut Artikel 96 Tataurusu Syarikat, pada Mesyuarat Agung Tahunan yang akan datang, dan oleh kerana layak, menawarkan diri mereka untuk dilantik semula.*

*Tan Sri Datuk Arshad bin Ayub, Dato' Dr Lim Kee Jin dan Dato' Dr Kanagasabai Kulaveerasingam bersara menurut Seksyen 129 Akta Syarikat 1965, dan oleh kerana layak, menawarkan diri mereka untuk dilantik semula.*

### DIRECTORS' BENEFITS/GANJARAN LEMBAGA PENGARAH

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 7 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 he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from the Company's holding corporation.

*Sepanjang dan pada akhir tahun kewangan ini, tiada sebarang urusan yang melibatkan Syarikat bagi tujuan atau dengan tujuan-tujuan membolehkan para Pengarah Syarikat mendapat ganjaran melalui pemilikan saham atau debentur di dalam Syarikat atau di dalam badan-badan korporat lain.*

*Semenjak akhir tahun kewangan yang lalu, tiada Pengarah yang menerima atau berhak untuk menerima ganjaran (selain dari bayaran pengarah yang dinyatakan di Nota 7 kepada Penyata Kewangan) disebabkan dari perjanjian yang dibuat oleh Syarikat atau Perbadanan yang berkaitan dengan Pengarah atau dengan sebuah firma di mana Pengarah menjadi ahli atau dengan sebuah syarikat di mana Pengarah mempunyai kepentingan kewangan yang besar kecuali sesetengah Pengarah menerima bayaran pendapatan daripada perbadanan induk syarikat.*

# Directors' Report

## Laporan Pengarah

### DIRECTORS' INTERESTS IN SHARES/KEPENTINGAN LEMBAGA PENGARAH DALAM PEGANGAN SAHAM

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in the shares in the Company or its related corporations are as follows:

*Menurut daftar Pegangan Saham Pengarah-pengarah, kepentingan para Pengarah yang memegang jawatan pada akhir tahun kewangan di dalam saham Syarikat atau Perbadanan-perbadanan berkaitan adalah seperti berikut:*

	Number of ordinary shares of RM1 each <i>Jumlah saham-saham biasa RM1 tiap-tiap satu</i>			
	At/Pada 1.1.2003	Bought <i>Belian</i>	Sold <i>Jualan</i>	At/Pada 31.12.2003
<b>KPJ Healthcare Berhad:</b>				
Tan Sri Dato' Muhammad Ali bin Hashim				
- direct/ <i>pegangan langsung</i>	48,000	0	0	48,000
- indirect/ <i>pegangan tidak langsung</i>	12,000	0	0	12,000
Tan Sri Datuk Arshad bin Ayub				
- direct/ <i>pegangan langsung</i>	386,000	0	0	386,000
- indirect/ <i>pegangan tidak langsung</i>	733,000	0	0	733,000
Datin Paduka Siti Sa'diah Sh Bakir				
- direct/ <i>pegangan langsung</i>	50,000	0	0	50,000
- indirect/ <i>pegangan tidak langsung</i>	5,000	0	0	5,000
Dato' Dr Kanagasabai Kulaveerasingam	68,250	40,000	0	108,250
Dato' Dr Lim Kee Jin				
- indirect/ <i>pegangan tidak langsung</i>	351,844	0	0	351,844
Dr Chakr Sri Na Nagara				
- direct/ <i>pegangan langsung</i>	0	40,000	0	40,000
- indirect/ <i>pegangan tidak langsung</i>	16,000	0	(6,000)	10,000
Azzat bin Kamaludin	20,000	0	0	20,000
<b>Related Corporations:/ <i>Perbadanan yang Berkaitan:</i></b>				
<b>Damansara Realty Berhad</b>				
Tan Sri Datuk Arshad bin Ayub				
- indirect/ <i>pegangan tidak langsung</i>	1,000,000	0	(1,000,000)	0
<b>Johor Land Berhad</b>				
Tan Sri Datuk Arshad bin Ayub				
- direct/ <i>pegangan langsung</i>	49,000	0	0	49,000
- indirect/ <i>pegangan tidak langsung</i>	273,000	0	0	273,000
Dr Chakr Sri Na Nagara				
- indirect/ <i>pegangan tidak langsung</i>	1,000	0	0	1,000
<b>Sindora Berhad</b>				
Tan Sri Dato' Muhammad Ali bin Hashim				
- direct/ <i>pegangan langsung</i>	20,000	20,000	0	40,000
Tan Sri Datuk Arshad bin Ayub				
- direct/ <i>pegangan langsung</i>	225,000	0	0	225,000
- indirect/ <i>pegangan tidak langsung</i>	677,000	0	0	677,000
Datin Paduka Siti Sa'diah Sh Bakir				
- indirect/ <i>pegangan tidak langsung</i>	1,000	0	0	1,000

# Directors' Report

## Laporan Pengarah

### DIRECTORS' INTERESTS IN SHARES (cond't)/KEPENTINGAN LEMBAGA PENGARAH DALAM PEGANGAN SAHAM (samb.)

	Number of ordinary shares of RM0.50 each <i>Jumlah saham-saham biasa RM0.50 tiap-tiap satu</i>			
	At/Pada 1.1.2003	Bought <i>Belian</i>	Sold <i>Jualan</i>	At/Pada 31.12.2003
<b>Kulim (Malaysia) Berhad</b>				
Tan Sri Dato' Muhammad Ali bin Hashim				
- direct/ <i>pegangan langsung</i>	174,000	34,000	0	208,000
- indirect/ <i>pegangan tidak langsung</i>	12,000	0	0	12,000
Tan Sri Datuk Arshad bin Ayub				
- direct/ <i>pegangan langsung</i>	695,000	0	0	695,000
- indirect/ <i>pegangan tidak langsung</i>	1,100,800	0	0	1,100,800
Dr Chakr Sri Na Nagara				
- direct/ <i>pegangan langsung</i>	5,000	0	0	5,000
- indirect/ <i>pegangan tidak langsung</i>	6,000	0	(5,000)	1,000

	Number of warrants <i>Bilangan waran</i>			
	At/Pada 1.1.2003	Bought <i>Belian</i>	Sold <i>Jualan</i>	At/Pada 31.12.2003
<b>Kulim (Malaysia) Berhad</b>				
Tan Sri Datuk Arshad bin Ayub				
- direct/ <i>pegangan langsung</i>	19,000	0	(19,000)	0
- indirect/ <i>pegangan tidak langsung</i>	400	0	(400)	0

None of the other Directors held any interest in shares in the Company or its related corporations during the financial year. No Directors held any interest in debentures of the Company and its related corporations during the financial year.

*Tiada Pengarah lain yang mempunyai sebarang kepentingan dalam saham biasa syarikat atau sebarang perbadanan berkaitan sepanjang tahun kewangan. Tiada Pengarah yang mempunyai sebarang kepentingan dalam debentur Syarikat atau sebarang perbadanan yang berkaitan sepanjang tahun kewangan.*

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS / MAKLUMAT BERKANUN DI ATAS PENYATA KEWANGAN

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability 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 Group and the Company to meet their obligations when they fall due.

# Directors' Report

## Laporan Pengarah

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)/ MAKLUMAT BERKANUN DI ATAS PENYATA KEWANGAN (SAMB.)

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

*Sebelum Penyata Pendapatan dan Lembaran Imbangan ini disediakan, para Pengarah telah mengambil langkah-langkah wajar:*

- (a) *memastikan tindakan-tindakan sewajarnya telah diambil dalam pelupusan hutang lapuk dan dalam membuat peruntukan hutang ragu dan berpuas hati bahawa semua hutang lapuk yang diketahui telah dilupuskan dan bahawa peruntukan yang cukup telah diperuntukkan untuk hutang-hutang ragu; dan*
- (b) *memastikan sebarang aset semasa, melainkan hutang, yang tidak mungkin mencapai nilainya, dalam urusan biasa perniagaan seperti yang dinyatakan dalam rekod-rekod perakaunan Kumpulan dan Syarikat telah dikurangkan nilainya kepada nilai yang dijangka boleh diperolehi.*

*Pada tarikh laporan ini, para Pengarah tidak mengetahui sebarang keadaan:*

- (a) *yang boleh menjadikan jumlah dilupuskan untuk hutang lapuk yang dilupuskan atau jumlah yang diperuntukkan untuk hutang ragu di dalam penyata kewangan Kumpulan dan Syarikat tidak mencukupi dengan perbezaan yang besar; atau*
- (b) *yang boleh menjadikan nilai yang diberikan ke atas harta-harta atau tanggungan Kumpulan dan Syarikat mengelirukan; atau*
- (c) *yang telah timbul yang menjadikan penetapan kepada cara menilai harta-harta atau tanggungan Kumpulan dan Syarikat mengelirukan atau tidak sesuai.*

*Tiada tanggungan luarjangka atau lain-lain tanggungan telah dikuatkuasakan atau berkemungkinan dikuatkuasakan dalam tempoh dua belas bulan selepas dari tarikh akhir tahun kewangan di mana pada pendapat para Pengarah akan atau mungkin menjejaskan keupayaan Kumpulan atau Syarikat untuk memikul tanggungjawabnya apabila ia timbul.*

*Pada tarikh laporan ini, tidak terdapat:*

- (a) *sebarang pegangan ke atas harta-harta Kumpulan dan Syarikat yang timbul semenjak akhir tahun kewangan yang menjadi sandaran kepada tanggungan pihak-pihak lain; atau*
- (b) *sebarang tanggungan luarjangka yang timbul selepas akhir tahun kewangan yang melibatkan Kumpulan atau Syarikat.*

*Pada tarikh laporan ini, para Pengarah tidak menyedari sebarang keadaan yang tidak dilitupi di dalam laporan ini atau penyata kewangan yang mungkin menyebabkan sebarang jumlah yang dinyatakan di dalam penyata kewangan mengelirukan.*

*Pada pendapat para Pengarah:*

- (a) *keputusan operasi Kumpulan dan Syarikat untuk tahun kewangan tidak terjejas dengan ketara oleh sebarang perkara, urusan atau kejadian yang material dan luarbiasa; dan*
- (b) *tiada kebangkit di dalam tempoh di antara akhir tahun kewangan dan tarikh laporan ini, sebarang perkara urusan atau kejadian yang material dan luarbiasa yang boleh menjejaskan keputusan operasi Kumpulan dan Syarikat bagi tahun kewangan di mana laporan dibuat.*

# Directors' Report

## Laporan Pengarah

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)/ MAKLUMAT BERKANUN DI ATAS PENYATA KEWANGAN (SAMB.)

#### HOLDING CORPORATION/*PERBADANAN INDUK*

The Company's holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995).

*Para Pengarah berangapan Johor Corporation, sebuah perbadanan yang ditubuhkan di bawah Enakmen Johor Corporation (No. 4, 1968), (Pindaan Enakmen No. 5 1995), sebagai Perbadanan Induk Muktamad.*

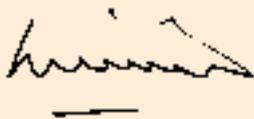
#### AUDITORS/*JURUAUDIT*

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

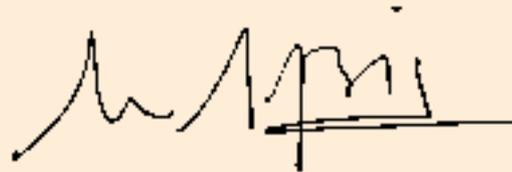
*Juruaudit PricewaterhouseCoopers telah menyatakan kesanggupan mereka untuk meneruskan perkhidmatan.*

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 February 2004

*Bagi pihak Lembaga Pengarah mengikut resolusi bertarikh 28 Februari 2004*



TAN SRI DATO' MUHAMMAD ALI BIN HASHIM  
Chairman / *Pengerusi*



DATIN PADUKA SITI SA'DIAH SH BAKIR  
Managing Director / *Pengarah Urusan*

# Statement by Directors and Statutory Declaration

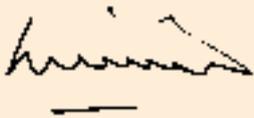
## Kenyataan oleh Pengarah-pengarah dan Akaun Berkanun

### STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 KENYATAAN OLEH PENGARAH-PENGARAH MENGIKUT SEKSYEN 169(15) AKTA SYARIKAT, 1965

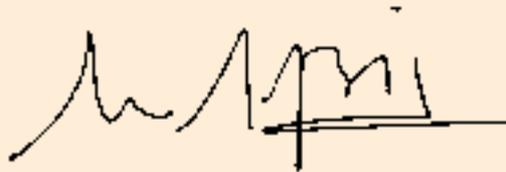
We, Tan Sri Dato' Muhammad Ali bin Hashim and Datin Paduka Siti Sa'diah Sh Bakir, two of the Directors of KPJ Healthcare Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 82 to 134 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2003 and of the results and the cash flows of the Group and the Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

*Kami, Tan Sri Dato' Muhammad Ali bin Hashim dan Datin Paduka Siti Sa'diah Sh Bakir, dua dari pengarah-pengarah KPJ Healthcare Berhad, menyatakan bahawa pada pendapat para Pengarah, penyata kewangan yang dibentangkan dalam mukasurat 82 hingga 134 telah disediakan untuk memberi pandangan yang benar dan saksama ke atas hal ehwal Kumpulan dan Syarikat pada 31 Disember 2003 dan ke atas keputusan Kumpulan dan Syarikat serta aliran tunai Kumpulan dan Syarikat bagi tahun yang berakhir pada tarikh tersebut menurut piawaian perakaunan berkenaan yang diluluskan di Malaysia dan peruntukan-peruntukan di dalam Akta Syarikat, 1965.*

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 February 2004  
Bagi pihak Lembaga Pengarah mengikut resolusi bertarikh 28 Februari 2004



TAN SRI DATO' MUHAMMAD ALI BIN HASHIM  
Chairman / *Pengerusi*



DATIN PADUKA SITI SA'DIAH SH BAKIR  
Managing Director / *Pengarah Urusan*

### STATEMENT DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965 KENYATAAN OLEH PENGARAH-PENGARAH MENGIKUT SEKSYEN 169(15) AKTA SYARIKAT, 1965

I, Lee Swee Hee, the Chief Financial Officer primarily responsible for the financial management of KPJ Healthcare Berhad, do solemnly and sincerely declare that the financial statements set out on pages 82 to 134 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.

*Saya, Lee Swee Hee, Ketua Pegawai Kewangan yang terutamanya bertanggungjawab terhadap urusan perakaunan KPJ Healthcare Berhad, dengan sesungguhnya dan dengan tulus ikhlas mengakui bahawa penyata kewangan yang dibentangkan di dalam mukasurat 82 to 134 adalah, mengikut pandangan saya betul, dan saya membuat perakaunan ini dengan ikhlas, dan percaya ia adalah benar, menurut peruntukan Akta Akaun Berkanun, 1960.*



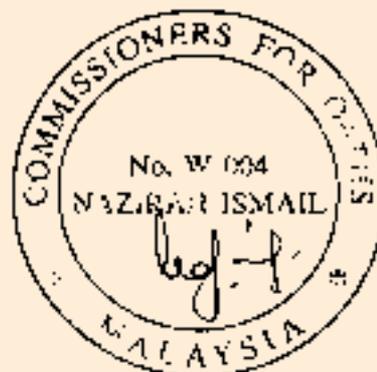
LEE SWEE HEE

Subscribed and solemnly declared by the abovenamed Lee Swee Hee  
*Ditandatangani dan diakui oleh seperti nama di atas Lee Swee Hee*

Kuala Lumpur

28 February 2004/28 Februari 2004

Before me/ *Dihadapan saya*

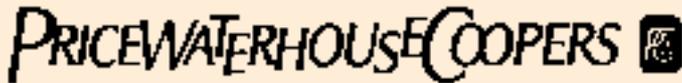


Lot 2.15, 2nd. Floor,  
The Mall, 100 Jalan Putra,  
50000 K. Lumpur.

COMMISSIONER FOR OATHS/PESURUHJAYA SUMPAH

# Report of the Auditors to the Members of KPJ Healthcare Berhad

## Laporan Juruaudit kepada Ahli-ahli KPJ Healthcare Berhad


**PricewaterhouseCoopers**

(AF 1146)

Chartered Accountants, 11th Floor Wisma Sime Darby, Jalan Raja Laut,

P.O. Box 10192, 50706 Kuala Lumpur, Malaysia

Telephone +60 (3) 26931077 Facsimile + 60 (3) 26930997

We have audited the financial statements set out on pages 82 to 134. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (ii) the state of affairs of the Group and Company as at 31 December 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The name of the subsidiary company of which we have not acted as auditors is indicated in Note 13 to the financial statements. We have considered the financial statements of this subsidiary company and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.

*Kami telah mengaudit penyata kewangan yang dibentangkan di mukasurat 82 hingga 134. Penyata kewangan ini adalah di bawah tanggungjawab Pengarah-pengarah Syarikat. Tanggungjawab kami adalah untuk menyatakan pendapat ke atas penyata kewangan berdasarkan audit kami.*

*Kami telah melaksanakan audit kami menurut piawaian-piawaian audit yang diluluskan di Malaysia. Piawaian-piawaian itu memerlukan kami merancang dan melaksanakan audit untuk memperoleh keyakinan dan munasabah sama ada penyata kewangan ini bebas dari salah nyata yang ketara. Audit meliputi pemeriksaan secara ujian, bukti yang menyokong jumlah penyataan di dalam penyata kewangan. Audit juga meliputi penaksiran prinsip-prinsip perakaunan dan anggaran-anggaran penting yang dibuat oleh Pengarah-pengarah serta penilaian ke atas pembentangan penyata kewangan secara keseluruhan. Kami percaya bahawa audit kami asas yang munasabah untuk kami memberi pendapat.*

*Pada pendapat kami:*

*(a) penyata kewangan telah disediakan menurut peruntukan-peruntukan Akta Syarikat, 1965 dan piawaian-piawaian perakaunan berkenaan yang diluluskan di Malaysia untuk memberi gambaran yang benar dan saksama tentang:*

- (i) perkara-perkara yang dikehendaki oleh Seksyen 169 Akta Syarikat 1965 untuk dinyatakan dalam penyata kewangan; dan*
- (ii) kedudukan Kumpulan dan Syarikat pada 31 Disember 2003 dan keputusan Kumpulan dan Syarikat serta aliran tunai Kumpulan dan Syarikat bagi tahun kewangan yang berakhir pada tarikh tersebut;*

*dan*

*(b) rekod perakaunan dan rekod-rekod lain dan daftar-daftar yang dikehendaki oleh Akta simpanan oleh Syarikat dan syarikat-syarikat subsidiari yang diaudit oleh kami telah disimpan dengan sempurna menurut peruntukan-peruntukan Akta tersebut.*

*Nama syarikat subsidiari yang tidak diaudit oleh kami adalah dinyatakan dalam Nota 13 kepada penyata kewangan. Kami telah mempertimbangkan penyata kewangan syarikat subsidiari tersebut dan juga laporan juruaudit mengenainya.*

*Kami berpuashati bahawa penyata kewangan syarikat-syarikat subsidiari yang telah disatukan dengan penyata kewangan Syarikat adalah di dalam bentuk dan kandungan yang bersesuaian dan teratur untuk tujuan penyata kewangan yang disatukan dan kami telah menerima maklumat yang memuaskan dan keterangan-keterangan yang diperlukan untuk tujuan tersebut.*

*Laporan juruaudit ke atas penyata kewangan syarikat-syarikat subsidiari yang telah disatukan tidak dikenakan sebarang pengecualian ketara dan tidak mengandungi sebarang teguran mengikut sub-seksyen 3 seksyen 174 di bawah Akta tersebut.*

PRICEWATERHOUSECOOPERS (No. AF: 1146)  
Chartered Accountants/Akauntan Bertauliah

MOHD DARUIS ZAINUDDIN (No. 969/03/05 (J/PH))  
Partner of the Firm/Rakan dalam Firma  
28 February 2004/28 February 2004

## Income Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Penyata Pendapatan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

	Note/Nota	Group/Kumpulan		Company/Syarikat	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>Revenue/Hasil</b>					
Continuing operations:/Operasi berterusan:					
- existing/sedia ada		509,521	166,826	19,304	14,939
- new acquisitions/pengambilalihan baru		0	55,948	0	0
	6	509,521	222,774	19,304	14,939
Cost of sales/Kos jualan		(389,357)	(162,937)	0	0
Gross profit/Keuntungan kasar		120,164	59,837	19,304	14,939
Other operating income/Lain-lain pendapatan operasi		8,701	4,439	0	0
Administrative expenses/Perbelanjaan pentadbiran		(75,631)	(36,379)	(7,385)	(1,649)
Other operating expenses/Lain-lain perbelanjaan operasi		(2,169)	(1,306)	0	0
Profit from operations/Keuntungan daripada operasi	7	51,065	26,591	11,919	13,290
Finance cost/Kos kewangan	8	(19,924)	(4,302)	0	0
Share of results of associated companies/ Bahagian keuntungan syarikat-syarikat bersekutu		849	36	0	0
<b>Profit from ordinary activities before tax/ Keuntungan daripada aktiviti biasa sebelum cukai</b>		<b>31,990</b>	<b>22,325</b>	<b>11,919</b>	<b>13,290</b>
Taxation/Cukai	9	(3,917)	(7,407)	(3,229)	(2,033)
Share of tax of associated companies/ Bahagian cukai syarikat-syarikat bersekutu		(240)	(39)	0	0
Profit from ordinary activities after tax/ Keuntungan daripada aktiviti biasa selepas cukai		27,833	14,879	8,690	11,257
Minority interest/Kepentingan minoriti		1,210	43	0	0
<b>Net profit attributable to shareholders/ Keuntungan yang boleh diagihkan kepada pemegang saham</b>		<b>29,043</b>	<b>14,922</b>	<b>8,690</b>	<b>11,257</b>
Profit from ordinary activities before tax/ Keuntungan daripada aktiviti biasa sebelum cukai					
Continuing operations:/Operasi berterusan:					
- existing/sedia ada		31,990	19,721	11,919	13,290
- new acquisitions/pengambilalihan baru		0	2,604	0	0
		31,990	22,325	11,919	13,290
<b>Dividends per ordinary share (sen) Dividen saham biasa sesaham (sen)</b>	10	<b>6</b>	<b>5</b>	<b>6</b>	<b>5</b>
<b>Earnings per share (sen) Pendapatan sesaham (sen)</b>	11	<b>14.87</b>	<b>20.53</b>		

Balance Sheets AS AT 31 DECEMBER 2003  
Lembaran Imbangan PADA 31 DISEMBER 2003

	Note/Nota	Group/Kumpulan		Company/Syarikat	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>NON CURRENT ASSETS/ASET BUKAN SEMASA</b>					
Property, plant and equipment/Hartanah, loji dan peralatan	12	563,813	515,048	0	0
Subsidiary companies/Syarikat-syarikat subsidiari	13	0	0	221,762	217,004
Associated companies/Syarikat-syarikat bersekutu	14	12,513	8,681	0	0
Investments/Pelaburan	15	454	1,954	0	0
Training costs/Kos latihan	16	19,355	16,406	0	0
Goodwill on consolidation/Muhibah atas penyatuan	17	66,933	69,205	0	0
Deferred tax assets/Aset cukai tertunda	18	7,514	4,077	0	0
		<b>670,582</b>	<b>615,371</b>	<b>221,762</b>	<b>217,004</b>
<b>CURRENT ASSETS/ASET SEMASA</b>					
Inventories/Inventori	19	15,237	15,958	0	0
Trade and other receivables/Penghutang dagangan dan penghutang lain	20	56,585	66,922	29,315	19,957
Tax recoverable/Cukai diperolehi semula		6,671	5,788	783	783
Investments/Pelaburan	15	1,500	0	0	0
Deposits, cash and bank balances/Deposit, tunai dan baki bank	21	14,217	20,934	340	3,065
		<b>94,210</b>	<b>109,602</b>	<b>30,438</b>	<b>23,805</b>
<b>LESS: CURRENT LIABILITIES/ TOLAK: LIABILITI SEMASA</b>					
Trade and other payables/Pemiutang dagangan dan penghutang lain	22	80,798	80,276	2,563	556
Borrowings/Pinjaman	23	112,924	118,244	0	0
Taxation/Cukai		1,448	1,863	0	0
Dividend payable/Dividen perlu dibayar		18	0	18	0
		<b>195,188</b>	<b>200,383</b>	<b>2,581</b>	<b>556</b>
<b>NET CURRENT (LIABILITIES)/ ASSETS/ (LIABILITI)/ ASET SEMASA BERSIH</b>		<b>(100,978)</b>	<b>(90,781)</b>	<b>27,857</b>	<b>23,249</b>
<b>LESS: NON CURRENT LIABILITIES/ TOLAK: LIABILITI BUKAN SEMASA</b>					
Borrowings/Pinjaman	23	168,261	148,000	0	0
Long term deposits/Deposit jangka panjang	24	4,982	7,871	0	0
Deferred tax liabilities/Liabiliti cukai tertunda	18	31,313	29,443	0	0
		<b>204,556</b>	<b>185,314</b>	<b>0</b>	<b>0</b>
		<b>365,048</b>	<b>339,276</b>	<b>249,619</b>	<b>240,253</b>
<b>CAPITAL AND RESERVES/MODAL SAHAM DAN RIZAB</b>					
Share capital/Modal saham	25	200,985	191,385	200,985	191,385
Reserves/Rizab		144,536	124,546	48,634	48,868
Shareholders' funds/Dana pemegang saham		345,521	315,931	249,619	240,253
Minority interest/Kepentingan minoriti		19,527	23,345	0	0
		<b>365,048</b>	<b>339,276</b>	<b>249,619</b>	<b>240,253</b>

# Consolidated Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Penyata Perubahan Ekuiti Kumpulan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

	Issued and fully paid ordinary shares of RM1.00 each Saham biasa diterbitkan dan dibayar penuh pada RM1.00 satu				Non-distributable Tidak boleh diagihkan		Distributable Boleh diagihkan		Total Jumlah	
	Note Nota	Number of shares Bilangan saham '000	Nominal value Nilai nominal RM'000	Share premium Premium saham RM'000	Merger reserve Rizab Rizab RM'000	Exchange reserve Rizab Rizab pertukaran RM'000	Reserve on consolidation Rizab Rizab penyatuan RM'000	Revaluation reserve Penilaian rizab RM'000		Retained earnings Keuntungan tersimpan RM'000
At 1 January 2002/Pada 1 Januari 2002										
- as previously reported/ - seperti yang dilaporkan sebelumnya		48,000	48,000	4,994	(3,367)	0	0	32,254	65,891	147,772
- change in accounting policy/ - perubahan dalam polisi perakaunan	34	0	0	0	0	0	0	(13,294)	(706)	(14,000)
- as restated/ - yang dinyatakan semula		48,000	48,000	4,994	(3,367)	0	0	18,960	65,185	133,772
Net profit for the year/ Keuntungan bersih tahunan		0	0	0	0	0	0	0	14,922	14,922
Issue of shares/Terbitan saham										
- rights issue/terbitan hak	25	48,000	48,000	0	0	0	0	0	0	48,000
- acquisition of subsidiaries/ - pengambilalihan syarikat-syarikat subsidiari	25	95,385	95,385	28,615	0	0	0	0	0	124,000
Share issue expenses/ Perbelanjaan terbitan saham		0	0	(3,212)	0	0	0	0	0	(3,212)
Translation of a foreign subsidiary/ Tukaran matawang syarikat subsidiari asing		0	0	0	0	50	0	0	0	50
Reserve on consolidation/ Rizab atas penyatuan		0	0	0	0	0	127	0	0	127
Dividend in respect of the financial year ended:/										
- 31 December 2001(Final) Dividen untuk tahun kewangan berakhir: - 31 Disember 2001(Akhir)	10	0	0	0	0	0	0	0	(1,728)	(1,728)
At 31 December 2002/ Pada 31 Disember 2002		191,385	191,385	30,397	(3,367)	50	127	18,960	78,379	315,931

# Consolidated Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Penyata Perubahan Ekuiti Kumpulan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

	Note Nota	Issued and fully paid ordinary shares of RM1.00 each Saham biasa diterbitkan dan dibayar penuh pada RM1.00 satu			Merger reserve Rizab penggabungan RM'000	Exchange reserve Rizab pertukaran RM'000	Reserve on consolidation Rizab penyatuan RM'000	Non-distributable Tidak boleh diagihkan	Distributable Boleh diagihkan	Total Jumlah RM'000
		Number of shares Bilangan saham '000	Nominal value Nilai nominal RM'000	Share premium Premium saham RM'000				Revaluation reserve Penilaian rizab RM'000	Retained earnings Keuntungan tersimpan RM'000	
At 1 January 2003/Pada 1 Januari 2003										
- as previously reported/ - seperti yang dilaporkan sebelumnya		191,385	191,385	30,397	(3,367)	50	127	32,254	79,119	329,965
- change in accounting policy/ - perubahan dalam polisi perakaunan	34	0	0	0	0	0	0	(13,294)	(741)	(14,035)
- as restated/ - yang dinyatakan semula		191,385	191,385	30,397	(3,367)	50	127	18,960	78,378	315,930
Net profit for the year/ Keuntungan bersih tahunan		0	0	0	0	0	0	0	29,043	29,043
Issue of shares/Terbitan saham	25	9,600	9,600	960	0	0	0	0	0	10,560
Share issue expenses/ Perbelanjaan terbitan saham		0	0	(315)	0	0	0	0	0	(315)
Reversal from deferred taxation/ Catatan semula dari cukai tertunda		0	0	0	0	0	0	(193)	0	(193)
Share of associates' reserves/ Bahagian rizab syarikat-syarikat bersekutu		0	0	28	0	0	0	(63)	0	(35)
Translation of a foreign subsidiary/ Tukaran matawang syarikat subsidiari asing		0	0	0	0	100	0	0	0	100
Dividend in respect of the financial year ended: - 31 December 2002 (Interim) Dividen untuk tahun kewangan berakhir: - 31 Disember 2002 (Interim)	10	0	0	0	0	0	0	0	(9,569)	(9,569)
At 31 December 2003/ Pada 31 Disember 2003		200,985	200,985	31,070	(3,367)	150	127	18,704	97,852	345,521

# Company Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Penyata Perubahan Ekuiti Syarikat BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

	Note Nota	Issued and fully paid ordinary shares of RM1.00 each <i>Saham biasa diterbitkan dan dibayar penuh pada RM1.00 satu</i>		Non distributable	Distributable	Total Jumlah RM'000
		Number of shares <i>Bilangan saham</i> '000	Nominal value <i>Nilai nominal</i> RM'000	<i>Tidak boleh diagihkan</i>	<i>Boleh diagihkan</i>	
				Share premium <i>Premium saham</i> RM'000	Retained earnings <i>Keuntungan tersimpan</i> RM'000	
At 1 January 2002/ <i>Pada 1 Januari 2002</i>		48,000	48,000	0	13,936	61,936
Net profit for the year/ <i>Keuntungan bersih tahunan</i>		0	0	0	11,257	11,257
Issue of shares/ <i>Terbitan saham</i>						
- rights issue/ <i>terbitan hak</i>	25	48,000	48,000	0	0	48,000
- acquisition of subsidiaries/ <i>- pengambilalihan syarikat-syarikat subsidiari</i>	25	95,385	95,385	28,615	0	124,000
Share issue expenses/ <i>Perbelanjaan terbitan saham</i>	0	0	(3,212)	0	(3,212)	
Dividend in respect of the financial year ended: <i>Dividen untuk tahun keuangan berakhir:</i>						
- 31 December 2001 (Final) <i>- 31 Disember 2001 (Akhir)</i>	10	0	0	0	(1,728)	(1,728)
At 31 December 2002/ <i>Pada 31 Disember 2002</i>		191,385	191,385	25,403	23,465	240,253
At 1 January 2003/ <i>Pada 1 Januari 2003</i>		191,385	191,385	25,403	23,465	240,253
Net profit for the year/ <i>Keuntungan bersih tahunan</i>	0	0	0	8,690	8,690	
Issue of shares/ <i>Terbitan saham</i>	25	9,600	9,600	960	0	10,560
Share issue expenses/ <i>Perbelanjaan terbitan saham</i>		0	0	(315)	0	(315)
Dividend in respect of the financial year ended: <i>Dividen untuk tahun keuangan berakhir:</i>						
- 31 December 2002 (Interim)/ <i>- 31 Disember 2002 (Interim)</i>	10	0	0	0	(9,569)	(9,569)
At 31 December 2003/ <i>Pada 31 Disember 2003</i>		200,985	200,985	26,048	22,586	249,619

# Cash Flow Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
 Penyata Aliran Tunai BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

Note/Nota	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>OPERATING ACTIVITIES/AKTIVITI OPERASI</b>				
Net profit attributable to shareholders/ <i>Keuntungan bersih yang boleh diagihkan kepada pemegang-pemegang saham</i>	<b>29,043</b>	14,922	<b>8,960</b>	11,257
Adjustments for:/ <i>Pelarasan bagi:</i>				
Taxation/ <i>Cukai</i>	<b>3,917</b>	7,407	<b>3,229</b>	2,033
Minority interest/ <i>Kepentingan minoriti</i>	<b>(1,210)</b>	(43)	<b>0</b>	0
Associated companies/ <i>Syarikat-syarikat bersekutu</i>			<b>0</b>	0
- share of profit/ <i>bahagian keuntungan</i>	<b>(849)</b>	(36)	<b>0</b>	0
- share of tax/ <i>bahagian cukai</i>	<b>240</b>	39	<b>0</b>	0
Training costs/ <i>Kos latihan</i>				
- amortisation/ <i>pelunasan</i>	<b>3,469</b>	1,475	<b>0</b>	0
- loss on transfer/ <i>kerugian atas pindahan</i>	<b>0</b>	388	<b>0</b>	0
Interest income/ <i>Pendapatan faedah</i>	<b>(2,962)</b>	(1,054)	<b>(15)</b>	(676)
Dividend income/ <i>Pendapatan dividen</i>	<b>0</b>	0	<b>(11,969)</b>	(14,023)
Interest expense/ <i>Perbelanjaan faedah</i>	<b>19,924</b>	4,302	<b>0</b>	0
Allowance for doubtful debts/ <i>Peruntukan hutang ragu</i>	<b>1,503</b>	979	<b>0</b>	0
Property, plant and equipment/ <i>Hartanah, loji dan peralatan</i>				
- depreciation/ <i>susutnilai</i>	<b>25,770</b>	9,895	<b>0</b>	0
- loss on disposals/ <i>kerugian atas pelupusan</i>	<b>104</b>	611	<b>0</b>	0
- written offs/ <i>hapuskira</i>	<b>91</b>	264	<b>0</b>	0
Amortisation of goodwill/ <i>Pelunasan muhibah</i>	<b>3,494</b>	602	<b>0</b>	0
Operating profit/(loss) before changes in working capital/ <i>Keuntungan/(kerugian) operasi sebelum perubahan modal kerja</i>	<b>82,534</b>	39,751	<b>(65)</b>	(1,409)
Changes in working capital:/ <i>Perubahan modal kerja:</i>				
Inventories/ <i>Inventori</i>	<b>722</b>	(1,050)	<b>0</b>	0
Receivables/ <i>Penghutang</i>	<b>6,311</b>	(2,451)	<b>(660)</b>	1,916
Payables/ <i>Pemiutang</i>	<b>1,306</b>	(11,958)	<b>280</b>	185
Related companies/ <i>Syarikat-syarikat berkaitan</i>	<b>(3,358)</b>	(36)	<b>(6,952)</b>	8,209
Cash generated from/(used in) operations/ <i>Tunai dihasilkan daripada/(digunakan dalam) operasi</i>	<b>87,515</b>	24,256	<b>(7,397)</b>	8,901
Interest paid/ <i>Faedah dibayar</i>	<b>(19,924)</b>	(4,302)	<b>0</b>	0
Income tax paid/ <i>Cukai pendapatan dibayar</i>	<b>(6,782)</b>	(6,650)	<b>(3,229)</b>	(2,218)
Net cash flow from/(used in) operating activities/ <i>Aliran tunai bersih daripada/(digunakan dalam) aktiviti operasi</i>	<b>60,809</b>	13,304	<b>(10,626)</b>	6,683

# Cash Flow Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Penyata Aliran Tunai BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

	Note/Nota	Group/Kumpulan		Company/Syarikat	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>INVESTING ACTIVITIES/AKTIVITI PELABURAN</b>					
Purchase of property, plant and equipment/ <i>Pembelian hartanah, loji dan peralatan</i>		(65,719)	(25,574)	0	0
Proceeds from disposal of property, plant and equipment/ <i>Perolehan dari pelupusan hartanah, loji dan peralatan</i>		1,180	550	0	0
Acquisitions of subsidiary companies/ <i>Pengambilalihan syarikat subsidiari</i>		0	(169,550)	0	(176,349)
Additional investment in associates/ <i>Penambahan pelaburan syarikat bersekutu</i>		(3,257)	0	0	0
Additional investment in subsidiary companies/ <i>Penambahan pelaburan dalam syarikat subsidiari</i>		(4,758)	0	(4,758)	0
Deposits pledged with banks/ <i>Deposit yang dicagarkan dengan bank</i>		(164)	(659)	0	0
Dividends received/ <i>Dividen diterima</i>		0	0	11,969	5,969
Interest received/ <i>Faedah diterima</i>		2,962	1,054	15	676
Net cash flow (used in) from investing activities/ <i>Aliran tunai bersih (digunakan dalam) dari aktiviti pelaburan</i>		(69,756)	(194,179)	7,226	(169,704)
<b>FINANCING ACTIVITIES/AKTIVITI PEMBIAYAAN</b>					
Issue of shares/ <i>Terbitan saham</i>		10,560	172,000	10,560	172,000
Share issue expenses/ <i>Perbelanjaan terbitan saham</i>		(315)	(3,212)	(316)	(3,212)
Bank borrowings/ <i>Pinjaman bank</i>					
- drawdown/ <i>pengeluaran</i>		45,109	40,547	0	0
- repayment/ <i>pembayaran</i>		(33,705)	(30,028)	0	0
Dividends paid to:/ <i>Dividen dibayar kepada:</i>					
- shareholders/ <i>pemegang saham</i>		(9,573)	(4,128)	(9,569)	(4,128)
- minority shareholders of subsidiary companies/ <i>pemegang-pemegang saham minoriti syarikat subsidiari</i>		(467)	(14)	0	0
Long term deposits/ <i>Deposit jangka panjang</i>					
- received from consultants/ <i>diterima daripada pakar perunding</i>		350	461	0	0
- repayment to consultants/ <i>pembayaran kepada pakar perunding</i>		(3,238)	0	0	0
Net cash flow from financing activities/ <i>Aliran tunai bersih dari aktiviti pembiayaan</i>		8,721	175,626	675	164,660
NET CHANGES IN CASH AND CASH EQUIVALENTS/ <i>PERUBAHAN BERSIH DALAM TUNAI DAN SETARA TUNAI</i>		(226)	(5,249)	(2,725)	1,639
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/ <i>TUNAI DAN SETARA TUNAI PADA AWAL TAHUN KEWANGAN</i>		873	6,122	3,065	1,426
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ <i>TUNAI DAN SETARA TUNAI PADA AKHIR TAHUN KEWANGAN</i>	28	647	873	340	3,065

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 1 GENERAL INFORMATION/MAKLUMAT AM

The principal activities of the Company are investment holding and provision of management services to subsidiary companies. The principal activities of the subsidiary companies in the Group are described in Note 13 to the financial statements. There was no significant change in the nature of these activities during the financial year ended 31 December 2003. During the financial year the results of the newly restructured group was reported for a full year as compared to only two months, in previous financial year.

The average number of employees during the financial year amounted to 3,755 (2002: 3,674) in the Group and 100 (2002: 1) in the Company.

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

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the main board of Kuala Lumpur Stock Exchange.

The address of the registered office of the Company is:

**13th Floor, Menara Johor Corporation, Kotaraya, 80000 Johor Bahru**

The address of the principal place of business of the Company is:

**No 7, Persiaran Titiwangsa 3, 53200 Kuala Lumpur**

*Aktiviti-aktiviti utama syarikat adalah syarikat pelaburan induk dan peruntukan khidmat pengurusan bagi syarikat-syarikat subsidiari. Aktiviti-aktiviti utama syarikat-syarikat subsidiari adalah seperti yang ditunjukkan di dalam Nota 13 penyata kewangan ini. Tiada perubahan ketara dalam aktiviti - aktiviti syarikat di sepanjang tahun kewangan 31 Disember 2003. Sepanjang tahun kewangan semasa, keputusan kewangan struktur baru Kumpulan dilaporkan berdasarkan keputusan kewangan sepanjang tahun, berbanding dengan hanya dua bulan dalam tahun kewangan sebelumnya.*

*Purata bilangan pekerja sepanjang tahun kewangan ialah 3,755 (2002: 3,674) di dalam Kumpulan dan 100 (2002: 1) di dalam Syarikat.*

*Perbadanan induk adalah Johor Corporation, sebuah perbadanan yang ditubuhkan di bawah Enakmen Johor Corporation (No. 4, 1968) (pindaan Enakmen No 5, 1995).*

*Syarikat adalah sebuah syarikat tanggungan awam terhad, ditubuhkan dan beroperasi di Malaysia dan tersenarai di papan utama Bursa Saham Kuala Lumpur.*

*Alamat syarikat yang didaftarkan ialah:*

**Tingkat 13, Menara Johor Corporation, Kotaraya, 80000 Johor Bahru**

*Alamat tempat di mana syarikat menjalankan kegiatan utama ialah:*

**No 7, Persiaran Titiwangsa 3, 53200 Kuala Lumpur**

### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES/ MATLAMAT DAN POLISI PENGURUSAN RISIKO KEWANGAN

The Group's activities expose it to a variety of financial risks, including liquidity and cash flow risk, interest rate risk, market risk, credit risk and foreign currency exchange risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, an insurance programme and adherence to Group financial risk management policies.

#### (a) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by ensuring that committed credit lines are available.

#### (b) Interest rate risk

Interest rate exposure arises from certain of the Group's borrowings and deposits, which are on floating rate. Under the current market environment, the Group considers the risk of material loss in the event of an increase in interest rate to be manageable. For certain borrowings under the Islamic facilities, the Group minimised its exposure to any increase in interest rates as those borrowings are borrowed under fixed interest rate.

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)/ MATLAMAT DAN POLISI PENGURUSAN RISIKO KEWANGAN (samb.)

- c) Market risk  
The Group does not face significant exposure from the risk of changes in debt and equity prices.
- (d) Credit risk  
The Group seeks to invest cash assets safely and profitably. Its deposits are placed with credit worthy financial institutions. It also seeks to control credit risk by setting credit limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The credit worthiness of all counter parties are periodically reviewed and services to delinquent customers are suspended should they exceed their credit terms and limit, with the approval of the management. The Group considers the risk of material loss in the event of non-performance by trade receivables to be unlikely.
- (e) Foreign currency exchange risk  
The Group does not face significant exposure from currency risk from foreign currency transactions entered into by subsidiary companies in currencies other than their functional currency.

*Kegiatan kumpulan terdedah kepada pelbagai risiko kewangan, termasuk risiko kecairan dan risiko aliran tunai, risiko kadar faedah, risiko pasaran, risiko kredit dan risiko pertukaran nilai matawang asing. Secara keseluruhannya, matlamat pengurusan risiko kewangan Kumpulan adalah untuk memastikan supaya Kumpulan dapat menjaga nilai kepada pemegang-pemegang saham. Kumpulan juga memberi perhatian kepada ketidakstabilan pasaran kewangan dan berusaha meminimumkan kesan-kesan buruk yang mungkin akan menggugat pencapaian kewangan Kumpulan. Pengurusan risiko kewangan dilaksanakan melalui pemantauan risiko, sistem kawalan dalaman, program insuran dan memastikan supaya garis panduan polisi pengurusan risiko kewangan Kumpulan dipatuhi.*

- (a) *Risiko kecairan dan aliran tunai*  
Kumpulan mengamalkan pengurusan risiko kecairan cermat dengan mengekalkan dana yang sedia ada melalui kemudahan kredit yang dijanjikan dengan mencukupi. Seajar dengan ciri-ciri dinamik dalam perniagaan yang dijalankan, Kumpulan berusaha untuk mengelakkan dana secara fleksi dengan memastikan terdapat kemudahan kredit yang dijanjikan.
- (b) *Risiko kadar faedah*  
Kumpulan terdedah kepada risiko kadar faedah melalui pinjaman dan deposit Kumpulan yang mempunyai kadar faedah yang berubah. Dalam keadaan pasaran yang sedia ada, Kumpulan menganggap risiko kerugian yang material akibat kenaikan kadar faedah masih berada di tahap yang boleh diselenggarakan. Bagi sesetengah kemudahan pinjaman yang diperolehi dari kemudahan perbankan Islam, Kumpulan telah meminimumkan pendedahan terhadap kenaikan kadar faedah oleh kerana kemudahan pinjaman-pinjaman ini diterima pada kadar faedah tetap.
- (c) *Risiko pasaran*  
Kumpulan tidak mengalami pendedahan yang ketara kepada risiko perubahan bebanan hutang dan harga ekuiti.
- (d) *Risiko kredit*  
Kumpulan memastikan pelaburan di dalam aset tunai dibuat secara selamat dan menguntungkan. Depositnya dilaburkan dengan institut kewangan yang mempunyai kekuatan kredit. Kumpulan juga berharap untuk mengawal risiko kredit dengan menetapkan tahap kredit yang diberi, sambil memastikan bahawa jualan produk dan perkhidmatan yang dibuat kepada pelanggan yang mempunyai rekod kredit yang bersesuaian. Nilai kredit yang diberikan kepada semua pihak akan disemak secara berkala dan perkhidmatan kepada pelanggan yang ingkar digantung jika mereka didapati melebihi had terma kredit, dengan kelulusan pihak pengurusan. Kumpulan menganggap risiko kerugian yang material akibat kegagalan pelanggan untuk menjelaskan hutang dagangan berada di tahap minimum.
- (e) *Risiko pertukaran matawang asing*  
Kumpulan tidak mengalami pendedahan yang ketara kepada risiko transaksi matawang asing yang dijalankan oleh anak syarikat dalam matawang selain daripada matawang asas.

### 3 BASIS OF PREPARATION/ASAS PENYEDIAAN

The financial statements of the Company have been prepared under the historical cost convention except as disclosed in Note 4 to the financial statements. The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The new applicable approved accounting standards adopted in these financial statements are as follows:

- MASB Standard 25 : "Income Taxes"
- MASB Standard 27 : "Borrowing Costs"
- MASB Standard 28 : "Discontinuing Operations"
- MASB Standard 29 : "Employee Benefits"

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)/ MATLAMAT DAN POLISI PENGURUSAN RISIKO KEWANGAN (samb.)

With the exception of MASB Standard 25 (Note 34), there are no changes in accounting policy that affect net profit for the financial year and shareholders' funds as a result of the adoption of the above standards in these financial statements.

Comparative figures have been adjusted or extended to conform with changes in the presentation due to the requirements of MASB Standard 25 that have been applied retrospectively.

*Penyata kewangan Syarikat telah disediakan berdasarkan kepada tatacara teriktiraf kos silam selain daripada yang dihuraikan dalam Nota 4 kepada penyata kewangan. Penyata kewangan ini mematuhi piawaian perakaunan yang diluluskan di Malaysia dan peruntukan-peruntukan di dalam Akta Syarikat, 1965.*

Antara dasar perakaunan baru yang diterima pakai dalam penyata kewangan adalah seperti berikut:

- Piawaian MASB 25 : "Cukai Pendapatan "
- Piawaian MASB 27 : "Kos Pinjaman"
- Piawaian MASB 28 : "Penghentian Operasi"
- Piawaian MASB 29 : "Manfaat-manfaat Pekerja"

*Kecuali piawaian MASB 25 (Nota 34), tiada perubahan dalam polisi perakaunan yang telah mempengaruhi keuntungan bersih bagi tahun kewangan semasa dan dana pemegang saham hasil dari penerima pakaian piawaian-piawaian di atas dalam penyata kewangan ini.*

*Angka-angka perbandingan telah diselaraskan atau dilanjutkan bagi mematuhi pindaan dalam cara pembentangan disebabkan oleh kehendak piawaian MASB 25 yang telah dikuatkuasakan secara retrospektif.*

### 3 BASIS OF PREPARATION (cont'd) /ASAS PENYEDIAAN (samb.)

The preparation of financial statements in conformity with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported year. Actual results could differ from those estimates.

*Penyata kewangan telah disediakan mengikut piawaian-piawaian perakaunan berkaitan yang diluluskan di Malaysia dan peruntukan-peruntukan di dalam Akta Syarikat, 1965 yang memerlukan para Pengarah untuk membuat anggaran dan penilaian terhadap jumlah aset dan tanggungan yang dilaporkan dan pembentangan aset dan tanggungan luarjangka pada tarikh penyata kewangan dan jumlah perolehan dan perbelanjaan yang dilaporkan dalam tahun laporan. Keputusan sebenar mungkin berbeza daripada anggaran yang dibuat.*

### 4 SIGNIFICANT ACCOUNTING POLICIES/DASAR-DASAR UTAMA PERAKAUNAN

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

*Polisi dan piawaian perakaunan berikut telah diamalkan secara konsisten dalam mengenalpasti item yang dianggap material dan memberi kesan ketara ke atas penyata kewangan.*

#### (a) Basis of consolidation/Asas penyatuan

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiary companies are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

*Penyata kewangan yang disatukan merangkumi penyata kewangan Syarikat dan kesemua syarikat-syarikat subsidiarinya yang disediakan sehingga akhir tahun kewangan. Syarikat-syarikat subsidiari adalah syarikat di mana Kumpulan mempunyai kawalan dan pengaruh dalam aspek kewangan dan polisi operasinya yang boleh dimanfaatkan secara terus daripada semua aktiviti. Penyatuan syarikat-syarikat subsidiari dibuat pada tarikh di mana kawalan telah berpindah kepada Kumpulan sehingga tarikh kawalan ke atas syarikat-syarikat subsidiari ini diluluskan.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/*DASAR-DASAR UTAMA PERAKAUNAN (samb.)*

#### (a) Basis of consolidation/*Asas penyatuan*

Subsidiary companies are consolidated using the acquisition method of accounting except for Johor Specialist Hospital Sdn Bhd and Medical Associates Sdn Bhd which were consolidated using the merger method of accounting, prior to 1 April 2002, in accordance with Malaysian Accounting Standard No 2 "Accounting for Acquisitions and Mergers" the generally accepted accounting principles prevailing at that time.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. In a piecemeal acquisition, the fair value adjustment attributable to previously held equity interests is accounted for as post-acquisition revaluation.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying values of the investment in these subsidiaries over the nominal value of the shares acquired is taken to merger reserve.

Intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiary companies to ensure consistency of accounting policies with those adopted by the Group.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable net assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the subsidiary companies' identifiable net assets at the date of acquisition. Goodwill arising on consolidation is written off on a straight-line basis over a period of 20 years.

*Penyatuan syarikat subsidiari dilakukan dengan menggunakan kaedah pengambilalihan perakaunan kecuali untuk Johor Specialist Hospital Sdn Bhd dan Medical Associates Sdn Bhd di mana penyatuan kedua-duanya adalah sebelum 1 April 2002 dibuat menerusi kaedah penggabungan perakaunan menurut Piawaian Perakaunan Malaysia No 2 "Perakaunan untuk Pengambilalihan dan Penggabungan", asas perakaunan yang telah diterimapakai pada waktu itu.*

*Berdasarkan kaedah pengambilalihan perakaunan, keputusan bagi syarikat subsidiari yang diambilalih atau dilupuskan dalam tahun kewangan semasa akan disatukan dari tarikh pengambilalihan sehingga tarikh pelupusan. Pada tarikh pemerolehan, nilai wajar aset bersih syarikat subsidiari akan ditentukan dan nilai itu akan dinyatakan dalam penyatuan kewangan. Di dalam pemerolehan berperingkat pelarasan nilai wajar yang saksama kepada kepentingan saham ekuiti terdahulu diambilkira sebagai penilaian semula selepas pengambilalihan syarikat subsidiari.*

*Berdasarkan kaedah penggabungan perakaunan, keputusan bagi syarikat subsidiari dibentangkan dengan andaian penggabungan tersebut telah dijalankan sepanjang tempoh semasa dan sebelumnya. Semasa penyatuan, perbezaan antara nilai pelaburan dibawa kepada nilai saham biasa yang diperolehi dimasukkan ke rizab penggabungan.*

*Transaksi, baki dan keuntungan yang tidak direalisasikan ke atas transaksi-transaksi ke atas Kumpulan dan Syarikat dihapuskan melainkan kosnya tidak dapat ditampung. Apabila perlu, pelarasan dibuat ke atas penyata kewangan bila syarikat subsidiari untuk memastikan Kumpulan dan Syarikat subsidiari menerimapakai dasar perakaunan secara konsisten.*

*Kepentingan saham minoriti diukur melalui bahagian minoriti selepas pemerolehan nilai wajar aset ketara bersih dan tanggungan syarikat subsidiari yang diperolehi. Kesan perubahan ke atas kepentingan minoriti dibentangkan secara berasingan.*

*Muhibah yang terhasil dari penyatuan mewakili lebihan kos pemerolehan Kumpulan ke atas nilai wajar aset ketara bersih syarikat subsidiari pada tarikh pemerolehan. Muhibah yang terhasil dari penyatuan akan dihapuskan selama 20 tahun mengikut kaedah garis lurus.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

#### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/DASAR-DASAR UTAMA PERAKAUNAN (samb.)

##### (b) Property, plant and equipment and depreciation/*Hartanah, loji dan peralatan dan susutnilai*

All property, plant and equipment are initially stated at cost. Freehold land, long leasehold land and building were subsequently shown at revalued amount based on valuations by an independent firm of professional valuer on the open market basis less subsequent amortisation, depreciation and impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The Company adopted the policy of regular revaluation of freehold land, long leasehold land and building. Independent professionals valuers appraise the freehold land, long leasehold land and buildings once in every 5 years.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

Freehold land is not depreciated as it has an infinite life. Leasehold land is amortised in equal instalments over the period of the leases, which ranges from 50 to 999 years.

*Kesemua hartanah, loji dan peralatan pada mulanya dinyatakan pada kos. Tanah pegangan bebas, tanah pajakan jangka panjang dan bangunan dinyatakan pada nilai penilaian semula berdasarkan penilaian yang dibuat oleh sebuah firma penilai profesional berkecuali pada harga pasaran ditolak pelunasan, susutnilai dan kerugian rosotnilai. syarikat mengamalkan polisi penilaian semula tanah pajakan jangka panjang dan bangunan tersusun. Penilai profesional berkecuali membuat penilaian ke atas tanah pegangan bebas, tanah pajakan jangka panjang dan bangunan setiap 5 tahun.*

*Tambahan dari penilaian semula diambil kira dalam rizab penilaian semula. Sebarang keuntungan dari penilaian ditolak dari rizab penilaian semula terhadap kepada nilai tambahan bagi aset yang sama dengan rizab penilaian semula. Bagi kes yang lain, penurunan nilai yang dibawa dicajkan dalam pendapatan.*

*Tanah pegangan bebas tidak disusutnilaikan oleh kerana ia mempunyai jangka hayat yang panjang. Tanah pegangan pajakan disusutnilaikan selama ansuran sama rata ke atas jangka masa pajakan yang meliputi 50 hingga 999 tahun.*

Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the property, plant and equipment, or their revalued amounts, to their residual values over their estimated useful lives at the following annual rates:

*Susutnilai semua hartanah, loji dan peralatan yang lain dilakukan mengikut kaedah garis lurus untuk menghapuskira kos harta berkenaan, atau jumlah penilaian semula, ke atas nilai baki harta berkenaan sepanjang tempoh hayat gunanya pada kadar berikut:*

Buildings/ <i>Bangunan-bangunan</i>	1% - 2%
Medical and other equipment/ <i>Perubatan dan peralatan lain</i>	7.5% - 25%
Furniture and fittings/ <i>Perabot dan kelengkapan</i>	10% - 20%
Motor vehicles/ <i>Kenderaan motor</i>	10% - 20%
Computers/ <i>Komputer</i>	20% - 30%

Depreciation of capital work-in-progress commences when the assets are ready for their intended use.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

*Susutnilai aset di dalam pembinaan bermula apabila aset tersebut sedia digunakan kelak.*

*Jika terdapat tanda-tanda kerosotan nilai wujud, jumlah yang dibawa akan dikaji dan disusutkan serta merta kepada nilai yang sepatutnya.*

*Kos faedah ke atas pinjaman untuk membiayai pembinaan hartanah, loji dan peralatan adalah dipermodalkan sebagai kos sehingga aset tersebut siap untuk kegunaan yang dirancangan. Kos-kos pinjaman yang lain dicajkan ke penyata pendapatan.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/**DASAR-DASAR UTAMA PERAKAUNAN (samb.)**

#### (b) Property, plant and equipment and depreciation (cont'd)/*Hartanah, loji dan peralatan dan susutnilai (samb.)*

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Repairs and maintenance are charged to the income statement during the year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

*Keuntungan dan kerugian atas pelupusan hartanah, loji dan peralatan ditentukan dengan membandingkan antara hasil dan nilai yang dibawa dan dinyatakan di dalam keuntungan/(kerugian) dari operasi untuk pelupusan aset yang dinilai semula, jumlah rizab penilaian semula berkaitan dengan aset tersebut akan dipindahkan kepada keuntungan tersimpan.*

*Pembaikan dan penyelenggaraan dicajkan ke penyata pendapatan sepanjang tahun di mana ia dibelanjakan. Kos bagi pengubahsuaian yang besar akan dimasukkan di dalam nilai dibawa aset tersebut di mana manfaat ekonomi yang bakal diperolehi oleh Kumpulan di masa hadapan berkemungkinan melebihi penilaian asal bagi piawaian pencapaian aset yang sedia ada. Pengubahsuaian yang utama akan disusutnilaikan sepanjang baki tempoh hayat guna aset berkaitan.*

#### (c) Associated companies/*Syarikat-syarikat bersekutu*

The Group treats as associated companies, those companies in which a long term equity interest of between 20% and 50% is held and where it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies. Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising in the income statement the Group's share of the results of associates for the financial year. The Group's investments in associates are carried in the balance sheet at an amount that reflects its share of the net assets of the associates and includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

*Syarikat bersekutu adalah syarikat di mana pegangan ekuiti saham jangka panjang oleh Kumpulan antara 20% hingga 50 % dan di mana ia mempunyai pengaruh yang ketara dalam dasar kewangan dan polisi operasi syarikat-syarikat bersekutu tetapi bukannya dari segi kawalan. Pelaburan di dalam syarikat-syarikat bersekutu diambilkira di dalam penyata kewangan dengan kaedah perakaunan ekuiti.*

*Perakaunan ekuiti melibatkan pengiktirafan di dalam penyata pendapatan bahagian Kumpulan ke atas keputusan Syarikat-syarikat bersekutu bagi tahun kewangan tersebut. Pelaburan Kumpulan dinyatakan dalam lembaran imbangan pada nilai yang menunjukkan bahagian aset bersih syarikat-syarikat bersekutu termasuk muhibah (nilai bersih pelunasan terkumpul) atas pengambilalihan. Perakaunan ekuiti dihentikan apabila nilai bawa pelaburan di dalam syarikat-syarikat bersekutu menjadi sifar, melainkan Kumpulan telah memasuki perjanjian atau jaminan tanggungan atas syarikat-syarikat bersekutu.*

*Keuntungan tidak direalisasikan antara Kumpulan dan Syarikat-syarikat bersekutu dihapuskan sehingga bahagian daripada pegangan saham Kumpulan di dalam syarikat-syarikat bersekutu; melainkan transaksi tersebut menunjukkan bukti bahawa wujudnya kerosotan nilai bagi aset yang dipindahkan. Bila perlu, semasa penggunaan kaedah ekuiti perakaunan, palarasan dibuat pada penyata kewangan syarikat-syarikat bersekutu untuk memastikan dasar perakaunan diterimapakai secara konsisten.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

#### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/**DASAR-DASAR UTAMA PERAKAUNAN (samb.)**

##### (d) Investments/*Pelaburan*

Investments in subsidiary and associate companies are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

External costs directly attributable to an acquisition, other than costs of issuing shares and other capital instruments, are included as part of the cost of acquisition.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

*Pelaburan dalam syarikat subsidiari dan bersekutu dinyatakan pada kos. Bila terdapat bukti kerosotan nilai ianya dikaji dan disutukan serta merta kepada nilai yang sepatutnya.*

*Pelaburan bukan semasa dinyatakan pada kos dan peruntukan akan dibuat untuk penurunan nilai, jika Para Pengarah berpendapat wujudnya penurunan kekal di dalam nilai pelaburan. Apabila keadaan ini berlaku, penurunan nilai dinyatakan sebagai perbelanjaan dalam tempoh dimana penurunan ini dikenalpasti.*

*Kos luaran yang berkaitan langsung dengan pengambilalihan, selain daripada kos terbitan saham dan instrumen modal lain, dinyatakan sebagai daripada kos pengambilalihan.*

*Semasa pelupusan pelaburan, perbezaan antara nilai bersih hasil pelunasan dan nilai pelaburan yang dibawa dicajkan atau dikreditkan di dalam penyata pendapatan.*

##### (e) Inventories/*Inventori*

Inventories are stated at the lower of cost and net realisable value. Cost is determined principally on the weighted average method.

Net realisable value is the estimated of the selling price in the ordinary course of business, less the cost of completion and selling expenses.

*Inventori dinyatakan pada harga terendah antara kos dan nilai perolehan bersih. Pada prinsipnya kos ditentukan oleh kaedah kos purata wajar.*

*Nilai perolehan bersih adalah anggaran harga jualan pada kegiatan perniagaan biasa ditolak kos penyempurnaan dan perbelanjaan jualan.*

##### (f) Impairment of asset/*Kerosotan nilai aset*

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

*Hartanah, loji dan peralatan dan lain-lain aset bukan semasa, termasuk aset tidak ketara, dikaji semula bagi menentukan kerugian rosot nilai apabila terdapat kejadian atau perubahan dalam keadaan yang menyatakan nilai terbawa aset tersebut tidak boleh diperolehi semula kepada nilai sepatutnya. Kerosotan nilai diiktiraf untuk nilai aset yang dibawa melebihi nilai yang patut diperolehi semula. Nilai tersebut hendaklah melebihi harga aset selepas ditolak harga jualan dan nilai guna semasa. Untuk tujuan kajian rosot nilai, aset disatukan dalam kumpulan pada tahap paling rendah di mana aliran tunai yang berasingan boleh dikenalpasti.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/**DASAR-DASAR UTAMA PERAKAUNAN (samb.)**

#### (f) Impairment of asset (cont'd)/*Kerosotan nilai aset (samb.)*

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on the revalued asset in which case it is taken to revaluation surplus.

*Kerugian rosot nilai dicajkan ke penyata pendapatan kecuali ia telah membuat catatan semula atas aset yang dinilai semula dimana ianya akan dicajkan ke lebihan rizab penilaian. Kenaikan dalam nilai diperolehi semula yang berikutnya akan diiktiraf dalam penyata pendapatan kecuali ia membuat catatan semula kerugian rosot nilai atas aset dinilai semula di mana ia akan dibawa ke lebihan rizab penilaian.*

#### (g) Trade receivables/*Penghutang dagangan*

Trade receivables are carried at invoiced amount less an estimate made for doubtful debts based on a review of outstanding amounts at the financial year end. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection. In addition, a general allowance based on a percentage of revenue is made to cover losses, which are not specifically identified.

*Penghutang dagangan dinyatakan pada amaun inbois ditolak sebarang anggaran untuk peruntukan hutang ragu berdasarkan pantauan amaun tertunggak yang dibuat pada akhir tahun kewangan. Hutang lapuk adalah dilupuskan dan peruntukan hutang tertentu dibuat untuk hutang yang dianggap ragu. Sebuah peruntukan umum berdasarkan sebuah peratus kepada hasil dibuat untuk melindungi dari sebarang kemungkinan kerugian yang tidak dikenalpasti secara khususnya.*

#### (h) Training costs/*Kos latihan*

Training costs consist of training costs in the form of scholarships and other related costs that are deferred during the training period. The expenditure is amortised on a straight-line basis over the bonded service period ranging from 2 to 6 years after graduation, unless the Directors consider that a continuing benefit will not accrue.

*Kos latihan terdiri daripada kos latihan kejururawatan di dalam bentuk biasiswa dan lain-lain kos berkaitan yang dibelanjakan sepanjang tempoh latihan ditunda sehingga tamat latihan. Ianya akan dilunaskan dengan kadar garis lurus setelah pelajar menamatkan latihan dan mula bertugas dengan hospital mengikut perkhidmatan di antara 2 hingga 6 tahun seperti yang disebutkan dalam perjanjian melainkan para Pengarah berpendapat bahawa tiada faedah akan diterima.*

#### (i) Cash and cash equivalents/*Tunai dan setara tunai*

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, bank balances and deposits held at call with banks and licensed financial institutions, other short term and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

*Tunai dan setara tunai terdiri daripada tunai, baki bank dan deposit yang ditempatkan di institusi kewangan dan badan berkanun yang lain, overdraf bank dan pelaburan jangka pendek yang sedia ada ditukar kepada jumlah wang tunai tertakluk kepada perubahan nilai berisiko rendah, Overdraf bank juga dimasukkan sebagai kemudahan pinjaman dan diiktiraf sebagai liabiliti semasa di dalam lembaranimbangan.*

#### (j) Borrowings/*Pinjaman*

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent financial year, borrowings are stated at net of repayment.

*Pinjaman pada mulanya diiktiraf berdasarkan hasil yang diterima, selepas ditolak kos transaksi yang dibelanjakan. Bagi tahun kewangan seterusnya, pinjaman dinyatakan selepas ditolak pembayaran balik pinjaman.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

#### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/**DASAR-DASAR UTAMA PERAKAUNAN (samb.)**

##### (k) Financial instruments/*Instrumen kewangan*

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

The fair value of financial liabilities are estimated by discounting the future contractual cash flows at the current market interest rate obtainable by the Company for similar financial instruments.

The carrying value for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair value

*Instrumen kewangan adalah sebarang kontrak perjanjian yang menambah kedua-dua aset kewangan sesuatu perniagaan dan juga liabiliti kewangan atau instrumen ekuiti perniagaan yang lain.*

*Aset kewangan adalah sebarang aset berbentuk tunai, hak kontrak untuk menerima wang tunai atau aset kewangan dari sesuatu perniagaan yang lain, hak kontrak untuk pertukaran instrumen kewangan dengan perniagaan yang lain di bawah syarat-syarat yang mencerminkan keadaan yang menguntungkan atau instrumen ekuiti sesuatu perniagaan yang lain.*

*Liabiliti kewangan adalah sebarang liabiliti yang mempunyai kewajipan kontrak untuk menyediakan wang tunai atau aset kewangan untuk sesuatu perniagaan atau pertukaran instrumen kewangan dengan sesuatu perniagaan yang lain di bawah syarat-syarat yang mencerminkan keadaan yang tidak menguntungkan.*

*Kaedah mengenalpasti instrumen kewangan yang diiktiraf di dalam lembaranimbangan dinyatakan dalam penyata polisi individu yang berkaitan dengannya.*

*Nilai wajar liabiliti kewangan dianggarkan berdasarkan penurunan aliran tunai masa hadapan pada kadar faedah pasaran semasa yang boleh didapati oleh Syarikat untuk instrumen kewangan yang sama.*

*Nilai yang dibawa untuk aset dan liabiliti kewangan dalam tempoh kematangan tidak melebihi daripada satu tahun dianggarkan hampir dengan nilai wajar aset dan liabiliti berkenaan.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/DASAR-DASAR UTAMA PERAKAUNAN (samb.)

#### (l) Leases/Pajakan

##### Finance leases/Pembiayaan pajakan

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the estimated useful life of the asset.

*Pajakan bagi hartanah, loji dan peralatan dimana Kumpulan menanggung keseluruhan faedah dan disamping risiko pemilikan aset dikategorikan sebagai pajakan kewangan.*

*Pajakan kewangan dimodalkan pada permulaan pajakan pada nilai faedah terendah di antara nilai wajar hartanah yang dipajakkan atau nilai semasa pembayaran pajakan minima. Setiap bayaran pajakan diagihkan di antara liabiliti dan caj kewangan untuk mendapatkan kadar tetap di atas baki kewangan tertunggak. Tanggungjawab sewa yang dialami, ditolak caj kewangan, dimasukkan ke dalam pinjaman. Elemen faedah untuk pajakan kewangan dicajkan kepada penyata kewangan sepanjang tempoh pajakan.*

*Hartanah, loji dan peralatan yang diperolehi dengan cara pajakan kewangan disusutnilai sepanjang jangka hayat guna aset tersebut.*

##### Operating leases/Pajakan operasi

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the lease period.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

*Pajakan di mana keseluruhan faedah dan risiko pemilikan aset ditanggung oleh pemajak dikategorikan sebagai pajakan operasi. Pembayaran pajakan operasi (selepas ditolak sebarang bentuk insentif yang diterima oleh pemajak) adalah dicajkan dalam penyata pendapatan berdasarkan kadar garis lurus sepanjang tempoh pajakan tersebut.*

*Apabila pajakan operasi ditamatkan sebelum tempoh pajakan berakhir, sebarang bayaran yang perlu dibuat kepada pemajak akan diiktiraf sebagai perbelanjaan dalam tempoh di mana pajakan tersebut ditamatkan.*

#### (m) Income taxes/Cukai pendapatan

Current tax expense is determined according to the tax laws of which the Company operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on the rates that have been enacted or substantially enacted by the balance sheet date.

*Perbelanjaan cukai semasa ditentukan mengikut perundangan cukai di mana Syarikat beroperasi dan cukai tersebut dikira berdasarkan keuntungan yang dikenakan cukai dan cukai keuntungan hartanah berbayar pula dikenakan apabila pelunasan hartanah tersebut dilakukan.*

*Cukai tertunda diperuntukkan sepenuhnya, menggunakan keadah libiliti, ke atas perbezaan sementara yang timbul di antara asas cukai aset dan liabiliti dan nilai-nilai dibawanya di dalam penyata kewangan. Aset cukai tertunda diiktiraf setakat kemungkinan wujudnya keuntungan yang boleh dikenakan cukai di mana perbezaan sementara boleh digunapakai.*

*Cukai tertunda dikira mengikut kadar cukai yang dijangka akan digunakan pada jangka masa aset tersebut dijual atau liabiliti ini diselesaikan berdasarkan kepada kadar cukai yang diluluskan atau diluluskan secara substantif pada tarikh lembaran imbangan.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/DASAR-DASAR UTAMA PERAKAUNAN (samb.)

(n) Segment reporting/*Maklumat segmen*

Segment reporting is presented for enhanced assessment of the Group's risk and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

*Laporan segmen dibentangkan untuk memberikan penilaian yang lebih baik berkenaan dengan risiko dan pulangan Kumpulan. Segmen perniagaan membentangkan barangan dan perkhidmatan yang tertakluk kepada risiko dan pulangan yang berlainan daripada segmen perniagaan yang lain. Segmen geografi membentangkan barangan dan perkhidmatan di dalam lingkungan persekitaran ekonomi tertentu yang tertakluk kepada risiko dan pulangan yang berlainan daripada komponen-komponen yang beroperasi di dalam persekitaran yang lain.*

*Segmen pendapatan, perbelanjaan, aset dan liabiliti adalah jumlah-jumlah yang terhasil daripada aktiviti-aktiviti operasi segmen yang dipunyai secara langsung oleh segmen itu dan bahagian yang relevan yang boleh diagihkan secara munasabah kepada segmen. Segmen pendapatan, perbelanjaan, aset dan liabiliti ditentukan sebelum baki di antara kumpulan dan transaksi antara kumpulan dihapuskan sebagai sebahagian daripada proses penyatuan, kecuali pada takat baki dan transaksi antara kumpulan itu adalah di antara perusahaan kumpulan di dalam segmen yang sama.*

(o) Foreign currencies/*Matawang asing*

The financial statements are presented in Ringgit Malaysia.

The Group's foreign entities operations are not an integral part of the operations of the Company. Income statements of foreign entities are translated into Ringgit Malaysia at average exchange rates for the period and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investments in foreign entities and of borrowing that hedge such investments are taken to exchange reserves in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

*Penyata kewangan ini dibentangkan dalam Ringgit Malaysia.*

*Entiti asing Kumpulan terdiri daripada operasi yang tidak membentuk sebahagian penting daripada operasi Syarikat. Penyata pendapatan entiti asing ditukar ke dalam Ringgit Malaysia pada purata kadar pertukaran semasa sepanjang tempoh kewangan dan lembaran imbalan ditukar mengikut kadar tukaran pada tarikh tahun kewangan berakhir. Perbezaan yang terhasil daripada pertukaran pelaburan bersih di dalam entiti asing dan pinjaman yang dicagarkan ke atas pelaburan berkenaan dibawa ke rizab. Untuk pelupusan bagi entiti asing, perbezaan pertukaran matawang berkenaan dinyatakan di dalam penyata kewangan sebagai sebahagian daripada keuntungan atau kerugian atas pelupusan.*

The principal closing rates used in translation of foreign currency amounts are as follows:

*Kadar penutup utama yang digunakan untuk penukaran jumlah matawang asing adalah seperti berikut:*

	<u>2003</u> RM	<u>2002</u> RM
<b>Foreign currency/<i>Matawang asing</i></b>		
1 Singapore Dollar	2.2315	2.1915

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/*DASAR-DASAR UTAMA PERAKAUNAN (samb.)*

#### (p) Revenue recognition/*Pengiktirafan hasil*

##### Group

- (i) Hospital and consultant income comprises of inpatient income and outpatient income which are recognised on a receivable basis
  - Inpatient income represents hospital charges, sales of drugs, medical supplies and consultancy services.
  - Outpatient income represent sales of drugs, medical supplies and consultancy services.
  - Rental income mainly consists of the clinic rental for consultants and others.
- (ii) Sale of pharmaceutical, medical and surgical products  
Revenue are recognised upon delivery of products and customer acceptance net of discounts, rebates and returns.
- (iii) Laboratory test fees  
Revenue is recognised upon delivery of products and customer acceptance, if any, or performance of services and net of discounts.

##### *Kumpulan*

- (i) *Pendapatan hospital dan pendapatan pakar perunding terdiri daripada pesakit luar dan pesakit dalaman yang diiktiraf*
  - *Pendapatan pesakit dalaman terdiri daripada caj hospital, jualan dan bekalan perubatan dan perkhidmatan perunding.*
  - *Pendapatan pesakit luar terdiri daripada jualan dan bekalan perubatan dan perkhidmatan konsultansi.*
  - *Pendapatan sewaan terdiri daripada sewa klinik untuk pakar perunding dan lain-lain.*
- (ii) *Pendapatan produk farmasi dan produk perubatan dan pembedahan*  
*Pendapatan diiktiraf apabila adanya penyerahan produk dan penerimaan pelanggan selepas diskaun, rebet dan pulangan.*
- (iii) *Yuran ujian makmal*  
*Pendapatan diiktiraf apabila adanya penyerahan produk dan penerimaan pelanggan, jika ada, atau pencapaian perkhidmatan dan selepas diskaun.*

#### (q) Revenue recognition/*Pengiktirafan hasil*

##### Company

- (i) Gross dividend income  
Revenue is recognised when the Company's right to receive payment is established.
- (ii) Management fees  
Fees charged to subsidiary companies for assisting the management and this is recognised upon invoicing.
- (iii) Interest income  
Interest from short term deposits and fixed deposits are taken into account under accrual basis.

##### *Syarikat*

- (i) *Pendapatan dividen kasar*  
*Pendapatan diiktiraf apabila hak Syarikat untuk menerima bayaran dilaksanakan.*
- (ii) *Yuran pengurusan*  
*Caj yuran pengurusan kepada syarikat-syarikat subsidiari diiktiraf apabila inbois dikeluarkan.*
- (iii) *Pendapatan faedah*  
*Faedah diterima dari deposit jangka pendek dan deposit tetap diambil kira dan diakru.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)/*DASAR-DASAR UTAMA PERAKAUNAN (samb.)*

#### (r) Employee benefits/*Manfaat-manfaat Pekerja*

##### (i) Short term employee benefits

Salaries, bonuses, allowances and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

##### (ii) Post-employment benefits

Defined contribution plan

The Group contributes to the Employee Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

##### (i) Manfaat kakitangan jangka pendek

*Gaji, bonus, elaun dan manfaat bukan tunai, diakru sepanjang tahun kewangan di mana khidmat berkaitan diberikan oleh kakitangan Kumpulan.*

##### (ii) Manfaat selepas perkhidmatan

*Pelan sumbangan penakrifan*

*Kumpulan membuat caruman kepada Kumpulan Simpanan Wang Pekerja, pelan penakrifan yang ditubuhkan oleh kerajaan. Sebaik sahaja sumbangan dibuat, Kumpulan tidak mempunyai tanggungan untuk membuat pembayaran.*

#### (s) Share capital/*Modal saham*

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

Dividends on ordinary shares to shareholders of the Company are recognised as liabilities when proposed or declared before the balance sheet date. A dividend proposed or approved after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date. Upon the dividend becoming payable, it will be accounted for as liability.

*Saham biasa diklasifikasikan sebagai ekuiti. Lain-lain saham diklasifikasikan sebagai ekuiti dan/atau liabiliti mengikut wajaran ekonomi sesuatu instrumen.*

*Kos luaran hasil dari terbitan saham baru dinyatakan sebagai sebuah pengurangan, cukai bersih, dalam ekuiti dari hasil terbitan.*

*Dividen atas saham biasa kepada pemegang-pemegang saham Syarikat dikenalpasti sebagai liabiliti apabila ianya dicadangkan atau diisytiharkan sebelum tarikh lembaranimbangan. Dividen yang dicadangkan atau diluluskan selepas tarikh kunci kira-kira, tetapi sebelum penyata-penyata kewangan diberi kebenaran untuk diterbitkan, ianya tidak dikenali sebagai liabiliti pada tarikh lembaranimbangan. Apabila dividen ini menjadi dividen berbayar, barulah ia dikenalpasti sebagai liabiliti.*

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 5 SEGMENT REPORTING/MAKLUMAT SEGMENT

The Group principally operates in one main business segment namely the operating of specialist hospitals.

Other operations of the Group mainly comprise of investment holding, provision of management services and pathology and laboratory services, marketing and distribution of pharmaceutical, medical and surgical products and operating a private nursing college. Neither of these operations are of a sufficient size to be reported separately.

Intersegment revenue comprise sales of management services, pathology and laboratory services, pharmaceutical, medical and surgical products and student fees for the hospitals segment. These transactions are conducted on an arms-length basis under terms, conditions and prices not materially different from transactions with unrelated parties.

*Kumpulan beroperasi dalam satu segment perniagaan utama iaitu beroperasi sebagai hospital pakar.*

*Operasi Kumpulan yang lain terdiri daripada syarikat pelaburan induk, peruntukan perkhidmatan pengurusan, patologi dan perkhidmatan makmal, pemasaran dan pengedaran produk farmasi, perubatan dan pembedahan dan beroperasi sebagai kolej kejururawatan swasta. Operasi-operasi ini tidak memerlukan laporan berasingan disebabkan oleh saiznya.*

*Perolehan antara segmen terdiri dari jualan perkhidmatan pengurusan, patologi dan perkhidmatan makmal, pemasaran dan pengedaran produk farmasi dan yuran pembelajaran jururawat untuk segmen hospital. Kesemua transaksi ini telah dijalankan atas dasar urusaniaga tulus dibawah terma-terma, syarat-syarat dan perbezaan nilai adalah tidak material dari urusaniaga yang dijalankan antara pihak yang tidak berkaitan.*

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 5 SEGMENT REPORTING (cont'd)/MAKLUMAT SEGMENT (samb.)

(a) Primary reporting – business segments/Laporan utama - Segmen perniagaan

	Hospitals <i>Hospital-hospital</i> RM'000	Others <i>Lain-lain</i> RM'000	Group <i>Kumpulan</i> RM'000
<b>Year ended 31 December 2003/Tahun berakhir 31 Disember 2003</b>			
<b>Revenue/Hasil</b>			
Total revenue/Jumlah hasil	485,057	119,387	604,444
Intersegment revenue/Hasil antara segmen	(18,439)	(76,484)	(94,923)
External revenue/Hasil luaran	466,618	42,903	509,521
<b>Results/Keputusan</b>			
Segment results (external)/Keputusan segmen (luaran)	48,256	6,303	54,559
Amortisation of goodwill/Pelunasan muhibah			(3,494)
Profit from operations/Keuntungan dari operasi			51,065
Finance cost/Kos kewangan			(19,924)
Share of profit of associated companies/ Bahagian keuntungan syarikat-syarikat bersekutu			849
Profit before tax/Keuntungan sebelum cukai			31,990
Taxation/Cukai			(3,917)
Share of tax of associated companies/ Bahagian cukai syarikat-syarikat bersekutu			(240)
Profit from ordinary activities after tax/ Keuntungan dari aktiviti biasa selepas cukai			27,833
Minority interest/Kepentingan minoriti			1,210
Net profit attributable to shareholders/ Keuntungan bersih yang boleh diagihkan kepada pemegang-pemegang saham			29,043
<b>At 31 December 2003/Pada 31 Disember 2003</b>			
<b>Net assets/Aset bersih</b>			
Segment assets/Segmen mengikut aset	671,838	64,302	736,140
Associated companies/Syarikat-syarikat bersekutu			12,513
Investments/Pelaburan			1,954
Taxation/Cukai			14,185
Total assets/Jumlah aset			764,792
<b>Net liabilities/Liabiliti bersih</b>			
Segment liabilities/Segmen mengikut liabiliti	335,232	31,751	366,983
Taxation/Cukai			32,761
Total liabilities/Jumlah liabiliti			399,744
<b>Year ended 31 December 2003/Tahun berakhir 31 Disember 2003</b>			
<b>Other information/Lain-lain maklumat</b>			
Capital expenditure/Perbelanjaan modal	81,545	3,055	84,600
Depreciation/Susutnilai	25,649	121	25,770
Amortisation/Pelunasan	6,963	0	6,963
Other non-cash expenses/Lain-lain perbelanjaan bukan tunai	1,458	45	1,503

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 5 SEGMENT REPORTING (cont'd)/MAKLUMAT SEGMENT (samb.)

(a) Primary reporting – business segments (cont'd)/Laporan utama - Segmen perniagaan (samb.)

	Hospitals Hospital-hospital RM'000	Others Lain-lain RM'000	Group Kumpulan RM'000
<b>Year ended 31 December 2002/Tahun berakhir 31 Disember 2002</b>			
<b>Revenue/Hasil</b>			
Total revenue/Jumlah hasil	219,111	31,777	250,888
Intersegment revenue/Hasil antara segmen	0	(28,114)	(28,114)
External revenue/Hasil luaran	219,111	3,663	222,774
<b>Results/Keputusan</b>			
Segment results (external)/Keputusan segmen (luaran)	26,558	635	27,193
Amortisation of goodwill/Pelunasan muhibah			(602)
Profit from operations/Keuntungan dari operasi			26,591
Finance cost/Kos kewangan			(4,302)
Share of profit of associated companies/ Bahagian keuntungan syarikat-syarikat bersekutu			36
Profit before tax/Keuntungan sebelum cukai			22,325
Taxation/Cukai			(7,407)
Share of tax of associated companies/ Bahagian cukai syarikat-syarikat bersekutu			(39)
Profit from ordinary activities after tax/ Keuntungan dari aktiviti biasa selepas cukai			14,879
Minority interest/Kepentingan minoriti			43
Net profit attributable to shareholders/ Keuntungan bersih yang boleh diagihkan kepada pemegang-pemegang saham			14,922
<b>At 31 December 2002/Pada 31 Disember 2002</b>			
<b>Net assets/Aset bersih</b>			
Segment assets/Segmen mengikut aset	612,264	92,209	704,473
Associated companies/Syarikat-syarikat bersekutu			8,681
Investments/Pelaburan			1,954
Taxation/Cukai			9,865
Total assets/Jumlah aset			724,973
<b>Net liabilities/Liabiliti bersih</b>			
Segment liabilities/Segmen mengikut liabiliti	297,186	57,205	354,391
Taxation/Cukai			31,306
Total liabilities/Jumlah liabiliti			385,697
<b>Year ended 31 December 2002/Tahun berakhir 31 Disember 2002</b>			
<b>Other information/Lain-lain maklumat</b>			
Capital expenditure/Perbelanjaan modal	31,534	371	31,905
Depreciation/Susutnilai	9,730	165	9,895
Amortisation/Pelunasan	2,077	0	2,077
Other non-cash expenses/Lain-lain perbelanjaan bukan tunai	388	979	1,367

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 5 SEGMENT REPORTING (cont'd)/MAKLUMAT SEGMENT (samb.)

### (b) Secondary reporting – geographical segments/Laporan kedua – segmen mengikut geografi

The Group principally operates in Malaysia.

Other geographical area of the Group's operation is in Singapore mainly in marketing and distribution of pharmaceutical, medical and surgical products. The country contributed less than 10% of consolidated revenue or assets.

In determining the geographical segments of the Group, revenue is based on the country in which the customer is located. Total assets and capital expenditure are determined based on where the assets are located. There is no intersegment revenue.

*Kumpulan beroperasi terutamanya di Malaysia.*

*Kawasan geografi lain bagi operasi Kumpulan ialah Singapura yang menjalankan aktiviti pemasaran dan pengedaran produk farmasi, perubatan dan pembedahan. Ia menyumbang kurang daripada 10% penyatuan jumlah dan aset.*

*Untuk menentukan segmen geografi Kumpulan, jualan yang dibuat ditentukan mengikut negara asal pelanggan. Jualan aset dan perbelanjaan modal ditentukan berdasarkan kedudukan aset tersebut. Tiada sebarang hasil antara segmen-segmen ini.*

	Malaysia RM'000	Others Lain-lain RM'000	Group Kumpulan RM'000
<b>Year ended 31 December 2003/Tahun berakhir 31 Disember 2003</b>			
<b>Revenue/Hasil</b>			
External revenue/Hasil luaran	498,114	11,407	509,521
<b>At 31 December 2003/Pada 31 Disember 2003</b>			
<b>Other information/Lain-lain maklumat</b>			
Segment assets/Segmen mengikut aset	722,117	14,023	736,140
Associate companies/Syarikat-syarikat bersekutu			12,513
Investment/Pelaburan			1,954
Taxation/Cukai			14,185
Total assets/Jumlah aset			764,792
Capital expenditure/Perbelanjaan modal	81,545	3,055	84,600
<b>Year ended 31 December 2002/Tahun berakhir 31 Disember 2002</b>			
<b>Revenue/Hasil</b>			
External revenue/Hasil luaran	220,781	1,993	222,774
<b>At 31 December 2002/Pada 31 Disember 2002</b>			
<b>Other information/Lain-lain maklumat</b>			
Segment assets/Segmen mengikut aset	690,482	13,991	704,473
Associate companies/Syarikat-syarikat bersekutu			8,681
Investment/Pelaburan			1,954
Taxation/Cukai			9,865
Total assets/Jumlah aset			724,973
Capital expenditure/Perbelanjaan modal	31,893	12	31,905

## Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 6 REVENUE/HASIL

	Group/ <i>Kumpulan</i>		Company/ <i>Syarikat</i>	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Hospital income/ <i>Pendapatan hospital</i>	312,770	140,462	0	0
Rental Income/ <i>Pendapatan sewaan</i>				
- clinics/ <i>klinik-klinik</i>	7,200	6,279	0	0
- others/ <i>lain-lain</i>	623	539	0	0
Consultant income/ <i>Pendapatan pakar perunding</i>	164,091	69,860	0	0
Sale of pharmaceutical, medical and surgical products/ <i>Jualan produk farmasi, perubatan dan pembedahan</i>	22,340	5,320	0	0
Laboratory test fees/ <i>Yuran ujian makmal</i>	2,187	314	0	0
Dividend income from subsidiary companies/ <i>Pendapatan dividen syarikat-syarikat subsidiari</i>	0	0	11,969	14,023
Dividend income from associated companies/ <i>Pendapatan dividen syarikat-syarikat bersekutu</i>	310	0	0	0
Interest income/ <i>Pendapatan faedah</i>	0	0	0	676
Management fees/ <i>Yuran pengurusan</i>	0	0	7,335	240
	<b>509,521</b>	<b>222,774</b>	<b>19,304</b>	<b>14,939</b>

## 7 PROFIT FROM OPERATIONS/KEUNTUNGAN DARIPADA OPERASI

	Group/ <i>Kumpulan</i>		Company/ <i>Syarikat</i>	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
The following amounts have been charged/(credited) in arriving at profit from operations: <i>Keuntungan sebelum cukai adalah setelah ditolak/(ditambah)</i> <i>perkara-perkara berikut:</i>				
Auditors' remuneration/ <i>Bayaran audit</i>				
- audit fees/ <i>yuran audit</i>	393	136	21	21
- under/(over) provision in prior year/ <i>kurangan/(lebihan)</i> <i>peruntukan tahun-tahun sebelumnya</i>	10	(1)	0	0
Allowance for doubtful debts/ <i>Peruntukan hutang ragu</i>	1,503	979	0	0
Amortisation of goodwill/ <i>Pelunasan muhibah</i>	3,494	602	0	0
Training costs/ <i>Kos latihan</i>				
- amortisation/ <i>pelunasan</i>	3,469	1,475	0	0
- loss on transfer/ <i>kerugian atas pindahan</i>	0	388	0	0
Directors' remuneration/ <i>Bayaran pengarah</i>				
- fees/ <i>yuran</i>	846	599	507	477
- salaries, allowances and bonus/ <i>gaji, elaun dan bonus</i>	385	410	385	410
- defined contribution plan/ <i>pelan sumbangan penakrifan</i>	46	49	46	49
- other emoluments/ <i>lain-lain ganjaran</i>	67	67	67	67
Corporate fees/ <i>Yuran korporat</i>	270	0	0	0
Lease rentals/ <i>Sewa pajakan</i>	85	201	0	0
Property, plant and equipment/ <i>Hartanah, loji dan peralatan</i>				
- depreciation/ <i>susutnilai</i>	25,770	9,895	0	0
- loss on disposals/ <i>kerugian dari pelupusan</i>	104	611	0	0
- written offs/ <i>hapuskira</i>	91	264	0	0
Rental expense of land and buildings/ <i>Perbelanjaan sewa hartanah</i> <i>dan bangunan</i>	2,750	735	112	36
Staff costs/ <i>Kos pekerja</i>				
- salaries, allowances and bonus/ <i>gaji, elaun dan bonus</i>	85,216	38,461	3,194	0
- defined contribution plan/ <i>pelan sumbangan penakrifan</i>	9,463	3,405	294	0

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 7 PROFIT FROM OPERATIONS (cont'd)/KEUNTUNGAN DARIPADA OPERASI (samb.)

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cost of sales/ <i>Kos jualan</i>				
- material costs/ <i>kos bahan</i>	74,439	49,138	0	0
- appropriation to consultants/ <i>agihan kepada pakar-pakar perunding</i>				
- paid to companies which certain Directors have financial interest/ <i>dibayar kepada syarikat dimana Pengarah mempunyai kepentingan kewangan</i>	924	873	0	0
- paid to other consultants/ <i>dibayar kepada lain-lain pakar-pakar perunding</i>	147,317	62,899	0	0
Dividends/ <i>Dividen</i>				
- unquoted investment in subsidiaries companies/ <i>- pelaburan tidak disebut harga di syarikat-syarikat subsidiari</i>	0	0	(11,969)	(14,023)
Interest income/ <i>Pendapatan faedah</i>	(2,962)	(1,054)	(15)	(676)
Rental income/ <i>Pendapatan sewaan</i>	(1,640)	(1,468)	0	0

## 8 FINANCE COST/KOS KEWANGAN

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Finance cost on Islamic facilities/ <i>Kos kewangan atas perbankan Islam</i>	1,539	1,505	0	0
Interest expense/ <i>Perbelanjaan faedah</i>				
- redeemable convertible loan stock/ <i>stok pinjaman yang boleh ditebus tukar</i>	4,000	667	0	0
- overdrafts/ <i>overdraf</i>	1,755	1,122	0	0
- term loans/ <i>pinjaman berjangka</i>	9,415	298	0	0
- revolving credits/ <i>pusingan kredit</i>	2,507	792	0	0
- lease and hire purchase/ <i>pajakan dan pembiayaan sewabeli</i>	723	145	0	0
- others/ <i>lain-lain</i>	355	35	0	0
Bank charges on redeemable convertible loan stock/ <i>Caj bank atas stok pinjaman boleh ditebus tukar</i>	350	350	0	0
Commitment fees/ <i>Bayaran komitmen</i>	25	34	0	0
Less: Interest capitalised into property, plant and equipment (Note 12)/ <i>Tolak: Faedah dipermodalkan atas hartanah, loji dan peralatan (Nota 12)</i>	(745)	(646)	0	0
	19,924	4,302	0	0

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 9 TAXATION/CUKAI

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tax charge for the financial year: <i>Caj cukai bagi tahun kewangan semasa:</i>				
Current taxation/ <i>Cukai bagi tahun semasa</i>				
- Malaysian tax/ <i>Percukaian di Malaysia</i>	5,061	5,863	3,229	2,033
- Foreign tax/ <i>Percukaian di luar negara</i>	230	306	0	0
Deferred taxation/ <i>Cukai tertunda</i>	(1,374)	1,238	0	0
	<b>3,917</b>	<b>7,407</b>	<b>3,229</b>	<b>2,033</b>
Current tax/ <i>Cukai semasa</i>				
Current year/ <i>Tahun semasa</i>	6,629	6,337	3,229	2,033
Overprovision in prior years/ <i>Lebih peruntukan tahun-tahun sebelumnya</i>	(1,338)	(168)	0	0
Deferred tax/ <i>Cukai tertunda</i>				
Origination and reversal of temporary differences/ <i>Cukai tertunda berkaitan permulaan dan catatan semula perbezaan sementara</i>	(1,374)	1,238	0	0
	<b>3,917</b>	<b>7,407</b>	<b>3,229</b>	<b>2,033</b>

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Malaysia standard rate of income tax to profit before taxation due to the following factors:

*Perbelanjaan cukai atas keputusan untuk tahun kewangan semasa berbeza dari jumlah cukai pendapatan yang ditetapkan dengan menggunakan kadar cukai pendapatan berkanun Malaysia ke atas keuntungan sebelum cukai disebabkan oleh faktor-faktor yang berikut:*

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before tax/ <i>Keuntungan sebelum cukai</i>	31,990	22,325	11,919	13,290
Tax calculated at a statutory tax rate of 28% (2002: 28%)/ <i>Cukai dikira pada kadar berkanun 28% (2002: 28%)</i>	8,957	6,251	3,338	3,721
Difference in tax for the first RM100,000 of chargeable income, taxed at 20%/ <i>Perbezaan dalam cukai untuk RM100,000 pertama keuntungan, cukai pada kadar berkanun 20%</i>	(54)	0	0	0
Overprovision in prior years/ <i>Lebih peruntukan tahun-tahun sebelumnya</i>				
- tax/ <i>cukai</i>	(1,338)	(451)	0	0
- deferred tax/ <i>cukai tertunda</i>	(2,566)	(273)	0	0
Origination and reversal of temporary differences/ <i>Cukai tertunda berkaitan permulaan dan catatan semula perbezaan sementara</i>	0	108	0	0
Income not subject to tax/ <i>Pendapatan tidak dikenakan cukai</i>	(668)	(452)	(109)	(1,688)
Current year tax loss not recognised/ <i>Cukai tahun semasa yang tidak diiktiraf</i>	0	66	0	0
Utilisation of previously unrecognised tax losses/ <i>Penggunaan kerugian cukai yang tidak diiktiraf pada tahun sebelumnya</i>	(455)	0	0	0
Expenses not deductible for tax purposes/ <i>Perbelanjaan yang tidak dibenarkan untuk tujuan percukaian</i>	41	2,185	0	0
Tax charge/ <i>Caj cukai</i>	<b>3,917</b>	<b>7,407</b>	<b>3,229</b>	<b>2,033</b>
Average effective tax rate (%)/ <i>Purata kadar cukai efektif (%)</i>	<b>12</b>	<b>33</b>	<b>27</b>	<b>15</b>

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 10 DIVIDENDS/DIVIDEN

	Group/Company Kumpulan/Syarikat	
	2003 RM'000	2002 RM'000
In respect of the financial year ended 31 December 2002:/ <i>Bagi tahun kewangan berakhir 31 Disember 2002:</i>		
- Interim dividend of 5 sen gross per share tax exempt/ <i>- Dividen interim kasar sebanyak 5 sen sesaham dikecualikan cukai</i>	9,569	0
In respect of the financial year ended 31 December 2001:/ <i>Bagi tahun kewangan berakhir 31 Disember 2001:</i>		
- Final dividend of 5 sen gross per share less 28% tax/ <i>- Dividen akhir kasar sebanyak 5 sen sesaham ditolak 28% cukai</i>	0	1,728
	<b>9,569</b>	<b>1,728</b>

In respect of the financial year ended 31 December 2003, the Directors declared the payment of an interim gross dividend of 6 sen per share on 200,984,615 ordinary shares, less 28% tax, amounting to RM8,682,535 paid on 27 February 2004.  
*Para Pengarah mengumumkan pembayaran dividen interim kasar sebanyak 6 sen sesaham, ditolak 28% cukai, berjumlah RM8,682,535 dan telah dibayar pada 27 Februari 2004.*

### 11 EARNINGS PER SHARE/PENDAPATAN SESAHAM

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

*Pendapatan sesaham dikira dengan membahagikan keuntungan bersih yang diagihkan kepada pemegang-pemegang saham dengan purata wajaran terbitan saham baru biasa dalam tahun kewangan semasa.*

	Group/Kumpulan	
	2003	2002
Net profit attributable to shareholders (RM'000)/ <i>Keuntungan bersih yang boleh diagihkan kepada pemegang-pemegang saham (RM'000)</i>	29,043	14,922
Weighted average number of ordinary shares in issue ('000)/ <i>Purata wajaran bilangan terbitan saham biasa ('000)</i>	195,304	72,697
Basic earnings per share (sen)/ <i>Pendapatan asas sesaham (sen)</i>	14.87	20.53

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 12 PROPERTY, PLANT AND EQUIPMENT/HARTA, LOJI DAN PERALATAN

	Freehold land	Long leasehold land	Buildings	Medical and other equipment	Furniture, fittings, motor vehicles and computers	Capital work-in-progress	Total
	Tanah pegangan bebas	Tanah pajakan jangka panjang	Bangunan-bangunan	Perubatan dan peralatan lain	Perabot, kelengkapan, kenderaan dan komputer	Modal kerja dalam proses	Jumlah
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group/Kumpulan</b>							
<b>2003</b>							
At 1 January/Pada 1 Januari							
- cost/kos	53,105	64,274	293,160	131,356	92,168	6,972	641,035
- valuation/nilai	0	16,560	9,796	0	0	0	26,356
Translation differences/ Perbezaan pertukaran matawang asing	0	0	162	0	14	0	176
Additions/Tambahan	30,312	0	4,054	12,298	11,667	17,476	75,807
Disposals/Pelupusan	0	0	0	(2,054)	(2,363)	0	(4,417)
Transfer/Pindahan	0	0	1,056	347	523	(1,926)	0
Write offs/Hapuskira	0	0	0	(117)	(63)	(14)	(194)
At 31 December/Pada 31 Disember							
- cost/kos	83,417	64,274	298,432	141,830	101,946	22,508	712,407
- valuation/nilai	0	16,560	9,796	0	0	0	26,356
<b>Accumulated depreciation/ Susutnilai terkumpul</b>							
At 1 January/Pada 1 Januari	0	(2,783)	(20,296)	(71,765)	(57,499)	0	(152,343)
Translation differences/ Perbezaan pertukaran matawang asing	0	0	0	0	(73)	0	(73)
Charge for the year/ Susutnilai semasa	0	(1,036)	(5,528)	(11,158)	(8,048)	0	(25,770)
Disposals/Pelupusan	0	0	0	1,311	1,822	0	3,133
Write offs/Hapuskira	0	0	0	70	33	0	103
At 31 December/Pada 31 Disember	0	(3,819)	(25,824)	(81,542)	(63,765)	0	(174,950)
<b>Net book value/Nilai buku bersih</b>							
At 31 December 2003/ Pada 31 Disember 2003	83,417	77,015	282,404	60,288	38,181	22,508	563,813

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 12 PROPERTY, PLANT AND EQUIPMENT(cont'd)/HARTA, LOJI DAN PERALATAN(samb.)

	Freehold land	Long Leasehold land	Buildings	Medical and other equipment	Furniture, fittings, motor vehicles and computers	Capital work-in-progress	Total
	Tanah pegangan bebas	Tanah pajakan jangka panjang	Bangunan-bangunan	Perubatan dan peralatan lain	Perabot, kelengkapan, kenderaan dan komputer	Modal kerja dalam proses	Jumlah
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group/Kumpulan</b>							
<b>2002</b>							
At 1 January/Pada 1 Januari							
- cost/kos	0	14,520	50,148	37,365	34,018	911	136,962
- valuation/nilai	0	16,560	9,796	0	0	0	26,356
Acquisitions of subsidiaries (Note 13)/ Pengambilalihan syarikat subsidiari (Nota 13)	53,105	44,178	195,676	85,147	52,178	50,773	481,057
Translation differences/ Perbezaan pertukaran matawang asing	0	0	479	0	40	0	519
Additions/Tambahan	0	5,576	1,906	10,771	5,448	1,873	25,574
Disposals/Transfer Pelupusan/Pindahan	0	0	258	(1,242)	509	(1,892)	(2,367)
Write offs/Hapuskira	0	0	0	(685)	(25)	0	(710)
Reclassifications/ Klasifikasi semula	0	0	44,693	0	0	(44,693)	0
At 31 December/Pada 31 Disember							
- cost/kos	53,105	64,274	293,160	131,356	92,168	6,972	641,035
- valuation/penilaian	0	16,560	9,796	0	0	0	26,356
<b>Accumulated depreciation/ Susutnilai terkumpul</b>							
At 1 January/Pada 1 Januari	0	(373)	(1,141)	(18,655)	(23,555)	0	(43,724)
Translation differences/ Perbezaan pertukaran matawang asing	0	0	(51)	0	(36)	0	(87)
Charge for the year/ Susutnilai semasa	0	(414)	(2,004)	(4,165)	(3,312)	0	(9,895)
Acquisitions of subsidiaries (Note 13)/ Pengambilalihan syarikat subsidiari (Nota 13)	0	(1,996)	(17,159)	(49,911)	(31,222)	0	(100,288)
Disposals/Transfer Pelupusan/Pindahan	0	0	59	526	620	0	1,205
Write offs/Hapuskira	0	0	0	440	6	0	446
At 31 December/Pada 31 Disember	0	(2,783)	(20,296)	(71,765)	(57,499)	0	(152,343)
<b>Net book value/Nilai buku bersih</b>							
At 31 December 2002/ Pada 31 Disember 2002	53,105	78,051	282,660	59,591	34,669	6,972	515,048

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 12 PROPERTY, PLANT AND EQUIPMENT (cont'd)/HARTA, LOJI DAN PERALATAN (samb.)

The long leasehold land and buildings stated at valuation were revalued by the Directors on 1st September 2000 based on open market valuations carried out by an independent firm of professional valuers, CH Williams, Talhar & Wong of 3228, Menara Tun Razak, Jalan Raja Laut, 50768 Kuala Lumpur to reflect market value for existing use. The book value of the long leasehold land and buildings were adjusted to reflect the revaluation and the resultant surpluses were credited to revaluation reserve.

If the total amounts of the leasehold land and buildings had been determined in accordance with the historical cost convention, they would have been included at:

*Tanah pajakan jangka panjang dan bangunan-bangunan telah dinilai semula oleh Pengarah pada 1 September 2000 berdasarkan harga pasaran yang telah dinilai oleh jurunilai profesional, CH Williams, Talhar & Wong di alamat 3228, Menara Tun Razak, Jalan Raja Laut, 50768 Kuala Lumpur bagi memastikan harga pasaran berdasarkan kegunaan sedia ada. Nilai buku tanah pajakan dan bangunan telah diselaraskan pada nilai penilaian dan lebihan penilaian semula telah diselaraskan dalam rizab penilaian semula.*

*Sekiranya tanah pajakan dan bangunan-bangunan dinyatakan pada kos sejarah ianya akan ditunjukkan seperti berikut:*

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>Cost/Kos</b>		
Long leasehold land/ <i>Tanah pajakan jangka panjang</i>	29,074	48,091
Buildings/ <i>Bangunan-bangunan</i>	222,447	218,701
	<b>251,521</b>	<b>266,792</b>
<b>Accumulated depreciation/Susutnilai terkumpul</b>		
Long leasehold land/ <i>Tanah pajakan jangka panjang</i>	(4,209)	(3,773)
Buildings/ <i>Bangunan-bangunan</i>	(16,310)	(13,309)
	<b>(20,519)</b>	<b>(17,082)</b>
Net book value/ <i>Nilai buku bersih</i>	<b>213,002</b>	<b>249,710</b>
<b>The additions and net book value of assets under hire purchase and AI-Ijarah are as follows:</b>		
<i>Penambahan dan nilai buku bersih aset-aset di bawah pembiayaan sewabeli dan AI-Ijarah adalah seperti berikut:</i>		
Assets under finance lease: <i>/Aset di bawah pembiayaan sewabeli:</i>		
- additions during the financial year/ <i>- penambahan dalam tahun kewangan semasa</i>	9,805	4,766
- net book value at the end of financial year/ <i>- nilai buku bersih pada akhir tahun kewangan</i>	22,329	9,846
Assets under AI-Ijarah/ <i>Aset di bawah pembiayaan AI-Ijarah:</i>		
- additions during the financial year/ <i>- penambahan dalam tahun kewangan semasa</i>	384	180
- net book value at the end of financial year/ <i>- nilai buku bersih pada akhir tahun kewangan</i>	448	163

The net book value of property, plant and equipment pledged for borrowing facility (Note 23) is RM323,258,000 (2002:RM265,810,000). *Nilai buku bersih bagi hartanah, loji dan peralatan yang dicagarkan untuk kemudahan pinjaman (Nota 23) berjumlah RM323,258,000 (2002:RM265,810,000).*

Borrowing costs of RM745,000 (2002:RM646,000), arising on financing specifically entered into for the construction of the hospital building, were capitalised during the financial year and included in additions of the Group during the financial year.

*Kos pinjaman berjumlah RM745,000 (2002:RM646,000), yang terhasil daripada pinjaman khasnya untuk pembiayaan pembinaan bangunan hospital, telah dipermodalkan dalam tahun kewangan semasa dan diambil kira sebagai penambahan aset untuk Kumpulan dalam tahun kewangan semasa.*

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 13 SUBSIDIARY COMPANIES/SYARIKAT-SYARIKAT SUBSIDIARI

	Company/Syarikat	
	2003 RM'000	2002 RM'000
Unquoted shares at cost/Saham tidak tersiar harga pada kos	221,762	217,004

The following are subsidiaries of the Company:  
Subsidiari-subsidiari Syarikat adalah seperti berikut:

Name of company Nama syarikat	Country of incorporation Negara ditubuhkan	Group's effective interest Kepentingan efektif Kumpulan		Principal activities Aktiviti-aktiviti utama
		2003 %	2002 %	
Johor Specialist Hospital Sdn Bhd	Malaysia	100	100	Operating as a specialist hospital Beroperasi sebagai hospital pakar
Medical Associates Sdn Bhd	Malaysia	98	98	Operating as a specialist hospital Beroperasi sebagai hospital pakar
Kumpulan Perubatan (Johor) Sdn Bhd	Malaysia	100	100	Investment holdings Pelaburan induk
Medical Centre (Johore) Sdn Bhd #	Malaysia	96	96	Operating as a specialist hospital Beroperasi sebagai hospital pakar
Tawakal Holdings Sdn Bhd	Malaysia	100	100	Investment holdings Pelaburan induk
<b>Subsidiary company of Johor Specialist Hospital Sdn Bhd/ Syarikat subsidiari Johor Specialist Hospital Sdn Bhd</b>				
Renalcare Perubatan (M) Sdn Bhd	Malaysia	100	100	Dormant/Tidak aktif
<b>Subsidiary companies of Medical Associates Sdn Bhd/ Syarikat-syarikat subsidiari Medical Associates Sdn Bhd</b>				
Ipoh Computerised Tomography Sdn Bhd	Malaysia	0	100	Dormant/Tidak aktif
Ipoh Radiotherapy Sdn Bhd	Malaysia	100	100	Dormant/Tidak aktif
<b>Subsidiary company of Tawakal Holdings Sdn Bhd/ Syarikat subsidiari Tawakal Holdings Sdn Bhd</b>				
Pusat Pakar Tawakal Sdn Bhd <sup>+</sup>	Malaysia	100	97	Operating as a specialist hospital Beroperasi sebagai hospital pakar

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 14 SUBSIDIARY COMPANIES (cont'd)/SYARIKAT-SYARIKAT SUBSIDIARI (samb.)

Name of company <i>Nama syarikat</i>	Country of incorporation <i>Negara ditubuhkan</i>	Group's effective interest		Principal activities <i>Aktiviti-aktiviti utama</i>
		2003 %	2002 %	
<b>Subsidiary companies of Kumpulan Perubatan (Johor) Sdn Bhd/ <i>Syarikat-syarikat subsidiari Kumpulan Perubatan (Johor) Sdn Bhd</i></b>				
Bukit Mertajam Specialist Hospital Sdn Bhd	Malaysia	71	71	Operating as a specialist hospital <i>Beroperasi sebagai hospital pakar</i>
Damansara Specialist Hospital Sdn Bhd ^	Malaysia	100	90	Operating as a specialist hospital <i>Beroperasi sebagai hospital pakar</i>
Kuantan Specialist Hospital Sdn Bhd	Malaysia	71	71	Operating as a specialist hospital <i>Beroperasi sebagai hospital pakar</i>
Pusat Pakar Darul Naim Sdn Bhd	Malaysia	61	60	Operating as a specialist hospital <i>Beroperasi sebagai hospital pakar</i>
Puteri Specialist Hospital Sdn Bhd	Malaysia	100	100	Operating as a specialist hospital <i>Beroperasi sebagai hospital pakar</i>
Puteri Healthcare Sdn Bhd	Malaysia	70	70	Operating as a specialist hospital <i>Beroperasi sebagai hospital pakar</i>
Maharani Specialist Hospital Sdn Bhd	Malaysia	100	100	To operate as a specialist hospital <i>Akan beroperasi sebagai hospital pakar</i>
Seremban Specialist Hospital Sdn Bhd	Malaysia	55	55	To operate as a specialist hospital <i>Akan beroperasi sebagai hospital pakar</i>
Healthcare Technical Services Sdn Bhd	Malaysia	100	100	Project management and engineering maintenance services for specialist hospital <i>Pengurusan projek untuk hospital pakar dan perkhidmatan penyenggaraan kejuruteraan untuk hospital pakar</i>
Lablink (M) Sdn Bhd	Malaysia	60	60	Pathology and laboratory services <i>Perkhidmatan patologi dan makmal</i>
Puteri Nursing College Sdn Bhd	Malaysia	100	100	Operating a private nursing college <i>Beroperasi sebagai kolej kejururawatan swasta</i>
Pharmaserv Alliances Sdn Bhd	Malaysia	100	100	Marketing and distribution of medical and pharmaceutical products <i>Pemasaran dan pengedaran produk perubatan dan farmasi</i>
PharmaCARE Sdn Bhd	Malaysia	100	100	Investment holding <i>Pelaburan induk</i>

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 14 SUBSIDIARY COMPANIES (cont'd)/SYARIKAT-SYARIKAT SUBSIDIARI (samb.)

Name of company <i>Nama syarikat</i>	Country of incorporation <i>Negara ditubuhkan</i>	Group's effective interest		Principal activities <i>Aktiviti-aktiviti utama</i>
		2003 %	2002 %	
<b>Subsidiary companies of Kumpulan Perubatan (Johor) Sdn Bhd (cont'd)/ Syarikat-syarikat subsidiari Kumpulan Perubatan (Johor) Sdn Bhd (samb.)</b>				
Diaper Technology Industries Sdn Bhd	Malaysia	94	94	Providing information technology related services and rental of software <i>Menyediakan perkhidmatan teknologi informasi yang berkaitan dan penyewaan program komputer</i>
Nespomas Sdn Bhd	Malaysia	100	100	Dormant/ <i>Tidak aktif</i>
Freewell Sdn Bhd	Malaysia	80	80	Dormant/ <i>Tidak aktif</i>
Bayan Baru Specialist Hospital Sdn Bhd	Malaysia	55	55	Dormant/ <i>Tidak aktif</i>
PharmaCare Surgical Technologies Sdn Bhd	Malaysia	99	99	Dormant/ <i>Tidak aktif</i>
<b>Subsidiary companies of PharmaCARE Sdn Bhd/ Syarikat-syarikat subsidiari PharmaCARE Sdn Bhd</b>				
Sejahtera Farma Sdn Bhd (formerly known as Malaysian Retirement Home Sdn Bhd)	Malaysia	96	100	Retail pharmacy <i>Peruncit farmasi</i>
Open Access Sdn Bhd (formerly known as Open Access Sports Injury Services Sdn Bhd)	Malaysia	95	100	Retail pharmacy <i>Peruncit farmasi</i>
<b>Subsidiary companies of Pharmaserv Alliances Sdn Bhd/ Syarikat-syarikat subsidiari Pharmaserv Alliances Sdn Bhd</b>				
Medical Supplies (Sarawak) Sdn Bhd	Malaysia	75	75	Distributor of pharmaceutical products <i>Pengedar produk farmasi</i>
Malaysian Institute of Healthcare Management Sdn Bhd	Malaysia	75	75	Dormant/ <i>Tidak aktif</i>
FP Marketing (S) Pte Ltd *	Singapore	95	95	Import, export and distributors of pharmaceutical, medical and consumer healthcare products <i>Impot, eksport dan pengedar produk farmasi, perubatan dan produk kesihatan pengguna</i>

# Direct equity holding by the Company is 80% (2002: 80%)/*Pegangan saham secara terus oleh Syarikat 80% (2002:80%)*

+ Direct equity holding by the Company is 14% (2002: 11%)/*Pegangan saham secara terus oleh Syarikat 14% (2002:11%)*

^ Direct equity holding by the Company is 10% (2002: NIL)/*Pegangan saham secara terus oleh Syarikat 10% (2002:NIL)*

\* Not audited by affiliated firm of PricewaterhouseCoopers/*Tidak diaudit oleh syarikat gabungan PricewaterhouseCoopers*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 14 SUBSIDIARY COMPANIES (cont'd)/SYARIKAT-SYARIKAT SUBSIDIARI (samb.)

On 10 February 2003, PharmaCARE Sdn Bhd, a subsidiary company of Kumpulan Perubatan (Johor) Sdn Bhd, acquired 172,498 ordinary shares of RM1.00 each in Sejahtera Farma Sdn Bhd (formerly known as Malaysian Retirement Home Sdn Bhd) for a consideration other than cash amounting to RM172,498. The fair value of net assets for 95.83% equity interest in Sejahtera Farma Sdn Bhd (formerly known as Malaysian Retirement Home Sdn Bhd) at the date of acquisition was RM118,679 and goodwill arising amounted to RM53,819.

*Pada 10 Februari 2003, PharmaCARE Sdn Bhd, syarikat subsidiari Kumpulan Perubatan (Johor) Sdn Bhd, telah mengambilalih sebanyak 172,498 saham biasa bernilai RM1.00 sesaham dalam Sejahtera Farma Sdn Bhd (dahulunya dikenali sebagai Malaysian Retirement Home Sdn Bhd) untuk pembelian selain dari secara tunai berjumlah RM172,498. Nilai wajar aset bersih untuk 95.83% kepentingan ekuiti saham dalam Sejahtera Farma Sdn Bhd (dahulunya dikenali sebagai Malaysian Retirement Home Sdn Bhd) pada tarikh pengambilalihan adalah RM118,679 dan muhibah yang terhasil berjumlah RM53,819.*

On 19 February 2003, the Company, acquired 3,000,000 ordinary shares of RM1.00 each in Damansara Specialist Hospital Sdn Bhd for a cash consideration of RM3,000,000. As a result, Damansara Specialist Hospital Sdn Bhd became a wholly owned subsidiary of the Group. The fair value of net assets for 10.00% equity interest in Damansara Specialist Hospital Sdn Bhd at the date of acquisition was RM3,428,785 and premium arising amounted to RM428,785.

*Pada 19 Februari 2003, Syarikat telah mengambilalih 3,000,000 saham biasa bernilai RM1.00 sesaham dalam Damansara Specialist Hospital Sdn Bhd untuk pembelian secara tunai sebanyak RM3,000,000. Hasil dari pengambilalihan ini, Damansara Specialist Hospital Sdn Bhd menjadi subsidiari penuh Kumpulan. Nilai wajar aset bersih untuk 10.00% kepentingan ekuiti saham dalam Damansara Specialist Hospital Sdn Bhd pada tarikh pengambilalihan adalah RM3,428,785 dan premium yang terhasil berjumlah RM428,785.*

On 1 April 2003, Kumpulan Perubatan (Johor) Sdn Bhd, a subsidiary company, acquired 2,880,000 ordinary shares of RM1.00 each in Pusat Pakar Darul Naim Sdn Bhd for a consideration other than cash amounting to RM2,880,000. The fair value of net assets for 15.00% equity interest in Pusat Pakar Darul Naim Sdn Bhd at the date of acquisition was RM1,168,879 and goodwill arising amounted to RM1,711,121.

*Pada 1 April 2003, Kumpulan Perubatan (Johor) Sdn Bhd, sebuah syarikat subsidiari, telah mengambilalih sebanyak 2,880,000 saham biasa bernilai RM1.00 sesaham dalam Pusat Pakar Darul Naim Sdn Bhd untuk pembelian selain dari secara tunai sebanyak RM2,880,000. Nilai wajar aset bersih untuk 15.00% kepentingan ekuiti saham dalam Pusat Pakar Darul Naim Sdn Bhd pada tarikh pengambilalihan adalah RM1,168,879 dan muhibah yang terhasil berjumlah RM1,711,121.*

On 15 April 2003, the Company, acquired 300,000 ordinary shares of RM1.00 each in Pusat Pakar Tawakal Sdn Bhd for a cash consideration of RM1,425,000. As a result, Pusat Pakar Tawakal became a wholly owned subsidiary of the Group. The fair value of net assets for 3.27% equity interest in Pusat Pakar Tawakal Sdn Bhd at the date of acquisition was RM1,649,938 and premium arising amounted to RM224,938.

*Pada 15 April 2003, Syarikat telah mengambilalih 300,000 saham biasa bernilai RM1.00 sesaham dalam Pusat Pakar Tawakal Sdn Bhd untuk pembelian secara tunai sebanyak RM1,425,000. Hasil dari pengambilalihan ini, Pusat Pakar Tawakal menjadi subsidiari penuh Kumpulan. Nilai wajar aset bersih untuk 3.27% kepentingan ekuiti saham dalam Pusat Pakar Tawakal Sdn Bhd pada tarikh pengambilalihan adalah RM1,649,938 dan premium yang terhasil berjumlah RM224,938.*

On 21 April 2003, PharmaCARE Sdn Bhd, a subsidiary company of Kumpulan Perubatan (Johor) Sdn Bhd, acquired 372,000 ordinary shares of RM1.00 each in Open Access Sdn Bhd (formerly known as Open Access Sport Injury Services Sdn Bhd) for a consideration other than cash amounting to RM372,000. The fair value of net assets for 62.00% equity interest in Open Access Sdn Bhd (formerly known as Open Access Sport Injury Services Sdn Bhd) at the date of acquisition was RM81,599 and goodwill arising amounted to RM290,400.

*Pada 21 April 2003, PharmaCARE Sdn Bhd, sebuah syarikat subsidiari Kumpulan Perubatan (Johor) Sdn Bhd, telah mengambilalih sebanyak 372,000 saham biasa bernilai RM1.00 sesaham dalam Open Access Sdn Bhd (dahulunya dikenali sebagai Open Access Sport Injury Services Sdn Bhd) untuk pembelian selain dari secara tunai berjumlah RM372,000. Nilai wajar aset bersih untuk 62.00% kepentingan ekuiti saham dalam Open Access Sdn Bhd (dahulunya dikenali sebagai Open Access Sport Injury Services Sdn Bhd) pada tarikh pengambilalihan adalah RM81,599 dan muhibah yang terhasil berjumlah RM290,400.*

On 22 May 2003, Kumpulan Perubatan (Johor) Sdn Bhd, a subsidiary company, acquired 699,993 ordinary shares of RM1.00 in Puteri Healthcare Sdn Bhd for a cash consideration of RM699,993. The fair value of net assets acquired for 63.93% equity interest in Puteri Healthcare Sdn Bhd at the date of acquisition was RM662,289 and goodwill arising amounted to RM37,704.

*Pada 22 Mei 2003, Kumpulan Perubatan (Johor) Sdn Bhd, sebuah syarikat subsidiari, telah mengambilalih sebanyak 699,993 saham biasa bernilai RM1.00 sesaham dalam Puteri Healthcare Sdn Bhd untuk pembelian secara tunai sebanyak RM699,993. Nilai wajar aset bersih untuk 63.93% kepentingan ekuiti saham dalam Puteri Healthcare Sdn Bhd pada tarikh pengambilalihan adalah RM662,289 dan muhibah yang terhasil berjumlah RM37,704.*

On 22 July 2003 and 29 August 2003, the Company, acquired 25,000 ordinary shares of RM1.00 each and 25,000 ordinary shares of RM1.00 each respectively in Medical Centre (Johore) Sdn Bhd for a total cash consideration of RM103,000. The fair value of net assets for 0.5% equity interest in Medical Centre (Johore) Sdn Bhd at the date of acquisition was RM139,085 and premium arising amounted RM36,085.

*Pada 22 Julai 2003 dan 29 Ogos 2003, Syarikat telah mengambilalih sebanyak 25,000 saham biasa bernilai RM1.00 sesaham dan 25,000 saham biasa masing-masing bernilai RM1.00 sesaham setiap satu dalam Medical Centre (Johore) Sdn Bhd untuk pembelian secara tunai sebanyak RM103,000. Nilai wajar aset bersih untuk 0.5% kepentingan ekuiti saham dalam Medical Centre (Johore) Sdn Bhd pada tarikh pengambilalihan adalah RM139,085 dan premium yang terhasil berjumlah RM36,085.*

On 18 December 2003, Ipoh Computerised Tomography Sdn Bhd, a wholly own subsidiary company of Medical Associates Sdn Bhd, was strike off from the register of the Companies Commission of Malaysia.

*Pada 18 Disember 2003, Ipoh Computerised Tomography Sdn Bhd, sebuah syarikat subsidiari milik penuh Medical Associates Sdn Bhd, telah dikeluarkan dari daftar Suruhanjaya Syarikat-syarikat Malaysia.*

Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
 Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

14 ASSOCIATED COMPANIES/SYARIKAT-SYARIKAT BERSEKUTU

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
Unquoted preference shares, at cost/Saham keutamaan tidak disebut harga, pada kos	500	500
Unquoted ordinary shares, at cost /Saham biasa tidak disebut harga, pada kos	9,916	6,659
Group's share of post acquisition retained profits and reserves less losses/ Bahagian keuntungan tersimpan dan rizab Kumpulan selepas ditolak kerugian	2,097	1,522
	<b>12,513</b>	<b>8,681</b>
Share of capital commitments for property, plant and equipment/ Bahagian daripada komitmen modal untuk hartanah, loji dan peralatan	1,780	9,233

On 30 April 2003, Kumpulan Perubatan (Johor) Sdn Bhd, a subsidiary company, acquired 3,256,607 ordinary shares of RM1.00 each in Kedah Medical Centre Sdn Bhd, an associated company, for a cash consideration of RM3,256,607. As a result, the Group increases its shareholding interest in Kedah Medical Centre Sdn Bhd from 39.87% to 45.59%

Pada 30 April 2003, Kumpulan Perubatan (Johor) Sdn Bhd, sebuah syarikat subsidiari, menambah 3,256,607 saham biasa bernilai RM1.00 sesaham dalam Kedah Medical Centre Sdn Bhd, sebuah syarikat bersekutu, secara tunai yang berjumlah RM3,256,607. Hasil dari penambahan ini, Kumpulan telah menambah kepentingan ekuiti saham di Kedah Medical Centre Sdn Bhd dari 39.87% kepada 45.59%.

The associated companies are/Syarikat-syarikat bersekutu adalah seperti berikut:

Name of company Nama syarikat	Country of incorporation Negara ditubuhkan	Group's Effective Interest Kepentingan efektif Kumpulan		Principal activities Aktiviti-aktiviti utama
		2003 %	2002 %	
<b>Associated companies of Kumpulan Perubatan (Johor) Sdn Bhd/ Syarikat-syarikat bersekutu Kumpulan Perubatan (Johor) Sdn Bhd</b>				
Kedah Medical Centre Sdn Bhd π	Malaysia	45	40	Operating as a specialist hospital Beroperasi sebagai hospital pakar
Hospital Penawar Sdn Bhd	Malaysia	30	30	Operating as a specialist hospital Beroperasi sebagai hospital pakar
π Not audited by PricewaterhouseCoopers/Tidak diaudit oleh PricewaterhouseCoopers				

15 INVESTMENTS/PELABURAN

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>CURRENT/SEMASA</b>		
Unquoted redeemable non-cumulative preference shares, at cost/ Saham keutamaan boleh tebus bukan kumulatif tidak disebut harga, pada kos	1,500	0
<b>NON CURRENT/BUKAN SEMASA</b>		
Unquoted redeemable non-cumulative preference shares, at cost/ Saham keutamaan boleh tebus bukan kumulatif tidak disebut harga, pada kos	0	1,500
Unquoted convertible secured loan stocks, at cost/ Stok pinjaman bercagar boleh tukar tidak disebut harga, pada kos	454	454
	<b>454</b>	<b>1,954</b>

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 15 INVESTMENTS (cont'd)/ PELABURAN (samb.)

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>TOTAL/ JUMLAH</b>		
Unquoted redeemable non-cumulative preference shares, at cost/ <i>Saham keutamaan boleh tebus bukan kumulatif tidak disebut harga, pada kos</i>	1,500	1,500
Unquoted convertible secured loan stocks, at cost/ <i>Stok pinjaman bercagar boleh tukar tidak disebut harga, pada kos</i>	454	454
	<b>1,954</b>	<b>1,954</b>

The investment of unquoted redeemable non-cumulative preference shares in PharmaCARE Medicine Shoppe Sdn Bhd, amounting to RM1,500,000 has been reclassified as current due to Board of Directors' intention to dispose the investment to its ultimate holding corporation within the next 12 months.

A reasonable estimate of fair value of non current investments could not be made without incurring excessive cost. Therefore, such investments are valued at cost subject to review for impairment. The unquoted investments were carried at their original cost of RM454,000 (2002:RM1,954,000) in the balance sheet and it was not practical within the constraints of timeliness and cost to estimate the fair values of the unquoted investments reliably.

*Pelaburan untuk saham keutamaan boleh ditebus bukan kumulatif tidak disebut harga dalam PharmaCARE Medicine Shoppe Sdn Bhd, sebanyak RM1,500,000 telah diklasifikasikan sebagai pelaburan semasa oleh kerana para pengarah mempunyai niat untuk melupuskan pelaburan tersebut kepada syarikat utama induk dalam jangkamasa 12 bulan ini.*

*Anggaran berpatutan untuk nilai-nilai saksama bagi pelaburan bukan semasa tidak dapat dilakukan tanpa melibatkan kos yang berlebihan. Oleh itu, pelaburan sebegini dinilai pada harga kos bergantung pada kajian untuk rosot nilai. Bagi pelaburan tidak disebut harga, nilai terbawanya di dalam lembaranimbangan adalah pada harga kos asalnya RM454,000 (2002: RM1,954,000) oleh kerana adalah tidak wajar untuk membuat anggaran nilai-nilai saksama bagi pelaburan tidak sebut harga ini berdasarkan faktor-faktor kesuntukan masa dan kos.*

### 16 TRAINING COSTS/KOS LATIHAN

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>Cost/Kos</b>		
At 1 January/ <i>Pada 1 Januari</i>	25,270	7,731
Acquisitions of subsidiary companies/ <i>Pengambilalihan syarikat subsidiari</i>	0	10,797
Additions/ <i>Penambahan</i>	8,793	7,474
Transfer of students/ <i>Pindahan pelajar</i>	(2,568)	(225)
Write-offs/ <i>Hapuskira</i>	(197)	(507)
At 31 December/ <i>Pada 31 Disember</i>	<b>31,298</b>	<b>25,270</b>
<b>Less: Accumulated amortisation/<i>Tolak: Pelunasan terkumpul</i></b>		
At 1 January/ <i>Pada 1 Januari</i>	8,864	3,431
Amortisation of acquired subsidiary companies/ <i>Pelunasan terkumpul syarikat subsidiari yang diambilalih</i>	0	4,302
Charge during the year/ <i>Pelunasan semasa</i>	3,469	1,475
Transfer of students/ <i>Pindahan pelajar</i>	(271)	(134)
Write-offs/ <i>Hapuskira</i>	(119)	(210)
At 31 December/ <i>Pada 31 Disember</i>	<b>11,943</b>	<b>8,864</b>
Net book value/ <i>Nilai buku bersih</i>	<b>19,355</b>	<b>16,406</b>

Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
 Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

17 GOODWILL ON CONSOLIDATION/MUHIBAH ATAS PENYATUAN

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>Cost/Kos</b>		
At 1 January/Pada 1 Januari	69,807	0
Acquisitions of subsidiary companies/Pengambilalihan syarikat-syarikat subsidiari	1,222	69,807
At 31 December/Pada 31 Disember	71,029	69,807
<b>Less: Accumulated amortisation/Tolak: Pelunasan terkumpul</b>		
At 1 January/Pada 1 Januari	(602)	0
Amortisation charge/Pelunasan semasa	(3,494)	(602)
At 31 December/Pada 31 Disember	(4,096)	(602)
Net book value/Nilai buku bersih	66,933	69,205

18 DEFERRED TAXATION/CIKAI TERTUNDA

Deferred tax assets and liabilities were offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The following amounts, determined after appropriate off setting, are shown in the balance sheet:

*Aset dan liabiliti cukai tertunda ditimbang balik apabila ada hak penguasaan secara undang-undang yang sah untuk menimbang balik aset cukai semasa terhadap liabiliti cukai semasa dan apabila terdapatnya cukai-cukai tertunda yang berkaitan dengan pihak berkuasa yang sama. Amaun yang ditentukan selepas ditimbang balik, dinyatakan di lembaranimbangan seperti yang berikutnya:*

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
Deferred tax assets/Aset cukai tertunda	7,514	4,077
Deferred tax liabilities/Liabiliti cukai tertunda		
- subject to income tax/tertakluk kepada cukai pendapatan	(13,550)	(11,485)
- subject to capital gains tax/tertakluk kepada cukai keuntungan hartanah	(17,763)	(17,958)
	(31,313)	(29,443)
At 31 December/Pada 31 Disember	(23,799)	(25,366)

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 18 DEFERRED TAXATION (cont'd)/*CUKAI TERTUNDA (samb.)*

The movement in the deferred tax assets and liabilities (prior of offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

*Pergerakan di dalam aset cukai tertunda dan liabiliti (sebelum ditimbal balik antara cukai perundangan yang sama) sepanjang tahun kewangan semasa adalah seperti berikut :*

	Group/ <i>Kumpulan</i>	
	2003 RM'000	2002 RM'000
At 1 January/ <i>Pada 1 Januari</i>	(25,366)	(19,313)
Acquisitions of subsidiary companies/ <i>Pengambilalihan syarikat-syarikat subsidiari</i> (Charged)/credited to income statement/( <i>Caj</i> )/ <i>kredit ke penyata pendapatan</i>	0	(4,815)
- property, plant and equipment/ <i>hartanah, loji dan peralatan</i>	1,796	(1,238)
- allowance for doubtful debts/ <i>peruntukan hutang ragu</i>	(640)	0
- deferred cost/ <i>kos tertunda</i>	1,392	0
- tax losses/ <i>kerugian cukai</i>	(892)	0
- finance leases/ <i>pembiayaan pajakan</i>	(208)	0
- others/ <i>lain-lain</i>	(74)	0
	<b>(23,992)</b>	<b>(25,366)</b>
Charged to equity/ <i>Dicajkan ke ekuiti</i>	193	0
At 31 December/ <i>Pada 31 Disember</i>	<b>(23,799)</b>	<b>(25,366)</b>
<b>Subject to income tax:/<i>Tertakluk kepada cukai pendapatan:</i></b>		
<b>Deferred tax asset/<i>Aset cukai tertunda</i></b>		
- property, plant and equipment/ <i>hartanah, loji dan peralatan</i>	2,180	227
- revaluation/ <i>penilaian semula</i>	(175)	(178)
- allowance for doubtful debts/ <i>peruntukan hutang ragu</i>	37	9
- tax losses/ <i>kerugian cukai</i>	5,917	4,422
- deferred cost/ <i>kos tertunda</i>	(527)	(444)
- accruals/ <i>terakru</i>	82	41
At 31 December/ <i>Pada 31 Disember</i>	<b>7,514</b>	<b>4,077</b>
<b>Deferred tax liabilities/<i>Liabiliti cukai tertunda</i></b>		
- accelerated tax depreciation/ <i>pecepatan susutnilai cukai</i>	(11,951)	(9,217)
- revaluation/ <i>penilaian semula</i>	(8,287)	(8,406)
- allowance for doubtful debts/ <i>peruntukan hutang ragu</i>	856	1,526
- tax losses/ <i>kerugian cukai</i>	4,424	4,424
- deferred cost/ <i>kos tertunda</i>	(2,052)	(2,212)
- finance leases/ <i>pembiayaan pajakan</i>	1,884	2,092
- accruals/ <i>terakru</i>	69	187
- others/ <i>lain-lain</i>	1,507	121
At 31 December/ <i>Pada 31 Disember</i>	<b>(13,550)</b>	<b>(11,485)</b>
<b>Subject to capital gains tax:/<i>Tertakluk kepada cukai keuntungan hartanah:</i></b>		
<b>Deferred tax liabilities/<i>Liabiliti cukai tertunda</i></b>		
- property, plant and equipment/ <i>hartanah, loji dan peralatan</i>	(17,763)	(17,958)

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 18 DEFERRED TAXATION (cont'd)/*CUKAI TERTUNDA (samb.)*

The amount of the deductible temporary differences and unutilised tax losses (both of which have no expiry date) for which no deferred tax assets is recognised in the balance sheet are as follows:

*Amaun untuk perbezaan sementara yang boleh ditolak dan kerugian cukai yang belum digunakan (kedua-duanya tidak mempunyai tarikh matang) dimana aset cukai tertunda tidak diiktiraf dalam lembaran imbangan adalah seperti berikut:*

	Group/ <i>Kumpulan</i>	
	2003 RM'000	2002 RM'000
Deductible temporary differences/ <i>Perbezaan sementara yang boleh ditolak</i>	8,546	9,228
Unutilised tax losses/ <i>Kerugian cukai yang belum diguna</i>	1,787	2,156

As at 31 December 2003, the temporary differences associated with unremitted earnings of subsidiary companies for which, deferred tax liabilities have not been recognised amounted to RM2,499,000 (2002:RM561,000).

Deferred tax assets for certain subsidiary companies are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The recognition is based on the feasibility studies of the healthcare industry within the Group of which, recorded strong earnings history after a five-year period from commencement of operation, after excluding the losses that created the future deductible amount (unused tax losses carry forward) and that the losses are an aberration.

*Pada 31 Disember 2003, perbezaan sementara yang berkaitan dengan perolehan syarikat-syarikat subsidiari yang tidak dikemukakan, dimana liabiliti cukai tertunda tidak diiktiraf berjumlah sebanyak RM2,499,000 (2002:RM561,000).*

*Aset cukai tertunda untuk sesetengah syarikat-syarikat subsidiari adalah diiktiraf daripada kerugian cukai dibawa ke hadapan berlandaskan kebarangkalian yang boleh direalisasi untuk cukai tertunda ini boleh digunakan bagi mengimbangi keuntungan bercukai di masa hadapan. Pengiktirafan ini berdasarkan pembentangan perancangan bagi perkhidmatan prisihatn yang merangkumi Kumpulan telah dikemukakan, dimana sejarah pulangan yang memberangsangkan dicatatkan selepas 5 tahun ia memulakan operasinya, selepas menolak kerugian yang menghasilkan amaun yang boleh ditolak di masa hadapan (kerugian cukai belum diguna dibawa ke hadapan) dan kerugian tersebut adalah sesuatu perbezaan sementara dari keadaan sebenarnya.*

### 19 INVENTORIES/*INVENTORI*

	Group/ <i>Kumpulan</i>	
	2003 RM'000	2002 RM'000
At cost: <i>Pada kos:</i>		
Pharmaceutical drugs/ <i>Ubat-ubat farmasi</i>	8,711	9,566
Medical supplies/ <i>Bekalan perubatan</i>	4,214	5,418
Consumables and disposable items/ <i>Barangan pengguna dan barang habis pakai</i>	999	398
Laboratory chemicals/ <i>Bahan kimia makmal</i>	533	308
Other supplies/ <i>Lain-lain bekalan</i>	780	268
	15,237	15,958

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 20 TRADE AND OTHER RECEIVABLES/PENGHUTANG DAGANGAN DAN PENGHUTANG LAIN

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables/Penghutang dagangan	50,622	59,863	0	0
Allowance for doubtful debts/Peruntukan hutang ragu	(8,143)	(16,499)	0	0
	<b>42,479</b>	<b>43,364</b>	<b>0</b>	<b>0</b>
Amount due from ultimate holding corporation/ <i>Jumlah terhutang daripada perbadanan induk muktamad</i>	1,800	570	0	0
Amount due from subsidiary companies/ <i>Jumlah terhutang oleh syarikat-syarikat subsidiari</i>	0	0	20,288	9,927
Amount due from associated companies/ <i>Jumlah terhutang oleh syarikat-syarikat bersekutu</i>	1,413	624	0	0
Amount due from other related companies/ <i>Jumlah terhutang oleh syarikat-syarikat yang berkaitan</i>	2,759	7,299	0	0
Amount due from corporate shareholder/ <i>Jumlah terhutang oleh pemegang-pemegang saham</i>	240	0	0	0
Other receivables/Penghutang lain	3,588	5,005	504	0
Deposits/Deposit	1,990	7,902	0	0
Prepayments/Bayaran terdahulu	2,221	2,158	156	0
Dividends receivable/Dividen yang akan diterima	95	0	8,367	10,030
	<b>56,585</b>	<b>66,922</b>	<b>29,315</b>	<b>19,957</b>

The amount due from a subsidiary company (2002: a former holding company) carries weighted average interest rate of 4.00% (2002:4.00%) per annum and has no fixed terms of repayment.

Other balances with ultimate holding corporation, related companies and subsidiary companies are unsecured, interest-free and have no fixed terms of repayments.

Credit terms of trade receivables range from 30 to 60 days.

The currency exposure profile of the trade receivables in Singapore Dollar is RM2,307,108.

*Jumlah terhutang oleh syarikat subsidiari (2002:yang dahulunya syarikat induk) memberi kadar faedah purata wajaran 4.00% (2002:4.00%) setahun dan tanpa mempunyai syarat bayaran balik yang tetap.*

*Baki dari perbadanan induk muktamad, syarikat-syarikat berkaitan dan syarikat subsidiari adalah dagangan biasa, tanpa cagaran, tanpa kadar faedah yang dikenakan dan tanpa syarat bayaran balik yang tetap.*

*Terma kredit penghutang dagangan meliputi antara 30 hingga 60 hari.*

*Pendedahan kepada pertukaran matawang Dollar Singapura dalam penghutang dagangan ialah RM2,307,108.*

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 21 DEPOSITS, CASH AND BANK BALANCES/DEPOSITS, CASH AND BANK BALANCES

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits with licensed banks/ <i>Deposit tetap di bank-bank berlesen</i>	2,103	10,196	0	3,000
Deposits with licensed finance companies/ <i>Deposit tetap di syarikat-syarikat kewangan berlesen</i>	100	100	0	0
Cash and bank balances/ <i>Tunai dan baki bank</i>	12,014	10,638	340	65
	<b>14,217</b>	<b>20,934</b>	<b>340</b>	<b>3,065</b>

Bank balances are deposits held at call with banks.

The fixed deposits of RM642,000 (2002:RM478,000) with certain subsidiary companies have been pledged to secure facility from Tenaga Nasional Berhad.

The fixed deposits of RM495,000 (2002:RM495,000) with a subsidiary company have been pledged to secure borrowing facility from several financial institutions.

The fixed deposits of RM130,250 (2002:RM130,250) with a subsidiary company has been pledged with a licensed bank as security for a performance guarantee of RM150,000 (2002:RM150,000).

The fixed deposits of a subsidiary company with a licensed bank of RM50,000 (2002:RM50,000) is pledged for bankers' acceptance and bank overdrafts. A Director of the subsidiary company holds this fixed deposit in trust.

The weighted average interest rates of deposits of the Group and Company during the financial year were 1.40% - 4.87% (2002:2.20% - 4.00%) and 2.45% (2002:2.45%)

Deposits of the Group and Company have an average maturity of 365 days.

*Baki bank adalah deposit atas panggilan dengan bank.*

*Deposit tetap sebanyak RM642,000 (2002:RM439,000) oleh beberapa syarikat-syarikat subsidiari telah dicagarkan untuk mendapat kemudahan dari Tenaga Nasional Berhad.*

*Deposit tetap sebanyak RM495,000 (2002:RM495,000) oleh sebuah syarikat subsidiari telah dicagarkan untuk mendapat kemudahan pinjaman dari beberapa institusi kewangan.*

*Deposit tetap sebanyak RM130,250 (2002:RM130,250) oleh sebuah syarikat subsidiari telah dicagarkan kepada sebuah bank berlesen untuk mendapat jaminan pelaksanaan sebanyak RM150,000 (2002:RM150,000).*

*Deposit tetap oleh sebuah syarikat subsidiari dengan sebuah bank berlesen sebanyak RM50,000 (2002:RM50,000) telah dicagarkan untuk mendapat penerimaan dan overdraf bank. Salah seorang Pengarah syarikat subsidiari tersebut memegang deposit tetap ini dalam tabung amanah.*

*Kadar faedah purata wajaran bagi deposit-deposit Kumpulan dan Syarikat dalam tahun kewangan semasa masing-masingnya adalah dari 1.40% - 4.87% (2002:2.20% - 4.00%) dan 2.45% (2002:2.45%)*

*Deposit bagi Kumpulan dan Syarikat mempunyai kadar purata matang selama 365 hari.*

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 22 TRADE AND OTHER PAYABLES/PEMIUTANG DAGANGAN DAN PEMIUTANG LAIN

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables/ <i>Pemiutang dagangan</i>	33,175	34,649	0	0
Other payables/ <i>Pemiutang lain</i>	24,434	27,031	54	0
Accruals/ <i>Terakru</i>	18,936	14,756	304	417
Advances from minority shareholders/ <i>Pendahuluan kepada pemegang saham minoriti</i>	1,265	3,172	0	0
Amount payable to property, plant and equipment supplier/ <i>Jumlah pemiutang kepada pembekal hartanah, loji dan peralatan</i>	687	11	0	0
Amount due to ultimate holding corporation/ <i>Jumlah terhutang kepada perbadanan induk muktamad</i>	2,150	94	0	0
Amount due to holding company/ <i>Jumlah terhutang kepada syarikat induk</i>	0	0	2,087	0
Amount due to subsidiary companies/ <i>Jumlah terhutang kepada syarikat-syarikat subsidiari</i>	0	0	49	32
Amount due to other related companies/ <i>Jumlah terhutang kepada syarikat-syarikat yang berkaitan</i>	151	563	69	107
	<b>80,798</b>	<b>80,276</b>	<b>2,563</b>	<b>556</b>

Amounts due to ultimate holding corporation, holding company, subsidiary companies and related companies are unsecured, interest free and have no fixed terms of repayment.

Included in the accruals is interest accrued on redeemable convertible loan stock of a subsidiary company of RM350,685(2002:RMNil)

Credit terms of trade payables range from 30 to 60 days.

The currency exposure profile of the trade payables in Singapore Dollar is RM2,224,890.

*Jumlah yang terhutang kepada perbadanan induk muktamad, syarikat-syarikat yang berkaitan adalah tanpa bercagar, tanpa faedah dan tanpa syarat bayaran balik yang tetap.*

*Termasuk dalam perbelanjaan terakru ialah faedah terakru atas stok pinjaman boleh ditebus tukar berjumlah RM350,685 (2002:RMTiada)*

*Terma kredit pemiutang dagangan meliputi antara 30 hingga 60 hari.*

*Pendedahan kepada pertukaran matawang Dollar Singapura untuk pemiutang ialah RM2,224,890.*

## 23 BORROWINGS/PINJAMAN-PINJAMAN

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>CURRENT/SEMASA</b>		
Term loans (secured)/ <i>Pinjaman berpenggal (bercagar)</i>	10,454	8,409
Redeemable convertible loan stock(secured)/ <i>Stok pinjaman yang boleh ditebus tukar (bercagar)</i>	50,000	50,000
Revolving credit (unsecured)/ <i>Pusingan kredit (tidak bercagar)</i>	32,900	31,658
Islamic facilities/ <i>Perbankan Islam:</i>		
- Al-Istisna' (secured/ <i>bercagar</i> )	0	2,176
- Hiwalah (secured/ <i>bercagar</i> )	1,200	1,200
- Al-Bai Bithaman Ajil (secured/ <i>bercagar</i> )	953	3,338
- Al-Ijarah	82	0
Hire purchase and lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti</i>	4,882	2,405
Bank overdrafts (unsecured)/ <i>Overdraf bank (tidak bercagar)</i>	5,593	10,304
Bank overdrafts (secured)/ <i>Overdraf bank (bercagar)</i>	6,660	8,604
Bankers acceptance (unsecured)/ <i>Penerimaan bank (tidak bercagar)</i>	200	150
	<b>112,924</b>	<b>118,244</b>

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 23 BORROWINGS (cont'd)/PINJAMAN-PINJAMAN (samb.)

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<b>NON CURRENT/BUKAN SEMASA</b>		
Term loans (secured)/ <i>Pinjaman berjangka (bercagar)</i>	114,274	88,002
Revolving credit (unsecured)/ <i>Pusingan kredit (tidak bercagar)</i>	7,500	15,000
Islamic facilities/ <i>Perbankan Islam</i> :		
- Al-Istisna' (secured/ <i>bercagar</i> )	21,967	22,166
- Hiwalah (secured/ <i>bercagar</i> )	9,300	10,816
- Al-Bai Bithaman Ajil (secured/ <i>bercagar</i> )	0	953
- Al-Ijarah	274	87
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	14,946	10,976
	<b>168,261</b>	<b>148,000</b>
<b>TOTAL/ JUMLAH</b>		
Term loans (secured)/ <i>Pinjaman berjangka (bercagar)</i>	124,728	96,411
Redeemable convertible loan stock (secured)/ <i>Stok pinjaman boleh ditebus tukar (bercagar)</i>	50,000	50,000
Revolving credit (unsecured)/ <i>Pusingan kredit (tidak bercagar)</i>	40,400	46,658
Islamic facilities/ <i>Perbankan Islam</i> :		
- Al-Istisna' (secured/ <i>bercagar</i> )	21,967	24,342
- Hiwalah (secured/ <i>bercagar</i> )	10,500	12,016
- Al-Bai Bithaman Ajil (secured/ <i>bercagar</i> )	953	4,291
- Al-Ijarah	356	87
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	19,828	13,381
Bank overdrafts (unsecured)/ <i>Overdraf bank (tidak bercagar)</i>	5,593	10,304
Bank overdrafts (secured)/ <i>Overdraf bank (bercagar)</i>	6,660	8,604
Bankers acceptance (unsecured)/ <i>Penerimaan bank (tidak bercagar)</i>	200	150
	<b>281,185</b>	<b>266,244</b>

## Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 23 BORROWINGS (cont'd)/PINJAMAN-PINJAMAN (samb.)

	Functional currency/ currency exposure	Effective interest rate at balance sheet date % per annum <i>Kadar faedah efektif pada tarikh lembaran imbangan % setahun</i>	Total carrying amount <i>Jumlah amaun dibawa</i>	Fixed or floating interest rate/profit sharing margin			
				< 1 year <i>Kadar faedah tetap atau terapung/margin &lt; 1 tahun</i>	1-2 years <i>1-2 tahun</i>	2-5 years <i>2-5 tahun</i>	>5 years <i>&gt;5 tahun</i>
			RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2003/ <i>Pada 31 Disember 2003</i>							
Term loan (secured)/ <i>Pinjaman berjangka (bercagar)</i>	RM	6.45 - 7.75	124,728	10,454	19,973	65,567	28,734
Redeemable convertible loan stock (secured)/ <i>Pinjaman stok yang boleh ditebus tukar (bercagar)</i>	RM	8.00	50,000	50,000	0	0	0
Revolving credit (unsecured)/ <i>Pusingan kredit (tidak bercagar)</i>	RM	4.50 - 7.50	40,400	32,900	7,500	0	0
Islamic facilities/Perbankan Islam:							
- Al-Istisna' (secured/bercagar)	RM	10.00	21,967	0	516	21,451	0
- Hiwalah (secured/bercagar)	RM	7.00	10,500	1,200	1,200	3,600	4,500
- Al-Bai Bithaman Ajil (secured/bercagar)	RM	9.75	953	953	0	0	0
- Al-Ijarah	RM	6.80 - 10.68	356	82	82	192	0
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	RM	4.30 - 5.95	19,828	4,882	6,036	8,910	0
Bank overdrafts (unsecured)/ <i>Overdraf bank (tidak bercagar)</i>	RM	7.00 - 8.50	5,593	5,593	0	0	0
Bank overdrafts (secured)/ <i>Overdraf bank (bercagar)</i>	RM	7.00 - 8.50	6,660	6,660	0	0	0
Bankers acceptance (unsecured)/ <i>Penerimaan bank (tidak bercagar)</i>	RM	3.10	200	200	0	0	0
			281,185	112,924	35,307	99,720	33,234
At 31 December 2002/ <i>Pada 31 Disember 2002</i>							
Term loan (secured)/ <i>Pinjaman berjangka (bercagar)</i>	RM	6.75 - 8.15	96,411	8,409	13,183	69,241	5,578
Redeemable convertible loan stock (secured)/ <i>Pinjaman stok yang boleh ditebus tukar (bercagar)</i>	RM	8.00	50,000	50,000	0	0	0
Revolving credit (unsecured)/ <i>Pusingan kredit (tidak bercagar)</i>	RM	5.10 - 6.20	46,658	31,658	15,000	0	0
Islamic facilities/Perbankan Islam:							
- Al-Istisna' (secured/bercagar)	RM	10.00	24,342	2,176	2,621	6,020	13,525
- Hiwalah (secured/bercagar)	RM	7.00	12,016	1,200	1,200	3,600	6,016
- Al-Bai Bithaman Ajil (secured/bercagar)	RM	9.75	4,291	3,338	953	0	0
- Al-Ijarah	RM	9.07 - 10.68	87	62	25	0	0
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	RM	4.30 - 5.95	13,381	2,343	3,803	6,530	705
Bank overdrafts (unsecured)/ <i>Overdraf bank (tidak bercagar)</i>	RM	7.50 - 7.65	10,304	10,304	0	0	0
Bank overdrafts (secured)/ <i>Overdraf bank (bercagar)</i>	RM	7.50 - 7.65	8,604	8,604	0	0	0
Bankers acceptance (unsecured)/ <i>Penerimaan bank (tidak bercagar)</i>	RM	3.25	150	150	0	0	0
			266,244	118,244	36,785	85,391	25,824

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003  
Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 23 BORROWINGS (cont'd)/PINJAMAN-PINJAMAN (samb.)

	Not later than 1 year <i>Tidak melebihi 1 tahun</i> RM'000	Later than 1 year and not later than 2 years <i>Selepas 1 tahun dan tidak melebihi 2 tahun</i> RM'000	Later than 2 years and not later than 5 years <i>Selepas 2 tahun dan tidak melebihi 5 tahun</i> RM'000	Later than 5 years <i>Selepas 5 tahun</i> RM'000	Total <i>Jumlah</i> RM'000
<b>Group/Kumpulan</b>					
At 31 December 2003/ <i>Pada 31 Disember 2003</i>					
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	5,674	6,828	10,100	0	22,602
Al-ljarah	135	135	217	0	487
Less: Future finance charges/ <i>Tolak: Caj kewangan masa hadapan</i>					
- hire purchase and finance lease liabilities/ <i>pembiayaan sewabeli dan pajakan liabiliti kewangan</i>					(2,774)
- Al-ljarah					(131)
					<u>20,184</u>
<b>Present value/Nilai semasa</b>					
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	4,882	6,036	8,910	0	19,828
Al-ljarah	82	82	192	0	356
At 31 December 2002/ <i>Pada 31 Disember 2002</i>					
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	2,941	4,226	7,247	717	15,131
Al-ljarah	81	34	0	0	115
Less: Future finance charges/ <i>Tolak: Caj kewangan masa hadapan</i>					
- hire purchase and finance lease liabilities/ <i>pembiayaan sewabeli dan pajakan liabiliti kewangan</i>					(1,750)
- Al-ljarah					(28)
					<u>13,468</u>
<b>Present value/Nilai semasa</b>					
Hire purchase and finance lease liabilities/ <i>Pembiayaan sewabeli dan pajakan liabiliti kewangan</i>	2,343	3,803	6,530	705	13,381
Al-ljarah	62	25	0	0	87

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 23 BORROWINGS (cont'd)/PINJAMAN-PINJAMAN (samb.)

The borrowings are secured by *Pinjaman-pinjaman adalah yang dilakukan dicagarkan melalui:*

- fixed charge on the certain landed properties of the Group (Note 12);  
*caj tetap ke atas hartanah tertentu Kumpulan (Nota 12);*
- first fixed charge on certain assets of the Group by way of debenture;  
*caj tetap yang pertama ke atas aset tertentu Kumpulan melalui debentur;*
- letter of awareness, letter of comfort and letter of subordinates from Johor Corporations;  
*surat aku maklum, surat jaminan dan surat majikan yang dikeluarkan oleh Johor Corporations;*
- a negative pledge over some of the fixed and floating assets of the Group;  
*cagaran negatif atas aset-aset tetap dan berubah Kumpulan;*
- fixed first and floating charge over some movable and immovable assets of the Group; and  
*caj tetap dan terapung pertama ke atas aset-aset Kumpulan yang bergerak dan tetap; dan*
- finance lease are effectively secured as the rights to the leased asset revert to the lessor in the event of default.  
*pajakan kewangan secara efektif dicagarkan sebagai hak pemajak ke atas aset yang dipajakan sekiranya berlaku keadaan mungkir.*

	Group/Kumpulan	
	2003 RM'000	2002 RM'000
<u>Redeemable convertible loan stock/Pinjaman stok yang boleh ditebus tukar</u>		
<u>Balance at 1 January/Baki pada 1 Januari</u>		
Principal/Modal asas	50,000	50,000
Add: Current year's interest/ <i>Tambah: Faedah tahun kewangan semasa</i>	4,000	4,000
	54,000	54,000
Less: Interest paid during the financial year/ <i>Tolak: Faedah yang dibayar dalam tahun kewangan semasa</i>	(3,649)	(4,000)
<u>Balance at 31 December/Baki pada 31 Disember</u>	<u>50,351</u>	<u>50,000</u>
<u>Balance at 31 December/Baki pada 31 Disember</u>		
Principal/Modal asas	50,000	50,000
Accruals (Note 22)/Terakru (Nota 22)	351	0
	<u>50,351</u>	<u>50,000</u>

The redeemable convertible loan stock ('RCLS') is secured and interest is charged at 4% per annum for the first 2 years, 6% per annum for the next two years and 8% per annum for the remaining period until maturity. The interest rate at balance sheet date is 8% per annum. The Company has the option to defer the payment of interest for the first 4 years. The subscriber of RCLS has the right to convert the RCLS into ordinary shares at the rate of 1 ordinary shares of 1.00 ordinary shares of RM1.00 each for each RM1.00 of RCLS and the Company has the right to redeem the convertible RCLS in accordance with agreed conditions in the event that a mutually acceptable term for conversion is not reached.

The RCLS has expired on 29 November 2003. The subscriber has approved on the extension of the maturity date from 29 November 2003 to 29 March 2004. The Company is seeking towards converting the RCLS into term loan as provided in the Subscription Agreement clause 7C(i) for which the payment of interest will be at the minimum rate of 0.5% over and above the higher of the base-lending rate ('BLR') of two largest commercial banks in Malaysia.

*Stok pinjaman yang boleh ditebus tukar ('RCLS') telah dicagarkan dan kadar faedah yang dikenakan ialah 4% setahun untuk dua tahun yang pertama, 6% setahun untuk tahun berikutnya dan 8% setahun sehingga mencapai tempoh matang. Kadar faedah pada tarikh lembaran imbalan ialah 8% setahun. Syarikat telah menggunakan opsyen untuk menangguh pembayaran faedah selama empat tahun pertama. Pelanggan RCLS mempunyai hak untuk menukarkan kepada saham biasa pada kadar 1 saham bernilai RM1.00 sesaham pada satu unit RCLS bernilai RM1.00 dan Kumpulan mempunyai hak untuk menebus dan menukarkan RCLS selaras dengan syarat-syarat perjanjian yang dipersetujui sekiranya pakatan terma yang bersesuaian untuk pertukaran tersebut tidak dapat dicapai.*

*RCLS ini telah berakhir pada 29 November 2003. Pelanggan telah meluluskan tempoh untuk memanjangkan tarikh matang dari 29 November 2003 kepada 29 Mac 2004. Syarikat sedang berusaha untuk menebus RCLS ini kepada pinjaman berpenggal seperti yang termaktub di dalam Perjanjian Langgan perenggan 7C(i) di mana pembayaran untuk faedah adalah pada kadar faedah minima iaitu 0.5% melebihi kadar asas pinjaman oleh dua bank komersil terbesar di Malaysia.*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 24 LONG TERM DEPOSITS/DEPOSIT JANGKA MASA PANJANG

Long term deposits represent refundable practising fee received from consultants. It is not practicable to estimate the fair value of the long term deposits reliably due to indeterminable maturity terms.

*Deposit jangka panjang yang diterima dari pakar-pakar perunding merujuk kepada deposit untuk mempraktikkan amalan perubatan yang boleh dikembalikan. Ia adalah tidak wajar untuk membuat anggaran ke atas nilai wajar bagi deposit jangka masa panjang oleh kerana terma-terma kematangan bagi deposit jangka panjang tidak dapat ditentukan.*

### 25 SHARE CAPITAL/MODAL SAHAM

	2003 RM	Group/Kumpulan 2002 RM
Authorised ordinary shares of RM1 each/ <i>Saham biasa dibenarkan RM1 sesaham:</i>		
At 1 January/ <i>Pada 1 Januari</i>	500,000	50,000
Created during the financial year/ <i>Dicipta dalam tahun kewangan semasa</i>	0	450,000
At 31 December/ <i>Pada 31 Disember</i>	500,000	500,000
Issued and fully paid ordinary shares of RM1 each: <i>Diterbitkan dan dibayar penuh RM1 sesaham:</i>		
At 1 January/ <i>Pada 1 Januari</i>		
Issued during the financial year: <i>Diterbitkan dalam tahun kewangan semasa:</i>	191,385	48,000
- rights issue/ <i>terbitan hak</i>	9,600	48,000
- acquisitions/ <i>pengambilalihan</i>	0	95,385
At 31 December/ <i>Pada 31 Disember</i>	200,985	191,385

On 7 August 2003, the Company completed a non-renounceable restricted issue of 9,600,000 new ordinary shares of RM1.00 each for cash at an issue price of RM1.10 each to selected medical specialists of the Group. Kuala Lumpur Stock Exchange has granted the listing and quotation of the 9,600,000 ordinary shares issued pursuant to this restricted issue on 18 August 2003.

The newly issued ordinary shares rank pari passu in all respects with the existing issued ordinary shares of the Company.

*Pada 7 Ogos 2003, Syarikat telah berjaya menyempurnakan terbitan terhad yang tidak mempunyai pelepasan sebanyak 9,600,000 saham baru biasa bernilai RM1.00 sesaham secara tunai pada harga terbitan RM1.10 sesaham dibuat kepada pakar perubatan terpilih di dalam Kumpulan. Bursa Saham Kuala Lumpur telah meluluskan penyenaian dan sebut harga untuk penerbitan 9,600,000 saham biasa selaras dengan terbitan terhad ini yang dibuat pada 18 Ogos 2003.*

*Terbitan baru saham biasa bertaraf pari passu dengan terbitan saham biasa Syarikat yang sedia ada.*

## Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

**26 REVALUATION RESERVE/RIZAB PENILAIAN SEMULA**

The revaluation reserve consists of surplus from the revaluation of land and buildings.  
*Rizab penilaian semula terdiri daripada lebihan penilaian semula tanah dan bangunan.*

**27 RETAINED EARNINGS/KEUNTUNGAN TERKUMPUL**

Subject to the agreement by the Inland Revenue Board, the Company has sufficient tax credits available under Section 108 of the Malaysian Income Tax Act, 1967 to frank the payment of net dividends out of all its retained earnings as at 31 December 2003 if paid out as dividends.  
*Berdasarkan perjanjian yang dibuat dengan Lembaga Hasil Dalam Negeri, Syarikat mempunyai kredit cukai yang mencukupi di bawah Seksyen 108, Akta Cukai Pendapatan Malaysia, 1967 untuk membayar dividen bersih daripada kesemua keuntungan terkumpul pada 31 Disember 2003, jika dibayar sebagai dividen.*

**28 CASH AND CASH EQUIVALENTS/TUNAI DAN SETARA TUNAI**

	Group/Kumpulan		Company/Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits, cash and bank balances (Note 21)/ <i>Deposit, tunai dan baki bank (Nota 21)</i>	14,217	20,934	340	3,065
Less: bank overdraft (Note 23)/ <i>Tolak: overdraf bank (Nota 23)</i>	(12,253)	(18,908)	0	0
Less: pledged fixed deposits (Note 21)/ <i>Tolak: cagaran deposit tetap (Nota 21)</i>	(1,317)	(1,153)	0	0
Cash and cash equivalents/ <i>Tunai dan setara tunai</i>	<b>647</b>	873	<b>340</b>	3,065

**29 NON CASH TRANSACTIONS/TRANSAKSI BUKAN TUNAI**

The principal non cash transactions during the financial year are the acquisition of property, plant and equipment of which RM9,804,511 (2002:RM4,766,249) is by means of finance lease (Note 12) and RM384,330 (2002:RM180,008) is by means of hire purchase (Note 12) and the issue of shares as part consideration for acquisition of additional equity interest in the respective subsidiary companies (Note 13).  
*Transaksi bukan tunai yang dijalankan dalam tahun kewangan semasa terdiri daripada pembelian hartanah, loji dan peralatan di mana RM9,804,511 (2002:RM4,766,249) adalah melalui pembiayaan pajakan (Nota 12) dan RM384,330 (2002:RM180,008) secara pembiayaan sewabeli (Nota 12) dan terbitan saham biasa sebagai sebahagian dari bayaran untuk penambahan kepentingan ekuiti di dalam syarikat-syarikat yang diambilalih.*

**30 SIGNIFICANT RELATED PARTY DISCLOSURES/KENYATAAN TRANSAKSI PENTING PIHAK BERKAITAN**

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 terms, conditions and prices obtainable in transactions with unrelated parties.

*Selain pembentangan transaksi pihak berkaitan yang terdapat di dalam penyata kewangan ini, di bawah adalah transaksi yang ketara pihak berkaitan serta jumlah tertunggak hasil dari transaksi yang dijalankan. Transaksi dengan pihak berkaitan yang dinyatakan di bawah dilaksanakan berdasarkan atas terma-terma, syarat-syarat dan nilai yang boleh didapati hasil dari urusan dengan pihak yang tidak berkaitan.*

**Related parties and relationship/Transaksi dan pihak berkaitan**

In the normal course of business, the Group and the Company undertake on an arm's length basis a variety of transactions with its holding corporation, subsidiaries, associated companies and other companies deemed related parties by virtue of being members of the Johor Corporation Group of Companies. The Johor Corporation Group of Companies with whom the Group and Company transacted with, include the following companies:

*Dalam operasi biasa perniagaan, Kumpulan dan Syarikat melaksanakan pada asas meluas pelbagai urusan dengan perbadanan induk; syarikat-syarikat subsidiari, syarikat-syarikat bersekutu dan lain-lain syarikat yang berkaitan yang sesuai dengan kedudukan mereka sebagai ahli dalam kumpulan syarikat-syarikat Johor Corporation. Syarikat-syarikat dalam Kumpulan Johor Corporation yang mana Syarikat dan Kumpulan telah berurusan, syarikat-syarikat adalah seperti berikut:*

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 30 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)/ *KENYATAAN TRANSAKSI PENTING PIHAK BERKAITAN(samb.)*

<u>Related Parties</u> <i>Pihak berkaitan</i>	<u>Relationship</u> <i>Pertalian</i>
Johor Corporation	Holding corporation/ <i>Syarikat Induk</i>
Eastern Plantation Agency (Johor) Sdn Bhd	Subsidiary of holding corporation/ <i>Syarikat subsidiari kepada syarikat induk</i>
Harta Consult Sdn Bhd	Subsidiary of holding corporation/ <i>Syarikat subsidiari kepada syarikat induk</i>
HC Duraclean Sdn Bhd	Subsidiary of holding corporation/ <i>Syarikat subsidiari kepada syarikat induk</i>
Metro Parking Sdn Bhd	Subsidiary of holding corporation/ <i>Syarikat subsidiari kepada syarikat induk</i>
Pelaburan Johor Berhad	Subsidiary of holding corporation/ <i>Syarikat subsidiari kepada syarikat induk</i>

#### Related party transactions/*Transaksi pihak berkaitan*

The related party transactions during the financial year and individually significant outstanding balances arising from these transactions are as follows:

*Transaksi pihak berkaitan sepanjang tahun kewangan serta jumlah tertunggak yang ketara hasil dari transaksi tersebut adalah seperti berikut:*

	Transaction for the financial year ended <i>Transaksi untuk tahun kewangan berakhir</i>		The outstanding amount for the transactions as at <i>Jumlah tertunggak bagi transaksi pada</i>	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<b>Group/Kumpulan</b>				
(a) Sales of services to: <i>Jualan perkhidmatan kepada:</i>				
- Johor Corporation	727	46	67	52
- Eastern Plantation Agency (Johor) Sdn Bhd				
- Harta Consult Sdn Bhd	302	405	111	90
- Pelaburan Johor Berhad	0	41	0	0
- Other companies within Johor Corporation	1,654	1,536	0	0
(b) Rental income received from: <i>Sewa diterima daripada:</i>				
- Metro Parking Sdn Bhd	190	132	0	0
(c) Interest payable to: <i>Faedah berbayar kepada:</i>				
- Johor Corporation	0	313	0	0
(d) Management, secretarial fees payable to: <i>Yuran pengurusan dibayar kepada:</i>				
- Johor Corporation	165	87	0	0
(e) Security services paid/payable to: <i>Perkhidmatan keselamatan dibayar kepada:</i>				
- Harta Consult Sdn Bhd	143	337	0	70
(f) Housekeeping contract fees paid/payable to: <i>Yuran kontrak pembersihan dibayar kepada:</i>				
- HC Duraclean Sdn Bhd	367	837	0	0

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan

BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 31 CAPITAL COMMITMENTS/*KOMITMEN MODAL*

Capital expenditure not provided for in the financial statements are as follows:

*Perbelanjaan modal yang diluluskan tetapi tidak diperuntukkan dalam penyata kewangan adalah seperti berikut:*

	Group/ <i>Kumpulan</i>	
	2003 RM'000	2002 RM'000
Approved and contracted/ <i>Diluluskan dan dikontrakkan</i>	34,476	23,037
Approved but not contracted/ <i>Diluluskan tetapi tidak dikontrakkan</i>	74,679	47,057
	<b>109,155</b>	<b>70,094</b>
Analysed as follows/ <i>Dianalisa seperti berikut:</i>		
- Building/ <i>Bangunan</i>	59,233	31,161
- Plant and equipment/ <i>Loji dan peralatan</i>	49,922	38,268
- Other property, plant and equipment/ <i>Lain-lain hartanah, loji dan peralatan</i>	0	665
	<b>109,155</b>	<b>70,094</b>

The Group's interest in capital commitments of the associated companies is disclosed in Note 14.

*Kepentingan Kumpulan dalam komitmen modal bagi syarikat-syarikat bersekutu adalah seperti yang dinyatakan dalam Nota 14.*

### 32 OPERATING LEASE COMMITMENTS/*KOMITMEN OPERASI SEWA PAJAK*

The future minimum lease payments under non-cancellable operating leases are as follows:

*Jumlah pembayaran minima operasi sewa pajak masa hadapan adalah seperti berikut:*

	Group/ <i>Kumpulan</i>	
	2003 RM'000	2002 RM'000
Represented by/ <i>Diwakili oleh:</i>		
Not later than 1 year/ <i>Tidak melebihi 1 tahun</i>	1,119	33
Later than 1 year and not later than 5 years/ <i>Melebihi 1 tahun dan tidak melebihi 5 tahun</i>	3,376	0
	<b>4,495</b>	<b>33</b>

### 33 CONTINGENT LIABILITIES/*TANGGUNGAN LUAR JANGKA*

	Company/ <i>Syarikat</i>	
	2003 RM'000	2002 RM'000
Corporate guarantees given for banking facilities/ <i>Jaminan korporat yang diberi untuk kemudahan perbankan</i> - subsidiary companies/ <i>syarikat-syarikat subsidiari</i>	39,800	12,016

# Notes to the Financial Statements FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

## Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

### 34 CHANGE IN ACCOUNTING POLICY/ *PERUBAHAN PADA DASAR PERAKAUNAN*

In previous years, future income tax benefits in respect of tax losses and other timing differences are not recognised except to the extent of net credits in the deferred taxation balance and to the extent it is reasonably probable that these benefits can be realised in the foreseeable future.

During the financial year, the Group changed its accounting policy with respect to the recognition of deferred tax assets and liabilities in compliance with MASB Standard No. 25. This change in accounting policy has been accounted for retrospectively and the effects of the changes on the Group's financial statements are as follows:

*Dalam tahun-tahun sebelum ini, manfaat cukai pendapatan masa hadapan berkaitan dengan kerugian cukai dan lain-lain perbezaan masa tidak diiktiraf kecuali pada setakat kredit bersih dalam baki cukai tertunda dan setakat terdapatnya kemungkinan bahawa manfaat-manfaat ini boleh direalisasikan pada masa hadapan.*

*Sepanjang tahun kewangan, Kumpulan telah membuat perubahan dalam polisi perakaunannya berkaitan dengan pengiktirafan aset dan liabiliti cukai tertunda bagi mematuhi Piawaian MASB 25. Perubahan di dalam polisi perakaunan telah dikuatkuasa secara retrospektif dan kesan perubahan ke atas penyata kewangan Kumpulan adalah seperti berikut:*

	As previously reported <i>Seperti dilaporkan terdahulu</i> RM'000	Effect of adjustment <i>Kesan dari pelarasan</i> RM'000	As restated <i>Penyataan semula</i> RM'000
<b>Group/Kumpulan</b>			
At 1 January 2002: / <i>Pada 1 Januari 2002:</i>			
- revaluation reserve / <i>rizab penilaian</i>	32,254	(13,294)	18,960
- retained earnings / <i>keuntungan tersimpan</i>	65,891	(706)	65,185
- deferred tax liabilities / <i>liabiliti cukai tertunda</i>	5,313	14,000	19,313
<hr/>			
Financial year ended 31 December 2002: / <i>Tahun kewangan berakhir 31 Disember 2002</i>			
- net profit for the financial year <i>keuntungan bersih tahun semasa</i>	14,956	(34)	14,922
<hr/>			
At 1 January 2003: / <i>Pada 1 Januari 2003:</i>			
- revaluation reserve / <i>rizab penilaian</i>	32,254	(13,294)	18,960
- retained earnings / <i>keuntungan tersimpan</i>	79,119	(741)	78,378
- deferred tax liabilities / <i>liabiliti cukai tertunda</i>	9,058	20,385	29,443
- deferred tax assets / <i>aset cukai tertunda</i>	0	4,077	4,077
- goodwill / <i>muhibah</i>	67,286	1,919	69,205
- minority interest / <i>kepentingan minoriti</i>	23,701	(356)	23,345

# Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

Nota-nota kepada Penyata Kewangan BAGI TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

## 35 COMPARATIVE/PERBANDINGAN

During the financial year, the Group had standardised its presentation of the financial statements for the whole group of companies. The above changes had affected the presentation of the Group's financial statements for the financial year ended 31 December 2002.

The effects of the changes on the financial statements of the Group for the financial year ended 31 December 2002 are as follows:

*Dalam tahun kewangan, Kumpulan telah menyelaraskan pembentangan penyata kewangan seluruh syarikat-syarikat di Kumpulannya. Perubahan ini telah memberi kesan ke atas pembentangan penyata kewangan untuk tahun kewangan berakhir 31 Disember 2002.*

*Kesan perubahan ke atas penyata kewangan Kumpulan untuk tahun kewangan berakhir 31 Disember 2002 adalah seperti berikut:*

	As previously reported Seperti dilaporkan dahulu RM'000	Reclassification Klasifikasi semula RM'000	As restated Penyataan semula RM'000
<b>Group/Kumpulan</b>			
<u>Income statement/Penyata pendapatan</u>			
Revenue/Hasil	215,798	6,976	222,774
Cost of sales/Kos jualan	(160,467)	(2,470)	(162,937)
Other operating income/Lain-lain pendapatan operasi	10,978	(6,539)	4,439
Administrative expenses/Perbelanjaan pentadbiran	(38,379)	2,000	(36,379)
<hr/>			
<u>Balance sheet/Lembaranimbangan</u>			
Training costs/Kos latihan	18,146	(1,740)	(16,406)
Deferred revenue/Pendapatan tertunda	(1,740)	1,740	0

## 36 FAIR VALUE/NILAI WAJAR

The carrying amounts of financial assets and liabilities of the Group at the balance sheet date approximated their fair values except as set out below:

*Nilai bawa bagi aset-aset dan liabiliti kewangan Kumpulan pada tarikh lembaranimbangan adalah hampir tepat dengan nilai-nilai wajar mereka kecuali yang dinyatakan di bawah:*

	Group/Kumpulan Carrying amount Nilai bawa RM'000	Fair value Nilai wajar RM'000
At 31 December 2003/Pada 31 Disember 2003 Finance lease and hire purchase liabilities (Note 23)/ Liabiliti pajakan kewangan dan pembiayaan sewabeli (Nota 23)	19,828	17,176
At 31 December 2002/Pada 31 Disember 2002 Finance lease and hire purchase liabilities (Note 23)/ Liabiliti pajakan kewangan dan pembiayaan sewabeli (Nota 23)	13,381	11,655

## 37 APPROVAL OF FINANCIAL STATEMENTS/KELULUSAN PENYATA KEWANGAN

The financial statements have been approved for issue in resolution of the Board of Directors on 28 February 2004.

*Penyata kewangan ini telah diluluskan penerbitannya dalam resolusi Lembaga Pengarah pada 28 Februari 2004.*

# Shareholdings Statistics AS AT 23 APRIL 2004

## Statistik Pemegang Saham PADA 23 APRIL 2004

Authorised Share Capital/ <i>Modal Saham Dibenarkan</i>	RM500,000,000
Issued & Fully Paid-Up Capital/ <i>Modal Terbitan &amp; Dibayar Penuh</i>	RM200,984,615
Class of Shares/ <i>Jenis Saham</i>	Ordinary Share of RM1 each / <i>Saham Biasa RM1 setiap satu</i>

### Voting Right of Shareholders/*Hak Mengundi Pemegang-pemegang Saham*

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 poll shall have one vote for every share of which he/she is the holder.

*Setiap ahli Syarikat yang hadir secara peribadi atau secara proksi adalah berhak ke atas satu undi melalui undian tangan dan sekiranya undian dibuat secara bertulis (poll), ahli berhak ke atas satu undian untuk setiap satu unit saham yang dipegang.*

### BREAKDOWN OF SHAREHOLDINGS/*PECAHAN PEMEGANG SAHAM*

Size of Shareholdings <i>Saiz Pemegang Saham</i>	No. of Shareholders <i>Bil. Pemegang Saham</i>	%	No. of Shares <i>Bil. Saham</i>	%
Less than 1,000 / <i>Kurang dari 1,000</i>	147	6.44	1,422	-
100 - 1000	754	33.06	733,386	0.36
1,001 - 10,000	1,010	44.28	3,869,516	1.93
10,001 - 100,000	306	13.42	10,371,191	5.16
100,001 to less than 5% of Issued Capital <i>100,001 sehingga kurang dari 5% Modal Terbitan</i>	63	2.76	40,478,737	20.14
5% and above of Issued Capital <i>5% dan melebihi dari Modal Terbitan</i>	1	0.04	145,530,363	72.41
<b>TOTAL/JUMLAH</b>	<b>2,281</b>	<b>100.00</b>	<b>200,984,615</b>	<b>100.00</b>

### TOP THIRTY SECURITIES ACCOUNTHOLDERS/*TIGA PULUH PEMEGANG SAHAM TERBESAR*

(Without aggregating the securities from different securities accounts belonging to the same depositor)  
*(Tanpa menyatukan saham dari akaun-akaun saham yang berlainan yang dipegang oleh pendeposit yang sama)*

Name/ <i>Nama</i>	No. of Shares/ <i>Bil. Saham</i>	%
1 Johor Corporation	154,530,363	72.41
2 Employees Provident Fund Board	5,423,100	2.70
3 Malaysia National Insurance Berhad	5,202,800	2.59
4 Permodalan Nasional Berhad	2,774,200	1.38
5 Takaful Nasional Sdn Berhad	2,404,700	1.20
6 Johor Corporation	1,778,900	0.89
7 Johor Ventures Sdn Bhd	1,662,100	0.83
8 Universal Trustee (M) Berhad - A/C SBB Dana Al-Azam	1,509,300	0.75
9 Quarry Lane Sdn Bhd	1,200,000	0.60
10 RHB Noms (T) Sdn Bhd - A/C RHB Asset management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	1,000,000	0.50
11 Johor Corporation	1,000,000	0.50
12 HSBC Noms (A) Sdn Bhd - A/C TNTC for LG eastern Opportunities Fund (RBS AS DEP)	840,000	0.42
13 Bumiputra-Commerce Trustee Berhad - A/C RHB Islamic Growth Fund	804,000	0.40
14 Takaful Nasional Sdn Berhad	745,000	0.37
15 Malaysia Noms (T) Sdn Bhd - A/C for Zalaraz Sdn Bhd (01-00259-000)	683,000	0.34
16 Amanah Raya Noms (T) Sdn Bhd - A/C Dana Johor	678,000	0.34
17 Amanah Raya Noms (T) Sdn Bhd - A/C Amanah Saham Johor	660,000	0.33
18 Bumiputra-Commerce Trustee Berhad - A/C Amanah Saham Darul Iman	648,000	0.32
19 Valuecap Sdn Bhd	615,300	0.31
20 Alliancegroup Noms (T) Sdn Bhd - A/C PHEIM Asset Management Sdn Bhd for Employees Provident Fund Board (029)	611,300	0.30
21 Neoh Choo Ee & Company Sdn Berhad	500,000	0.25
22 Citicorp Noms (A) Sdn Bhd - A/C CBNY for DFA Emerging Markets Fund	478,600	0.24
23 Amanah Raya Noms (T) Sdn Bhd - A/C Amanah Saham Angkasa	459,000	0.23
24 MCIS Zurich Insurance Berhad	444,500	0.22
25 HSBC Noms (A) Sdn Bhd - JPMCB for Driehaus Global Equity Yield, L.P.	395,800	0.20
26 Jaisma Surgeri Sdn Bhd	388,868	0.19
27 Caroline Ang Chai Boon	380,000	0.19
28 Lim Seng Gee	351,844	0.18
29 Mediqas Sdn Bhd	345,000	0.17
30 Lee Thian Chai	334,164	0.17

### SUBSTANTIAL SHAREHOLDERS/*PEMEGANG SAHAM TERBANYAK*

Name/ <i>Nama</i>	No. of Shares/ <i>Bil. Saham</i>	%
1 Johor Corporation - 3 a/cs	148,309,263	73.79
Johor Corporation Group - Johor Ventures Sdn Bhd	1,662,100	0.83

### ANALYSIS OF SHAREHOLDERS/*ANALISA PEMEGANG SAHAM*

	No. of Shareholders <i>Bil. Pemegang Saham</i>	%	No. of Shares <i>Bil. Saham</i>	%
Malaysian - Bumiputra	479	21.00	180,374,988	89.74
- Others/ <i>Lain-lain</i>	1,756	76.98	17,619,858	8.77
Foreigners/ <i>Warga Asing</i>	46	2.02	2,989,769	1.49
<b>TOTAL/JUMLAH</b>	<b>2,281</b>	<b>100.00</b>	<b>200,984,615</b>	<b>100.00</b>

# List of Properties

## Senarai Hartanah

AS AT 31ST DECEMBER 2003 / <i>PADA 31 DISEMBER 2003</i>				
Location <i>Lokasi</i>	Description <i>Diskripsi</i>	Tenure & Expiry Date <i>Tempoh &amp; Tarikh Tamat</i>	Area Sq. m. <i>Keluasan mp</i>	Net Book Value (RM million) <i>Nilai Buku Bersih (RM juta)</i>
Ampang Puteri Specialist Hospital, No 1, Jalan Mamanda 9, Taman Dato' Ahmad Razali, 68000 Ampang, Selangor.	Private Hospital <i>Hospital Pakar</i>	30 year lease from 20 April 1993 with benefit of extension of another 30 years <i>Pajakan 30 tahun bermula 20 April 1993 dengan keupayaan untuk lanjutan pajakan untuk 30 tahun kemudian</i>	9,545.2	83.0
Damansara Specialist Hospital, 119, Jalan SS20/21, Damansara Utama, 47400 Petaling Jaya, Selangor.	Private Hospital <i>Hospital Pakar</i>	Freehold/ <i>Pegangan bebas</i>	16,709.6	84.8
Tawakal Hospital, No 194 - 208A, Jalan Pahang, 53200 Setapak, Kuala Lumpur.	Private Hospital <i>Hospital Pakar</i>	17 lots - Freehold 2 lots - Leasehold 99 years expiring in 2077 <i>17 lot - Pegangan bebas 2 lot - Pegangan pajakan 99 tahun berakhir tahun 2077</i>	2,530.6	36.8
Tawakal Hospital, Lot 62, 92 & 128, Jalan Pahang Barat, Kuala Lumpur.	Vacant Land <i>Tanah Kosong</i>	Term in perpetuity <i>Tempoh sepanjang hayat</i>	12,331.10	30.3
Johor Specialist Hospital, No 39B, Jalan Abdul Samad, 80100 Johor Bahru, Johor.	Private Hospital <i>Hospital Pakar</i>	Leasehold 99 years expiring in 2079 <i>Pegangan pajakan 99 tahun berakhir tahun 2079</i>	20,234.2	63.4
Puteri Specialist Hospital, No 33, Jalan Tun Abdul Razak (Susur 5), 80000 Johor Bahru, Johor.	Private Hospital <i>Hospital Pakar</i>	Leasehold 99 years expiring in 2053 <i>Pegangan pajakan 99 tahun berakhir tahun 2053</i>	6,607.1	26.7
Ipoh Specialist Hospital, No 26, Jalan Raja DiHilir, 30350 Ipoh, Perak.	Private Hospital <i>Hospital Pakar</i>	Leasehold 999 years expiring in 2894 <i>Pegangan pajakan 999 tahun berakhir tahun 2894</i>	8,004.4	30.4
Bukit Mertajam Specialist Hospital, 565, Jalan Sungai Rambai, 14000 Bukit Mertajam, Pulau Pinang.	Private Hospital <i>Hospital Pakar</i>	In perpetuity/ <i>Sepanjang hayat</i>	12,456.2	10.0

AS AT 31ST DECEMBER 2003 / PADA 31 DISEMBER 2003				
Location <i>Lokasi</i>	Description <i>Diskripsi</i>	Tenure & Expiry Date <i>Tempoh &amp; Tarikh Tamat</i>	Area Sq. m. <i>Keluasan mp</i>	Net Book Value (RM million) <i>Nilai Buku Bersih (RM juta)</i>
Hospital Pakar Perdana, Lot PT 37 & 600, Seksyen 14, Jalan Bayam, Kota Bharu, Kelantan	Private Hospital <i>Hospital Pakar</i>	Leasehold 66 years expiring in 2064 <i>Pegangan pajakan 66 tahun berakhir tahun 2064</i>	8,283.0	35.5
Kuantan Specialist Hospital, No 51, Jalan Alor Akar, 25250 Kuantan, Pahang.	Private Hospital <i>Hospital Pakar</i>	Freehold/ <i>Pegangan bebas</i>	6,716.4	17.5
Seremban Specialist Hospital, Lot No 17522 & 17523, Taman Bukit Kepayang, Seksyen 2, Sungai Ujung, Seremban, Negeri Sembilan.	Land Under Development <i>Tanah Sedang dalam Pembangunan</i>	Freehold/ <i>Pegangan bebas</i>	12,770	15.9
Jalan Mayang Pasir 2, Bayan Baru, Pulau Pinang (H.S.(D) 10270, P.T. No. 5027, Mukim 12, South West District, Pulau Pinang.	Vacant Land <i>Tanah Kosong</i>	Leasehold 99 years expiring in 2098 <i>Pegangan pajakan 99 tahun berakhir tahun 2098</i>	12,143.9	7.5
No 5 & 7, Pesiaran Titawangsa 3, 53200 Kuala Lumpur.	Office Building <i>Bangunan Pejabat</i>	Term in perpetuity <i>Tempoh sepanjang hayat</i>	981.3 & 851.0	1.5
No 3, Lorong San Ah Wing, Off Lorong Gurney, 54100 Kuala Lumpur.	Bungalow <i>Banglo</i>	Term in perpetuity <i>Tempoh sepanjang hayat</i>	1,282.3	2.9
The Palladium, Unit No C/5/8/5 (14-5-1) Jalan Gurney, 54100 Kuala Lumpur	Condominium <i>Kondominium</i>	Freehold/ <i>Pegangan bebas</i>	113.6	0.2
24-N & 24-P, Jalan Tarom, 81200 Johor Bahru, Johor (Lot 3262 Mukim Johor Bahru)	Nurse Hostel <i>Asrama Jururawat</i>	Freehold <i>Pegangan bebas</i>	1,636.5	0.2
24D-1 Jalan Tarom, 81200 Johor Bahru, Johor (Lot PTB 8920 HS (D) 11729 Mukim Johor Bahru)	Nurse Hostel <i>Asrama Jururawat</i>	Freehold <i>Pegangan bebas</i>	390.5	0.1

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Eleventh Annual General Meeting of KPJ Healthcare Berhad will be held at the Delima Room, 2nd Floor, the Puteri Pan Pacific Hotel, Jalan Salim, 80000 Johor Bahru on Tuesday 15 June 2004 at 12.00 noon for the purpose of transacting the following businesses:-

## AGENDA

### As Ordinary Business

1. To receive and consider the Accounts for the year ended 31 December 2003 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
  
2. To re-elect the following Directors who retire under paragraph 7.28 of the Listing Requirement of the Kuala Lumpur Stock Exchange :-
  - (i) Tan Sri Dato' Dr Abu Bakar Bin Suleiman (Article 96) **(Resolution 2)**
  - (ii) Datuk Dr Hussien Bin Awang (Article 96) **(Resolution 3)**
  
3. To re-elect the following Directors pursuant to Section 129(6) of the Companies Act 1965:-
  - i. Tan Sri Datuk Arshad Ayub **(Resolution 4)**
  - ii. Dato' Dr Lim Kee Jin **(Resolution 5)**
  - iii. Datuk Dr Kanagasabai Kulaveerasingam **(Resolution 6)**
  
4. To approve the payment of Directors' fees in respect of the year ended 31 December 2003. **(Resolution 7)**
  
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
  
6. To transact any other business of which due notice shall have been given.

### As Special Business

7. To consider and if thought fit, to pass the following Ordinary Resolution:

#### **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act, 1965, the Articles of Association of the Company and approval of all relevant bodies being obtained for such allotment and issues.

**(Resolution 9)**

By Order of the Board,  
KPJ HEALTHCARE BERHAD

**SALMAH HJ ABD WAHAB** (LS 02140)  
**IDHAM JIHADI ABU BAKAR, ACIS** (MAICSA 7007381)  
Secretaries

Johor Bahru  
Dated : 24 May 2004

#### **Note:**

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under seal or in other manner approved by its Board of Directors.
3. The instrument appointing a proxy must be deposited at the registered office of the Company at 13th Floor, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
4. The proposed adoption of the Ordinary Resolution under Special Business is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting.

# Notis Mesyuarat Agung Tahunan

**DENGAN INI ADALAH DIBERITAHU BAHAWA** Mesyuarat Agung Tahunan KPJ Healthcare Berhad yang ke Sebelas akan diadakan di Bilik Delima, Tingkat 2, Puteri Pan Pacific Hotel, Jalan Salim, 80000 Johor Bahru pada hari Selasa 15 Jun 2004 jam 12.00 tengahari bagi tujuan-tujuan berikut:-

## AGENDA

### Untuk Urusan Biasa

1. Menerima dan menimbangankan Akaun bagi tahun berakhir 31 Disember 2003 serta Laporan Pengarah-Pengarah dan Juruaudit yang berkaitan dengannya. (Resolusi 1)
  
2. Untuk melantik semula Pengarah-Pengarah berikut yang bersara mengikut perenggan 7.28 syarat-syarat penyenaraian Bursa Saham Kuala Lumpur:-
  - i. Tan Sri Dato' Dr Abu Bakar Bin Suleiman (Resolusi 2)
  - ii. Datuk Dr Hussein Bin Awang (Resolusi 3)
  
3. Untuk melantik semula Pengarah-Pengarah berikut selaras dengan Seksyen 129(6) Akta Syarikat 1965:-
  - iii. Tan Sri Datuk Arshad Ayub (Resolusi 4)
  - iv. Dato' Dr Lim Kee Jin (Resolusi 5)
  - v. Dato' Dr Kanagasabai Kulaveerasingam (Resolusi 6)
  
4. Untuk meluluskan pembayaran yuran Pengarah-Pengarah untuk tahun berakhir 31 Disember 2003. (Resolusi 7)
  
5. Untuk melantik semula Tetuan PricewaterhouseCoopers sebagai Juruaudit dan memberi kuasa kepada Pengarah untuk menetapkan bayaran mereka. (Resolusi 8)
  
6. Untuk melaksanakan sebarang urusan yang mana notis sewajarnya telah diberikan.

### Sebagai Urusan Khas

7. Untuk mempertimbangkan dan sekiranya didapati wajar, meluluskan Resolusi-resolusi Biasa berikut:-

**Kuasa Untuk Menerbitkan Saham Selaras Dengan Peruntukan Seksyen 132D Akta Syarikat, 1965** 'BAHAWA selaras dengan Seksyen 132D Akta Syarikat, 1965, para Pengarah adalah diberi kuasa untuk menerbitkan saham-saham dalam Syarikat, pada bila-bila masa dan menunaikan syarat-syarat dan peraturan dan untuk tujuan sedemikian yang dibolehkan oleh para Pengarah, dengan penuh budi bicaranya yang difikirkan sesuai, dengan syarat bahawa jumlah saham-saham yang diterbitkan mengikut resolusi ini pada mana-mana tahun kewangan tidak melebihi 10 peratus daripada modal terbitan Syarikat buat masa ini dan bahawa para Pengarah juga diberi kuasa untuk mendapatkan kelulusan untuk penyenaraian dan sebut harga bagi saham-saham tambahan yang akan diterbitkan di Bursa Malaysia dan bahawa kelulusan sedemikian akan terus berkuatkuasa sehingga berakhirnya Mesyuarat Agung Tahunan Syarikat yang berikutnya. (Resolusi 9)

Dengan Perintah Lembaga Pengarah,  
KPJ HEALTHCARE BERHAD

**SALMAH HJ ABD WAHAB** (LS 02140)  
**IDHAM JIHADI ABU BAKAR, ACIS** (MAICSA 7007381)  
Setiausaha-Setiausaha

Johor Bahru  
Tarikh : 24 Mei, 2004

#### Nota:

1. Seorang ahli yang berhak menghadiri dan mengundi dalam Mesyuarat ini berhak melantik seorang proksi untuk menghadiri bagi pihak dirinya seorang proksi boleh tetapi tidak semestinya seorang ahli Syarikat.
2. Pelantikan proksi hendaklah dibuat secara bertulis oleh pelantik atau wakil yang berkuasa atau sekiranya pelantik adalah sebuah perbadanan, Suratcara Proksi mestilah disempurnakan di bawah meterai Syarikat atau dengan lain-lain cara yang diluluskan oleh Lembaga Pengarah.
3. Suratcara pelantikan proksi hendaklah sampai di Pejabat Berdaftar Syarikat, di alamat: Tingkat 13, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor tidak lewat dari empat puluh lapan (48) jam sebelum mesyuarat diadakan.
4. Resolusi Biasa yang dicadangkan di bawah Urusan Khas, jika diluluskan akan memberi kuasa kepada Lembaga Pengarah untuk menerbitkan saham-saham Syarikat yang difikirkan wajar untuk kepentingan Syarikat tanpa perlu mengadakan mesyuarat agung.

# Statement Accompanying Notice of Annual General Meeting

## Penyata Susulan Notis Mesyuarat Agung Tahunan

### 1. Re-election of Directors/

#### *Pelantikan Semula Pengarah*

Pursuant to Article 96 of the Company's Articles of Association, the Directors who are standing for re-election at the Eleventh Annual General Meeting of the Company are as follows:

*Menurut Tataurusuan Syarikat, Artikel 96, Para Pengarah yang menawarkan diri untuk dipilih semula di Mesyuarat Agung Tahunan Syarikat yang Kesebelas adalah seperti berikut:*

Tan Sri Dato' Dr Abu Bakar Bin Suleiman  
Datuk Dr Hussein Bin Awang

Pursuant to Section 129(6) of the Companies Act 1965, the Directors who are over the age of seventy (70) years standing for re-appointment to hold office until the next Annual General Meeting are as follows:

*Mengikut Seksyen 129(6) di bawah Akta Syarikat 1965, Para Pengarah yang berusia melebihi tujuh puluh (70) tahun untuk dilantik semula bagi tempoh sehingga Mesyuarat Agung Tahunan yang akan datang adalah seperti berikut:*

Tan Sri Datuk Arshad Ayub  
Dato' Dr Lim Kee Jin  
Dato' Dr K Kulaveerasingam

### 2. Details of attendance of Directors at Board Meetings for the year 2003/

*Butir-butir kehadiran para Pengarah di Mesyuarat Lembaga Pengarah pada tahun 2003*

	<b>Non-Executive Directors</b> <i>Pengarah Bukan Eksekutif</i>	<b>Total Number of Meetings</b> <i>Bilangan Mesyuarat</i>	<b>No. of Meetings Attended</b> <i>Bilangan Kehadiran Mesyuarat</i>
1.	Tan Sri Dato' Muhammad Ali Hashim	4	4
2.	Zainah Mustafa	4	4
<b>Independent Non-Executive Directors</b> <i>Pengarah Bebas Bukan Eksekutif</i>			
3.	Tan Sri Datuk Arshad Ayub	4	4
4.	Tan Sri Dato' Dr Abu Bakar Suleiman	4	4
5.	Dato' Dr Lim Kee Jin	4	2
6.	Dato' Dr Hussein Awang	4	3
7.	Dato' Dr K Kulaveerasingam	4	4
8.	Azzat Kamaludin	4	2
9.	Dr Chakr Sri Na Nagara	4	4
<b>Executive Director</b> <i>Pengarah Eksekutif</i>			
10.	Datin Paduka Siti Sa'diah Sh Bakir	4	4

### 3. Venue, Date and Time of Board Meetings/

#### *Tempat, Tarikh dan Masa Mesyuarat Lembaga Pengarah*

The date, day, time and venue of the Board Meetings for the Financial Year ended 31 December 2003 were as follows:

*Tarikh, hari, waktu dan tempat Mesyuarat Lembaga Pengarah bagi Tahun Kewangan berakhir 31 Disember 2003 ialah seperti berikut:*

<b>Date of Meeting</b> <i>Tarikh Mesyuarat</i>	<b>Day</b> <i>Hari</i>	<b>Time</b> <i>Masa</i>	<b>Venue</b> <i>Tempat</i>
13.03.2003	Thursday / <i>Khamis</i>	2.30 p.m / <i>petang</i>	Damansara Specialist Hospital
26.05.2003	Monday / <i>Isnin</i>	9.30 a.m / <i>pagi</i>	Puteri Pan Pacific Hotel, Johor Bahru
18.08.2003	Monday / <i>Isnin</i>	11.00 a.m / <i>pagi</i>	Kuantan Specialist Hospital
17.11.2003	Monday / <i>Isnin</i>	10.30 a.m / <i>pagi</i>	Damansara Specialist Hospital

### 4. Further details of Directors who are standing for re-election/

#### *Maklumat Pengarah yang layak untuk pengundian semula*

Details of Directors who are standing for re-election are set out in the Directors' Profile appearing on pages 8 - 13 of the Annual Report.

*Keterangan lanjut mengenai para Pengarah yang menawarkan diri untuk pemilihan semula tertera di bawah profil Lembaga Pengarah di mukasurat-mukasurat 8 - 13 dalam Laporan Tahunan.*



KPJ HEALTHCARE BERHAD  
(247019-M)

# Proxy Form

I/We\* \_\_\_\_\_  
[BLOCK LETTER]

of \_\_\_\_\_

being a member(s) of KPJ HEALTHCARE BERHAD hereby appoint the Chairman of the meeting or \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

as my/our\* Proxy to vote for me/us\* on my/our\* behalf at the Eleventh Annual General Meeting of the Company to be held on Tuesday 15 June, 2004 and at any adjournment of such meeting.

[Should you desire to direct your proxy how to vote on the Resolutions sets out in the Notice of Meeting and as summarised below, please indicate with an 'X' in the appropriate space. If no specific direction as to voting is given, the Proxy will vote or abstain at his/her discretion].

RESOLUTION	DESCRIPTION	FOR	AGAINST
1.	TO RECEIVE THE REPORT AND ACCOUNTS		
2.	TO RE-ELECT DIRECTORS		
3.	Tan Sri Dato' Dr Abu Bakar Bin Suleiman		
4.	Datuk Dr Hussein Bin Awang		
5.	Tan Sri Datuk Arshad Ayub		
6.	Dato' Dr Lim Kee Jin		
6.	Dato' Dr Kanagasabai Kulaveerasingam		
7.	TO APPROVE DIRECTORS FEE		
8.	TO RE-APPOINT AUDITORS		
9.	AUTHORITY TO ISSUE SHARES		

Number of shares

Sign this  day of  2004

Signature of Member(s)

**Notes:**

- To be effective, this Proxy Form must be completed, signed and deposited at the Registered Office of the Company, at 13th Floor, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor not less than 48 hours before the time appointed for the meeting.
- In the case of a member being a corporation, this Proxy Form should be completed under the common seal, or under the hand and seal of its attorney, or under the hand of a duly authorised officer.
- In case of joint holders, the signature of any one joint holder is sufficient.
- A proxy may but need not be a Member of the Company.

\* Delete where not applicable

---

STAMP

Setiausaha  
KPJ HEALTHCARE BERHAD (247079-M)  
Menara Johor Corporation, KOTARAYA,  
80000 Johor Bahru,  
Johor Darul Takzim,  
MALAYSIA.

---



## Suratcara Proksi

Saya/Kami\* \_\_\_\_\_  
[HURUF BESAR]

beralamat di \_\_\_\_\_

adalah Ahli/Ahli-Ahli KPJ HEALTHCARE BERHAD dengan ini melantik Pengerusi Mesyuarat/atau \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

sebagai Proksi saya/kami\* untuk mengundi bagi pihak saya/kami\* di Mesyuarat Agung Tahunan yang ke Sebelas yang diadakan pada hari Selasa 15 Jun, 2004 dan sebarang Mesyuarat penangguhannya.

[Jika anda ingin mengarahkan Proksi untuk mengundi mengikut cara-cara yang ditentukan, di atas resolusi-resolusi yang tercatat di dalam Notis Mesyuarat Tahunan atau secara ringkasnya sebagaimana di bawah, tandakan 'X' di tempat berkenaan. Jika arahan tidak diberi, proksi akan mengundi mengikut budibicaranya sendiri].

RESOLUSI	KETERANGAN	SETUJU	TIDAK SETUJU
1.	MENERIMA LAPORAN DAN AKAUN-AKAUN		
2.	MELANTIK SEMULA PENGARAH-PENGARAH:		
3.	Tan Sri Dato' Dr Abu Bakar Bin Suleiman		
4.	Datuk Dr Hussein Bin Awang		
5.	Tan Sri Datuk Arshad Ayub		
6.	Dato' Dr Lim Kee Jin		
7.	Dato' Dr Kanagasabai Kulaveerasingam		
7.	MELULUSKAN BAYARAN YURAN PENGARAH		
8.	MELANTIK SEMULA JURUAUDIT		
9.	KUASA MENERBITKAN SAHAM		

Bilangan Saham

Ditandatangani  haribulan  2004

Tandatangan Pemegang Saham

### Nota:

1. Borang Proksi, ini hendaklah dipenuhkan, ditandatangani dan sampai ke Pejabat Berdaftar Syarikat, di Tingkat 13, Menara Johor Corporation, KOTARAYA, 80000 Johor Bahru, Johor tidak kurang 48 jam daripada waktu Mesyuarat yang ditetapkan.
2. Sekiranya ahli itu sebuah perbadanan, Borang Proksi ini hendaklah dipenuhkan di bawah meterai perbadanan tersebut ataupun ditandatangani dan dimeterai oleh attorneynya atau ditandatangani oleh pegawai yang telah diberikuasa.
3. Untuk pemegang-pemegang saham bersama, tandatangan salah seorang daripada pemegang-pemegang saham tersebut adalah mencukupi.
4. Proksi yang dilantik boleh tetapi tidak semestinya dari kalangan Ahli-Ahli Syarikat.

\* Potong mana yang tidak berkenaan

---

SETEM

Setiausaha  
KPJ HEALTHCARE BERHAD (247079-M)  
Menara Johor Corporation, KOTARAYA,  
80000 Johor Bahru,  
Johor Darul Takzim,  
MALAYSIA.

---