

CORPORATE GOVERNANCE OVERVIEW

THE BOARD OF DIRECTORS OF KPJ HEALTHCARE BERHAD (BOARD) BELIEVES THAT GOOD CORPORATE GOVERNANCE ADDS VALUE TO THE BUSINESS OF THE GROUP AND WILL ENSURE THAT THIS PRACTICE CONTINUES. THE BOARD BELIEVES IN PLAYING AN ACTIVE ROLE IN GUIDING THE MANAGEMENT THROUGH ITS OVERSIGHT REVIEW WHILE AT THE SAME TIME STEER THE GROUP'S BUSINESS DIRECTION AND STRATEGY.

In line with this commitment, the Board is continuously reviewing and has taken, where appropriate, the necessary steps to comply with the 3 Principles, 32 practices and 4 Step-ups of the Malaysian Code on Corporate Governance 2017 (MCCG 2017). The Board is pleased to elaborate on the Group's application and extent of compliance with MCCG 2017 during the financial year 2018 in this Corporate Governance Overview Statement (CG Overview).

This Statement is supplemented with a Corporate Governance Report (CG Report) pursuant

to paragraph 15.25 of the Main Market Listing Requirements (MMLR) by Bursa Malaysia Securities Berhad (Bursa Securities). The CG Report is available on the Company's website http://kpj.listedcompany.com/cg_report.html as well as on the website of Bursa Securities.

This statement should be read in conjunction with the statement on Risk Management and Internal Control (SORMIC), and Audit Committee Report as well KPJ's Clinical Governance in Medical Advisory Committee (MAC).

The Corporate Governance Framework is developed based on the following statutory requirements, best practices and guidelines:-

- Companies Act 2016 (CA 2016);
- Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities);
- Malaysia Code on Corporate Governance 2017; and
- Bursa Malaysia Corporate Governance Guide - 3rd Edition published on 17 December 2017

The Company has complied with the Main Principles set out in the MCCG 2017 which was released in April 2017. The gap analysis was discussed and tabled to the Board in Feb 2019. As at the date of this Integrated Report, we have applied all the practices in MCCG 2017 except for the following:-

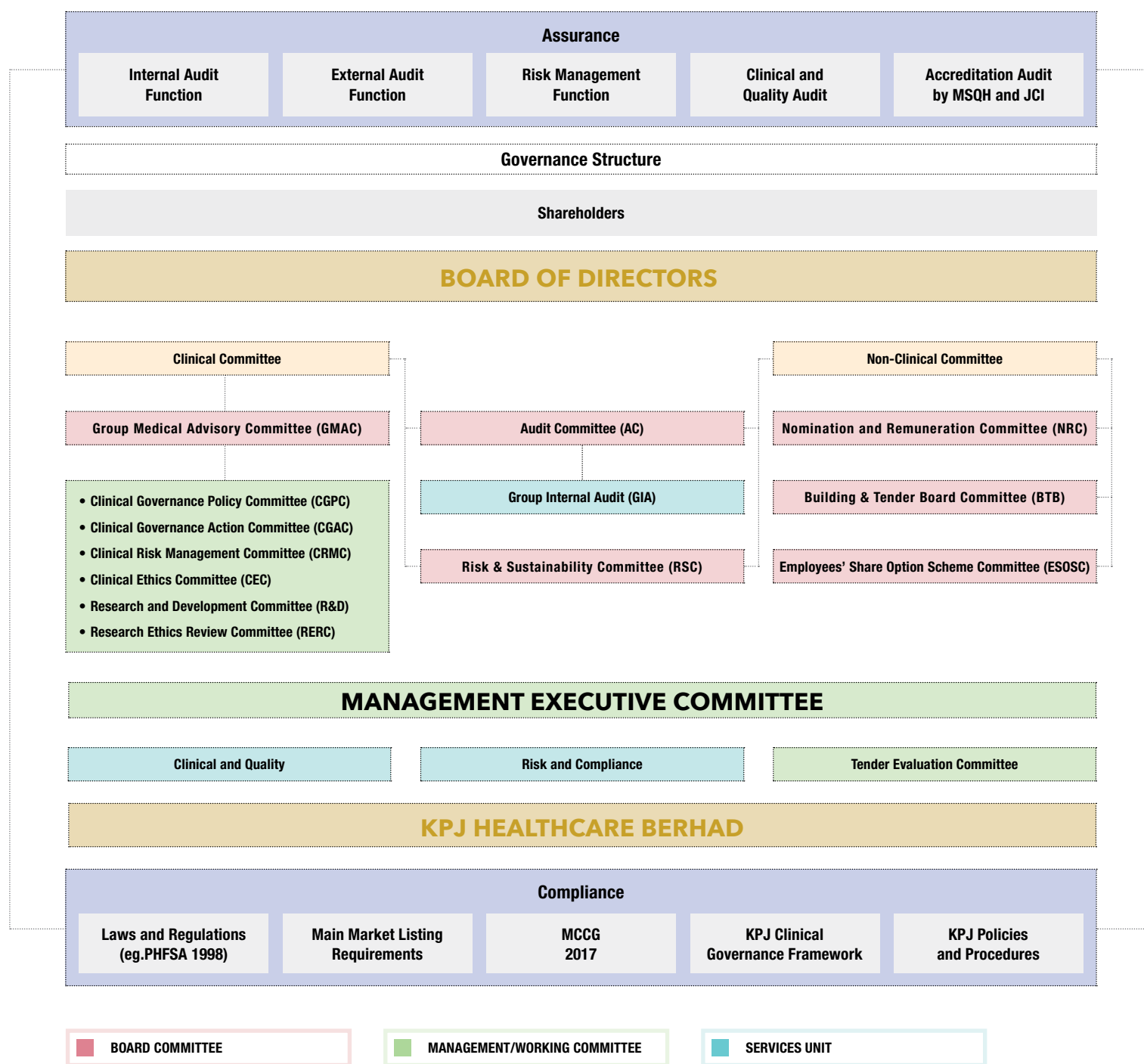
- **Practice 4.1**
At least half of the board comprises of independent directors. For Large Companies, the board comprises of a majority of independent directors.
- **Practice 4.7**
The nominating Committee is chaired by an Independent Director or Senior Independent Director.
- **Practice 5.1**
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.
- **Practice 7.3 Step-up**
Companies are encouraged to fully disclose the detailed remuneration of each of senior management on a named basis.
- **Practice 12.3**
Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate :-
 - Voting in absentia; and
 - Remote shareholders' participation at General Meetings

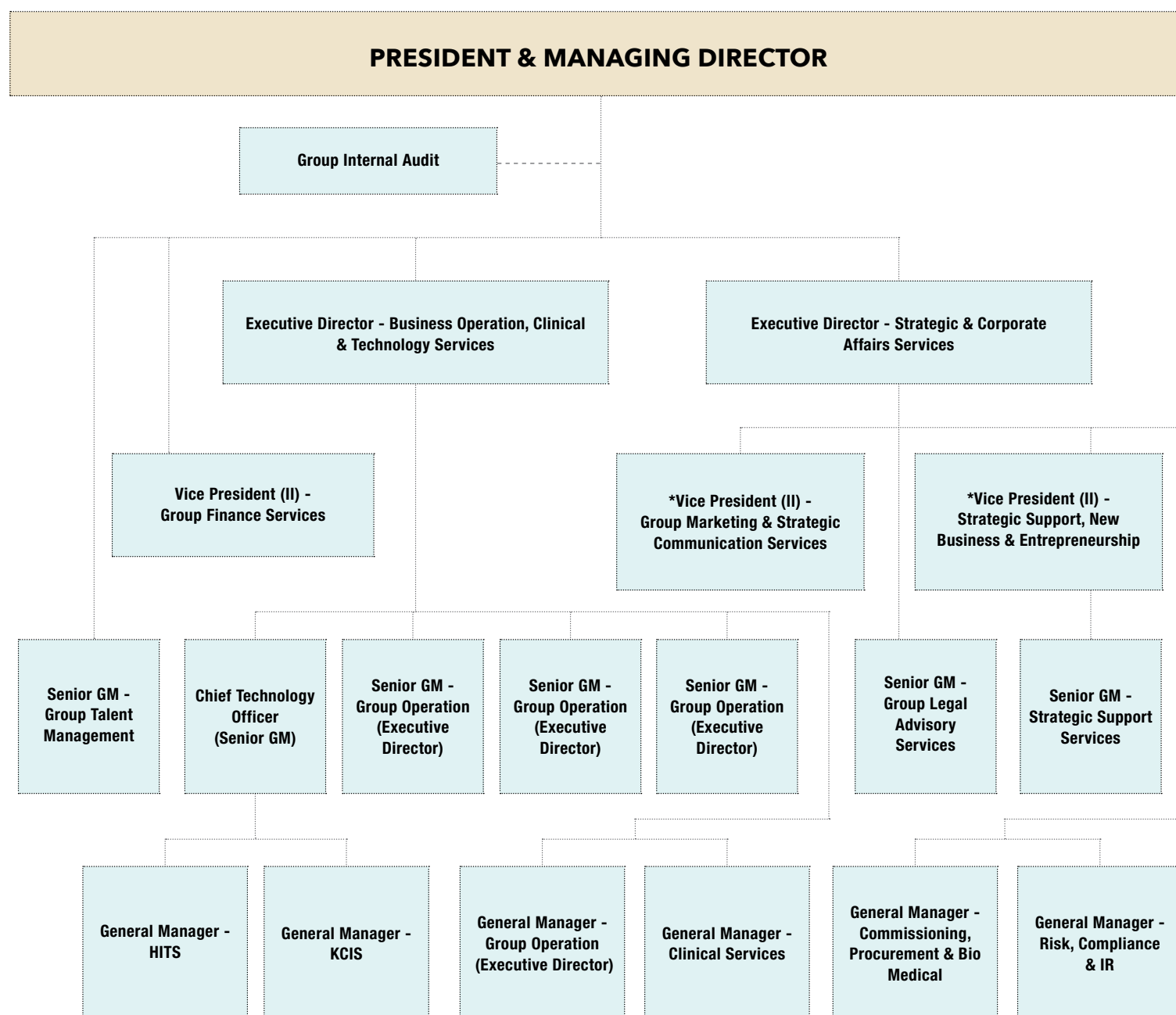
The explanation for the departure from the Practices and measures to be taken are provided in the CG Report.

CORPORATE GOVERNANCE OVERVIEW

CORPORATE GOVERNANCE MODEL



KPJ HEALTHCARE BERHAD ORGANISATION CHART



CORPORATE GOVERNANCE OVERVIEW

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD'S RESPONSIBILITIES

Structural Changes to Board Composition

New appointments: INED

Date: 24 April 2018

- Dato' Muthanna bin Abdullah
- Christina Foo
- Dato' Dr. Bajit Kor A/P Teja Singh

New appointment: ED

Date: 24 April 2018

- Jasimah binti Hassan

Retirement of Directors: INED

Date: 23 April 2018 during the 25th AGM

- Zainah binti Mustafa
- Datuk Azzat bin Kamaludin
- Dr. Kok Chin Leong

All members of the Board contribute meaningfully in the areas of formulation of strategic objectives and policies, governance, performance monitoring, allocation of resources and compliance.

Each director brings with him/her vast experience and astute insights to enable the Board to function effectively in discharging its duties and responsibilities as required of them with due care and skill.

The roles of the Chairman of the Board, President and Managing Director, two Executive Directors and the eight (8) Non-Executive Directors (NEDs) are kept separate with a clear division of responsibilities in line with best practices. The functions of the Chairman as well as those of the President & Managing Director are clearly segregated to ensure that there is a balance of power and authority.

Dato' Kamaruzzaman bin Abu Kassim as the Chairman continues to lead the Board by providing oversight leadership on the strategies and business affairs of the Group. He is also the President and Chief Executive of Johor Corporation (JCorp) and has never held the position of President & Managing Director of the Company.

Dato' Amiruddin bin Abdul Satar, the President & Managing Director (PMD) of the Company is responsible for leading the Management in the execution of broad policies, strategies and action plans approved by the Board. He regularly engages the Board to report and discuss the Group's business performance and developments, including all strategic matters affecting the Group.

The Board has also developed and approved the Corporate Objectives for 2018, for which the President & Managing Director has the responsibility to execute and achieve them. It also forms the basis where the performance of Management will be assessed.

The Board also assigns authority and responsibilities mainly to the Management Executive Committee (EXCO) which is headed by the President & Managing Director, to manage operations as well as execute strategic initiatives pertaining to the delivery of services and business operations of the Group.

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

**The following
are matters
which are
specifically
reserved for
the Board:-**

Approval of
corporate plans
and programmes

Approval of budgets,
including major capital
commitments

Approval of new
ventures

Approval of material
acquisitions and
disposals of
undertakings and
properties

Changes to the
management and
control structure within
the Company and its
subsidiaries, including
key policies, delegated
authority limit

BOARD OF DIRECTORS

Roles and Responsibilities

- The Board is committed to deliver sustainable value and determine long-term goals through its leadership and dedicated management team. The Board is responsible for overseeing how management served the interest of shareholders and stakeholders including risk management, environmental, social, external conditions such as new government, regulatory changes and global trends. The Board also promotes a Group culture based on the core values and define its roles in society.

ACTIVITIES IN 2018

- The Board deliberated on the Group's strategic plans and embedded integrated thinking that requires output of the business and quality of the outcomes
- On quarterly basis, the KPI's performance was reviewed and the Board oversaw the execution of the approved initiatives of every indicators such as financial and operational performance
- Managed risks and opportunity of the Group's material matters as well as other value drivers that may have a direct and indirect impact to Our Six Capitals

PRIORITIES IN 2019

- To develop strategy and managing risks and opportunities of the Group's material matters as well as other value drivers that may have a direct impact to the Our Six Capitals

BOARD CHARTER

The Group has documented clear policies for identifying and separating the functions and responsibilities of the Board and Management, Chairman as well as the President & Managing Director in ensuring the smooth running of the Group's business and operations.

These are enshrined in the Board Charter, which has been reviewed and updated in 2018 to be in line with the practices of MCCG and the Companies Act 2016, a copy of which is made available to all Directors of the Company. The full extent of Board responsibilities including Code of Conduct is available at http://kpj.listedcompany.com/board_charter.html

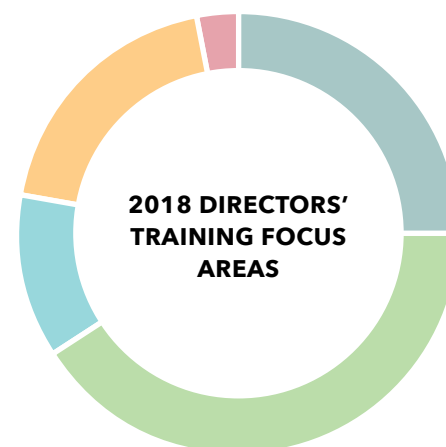
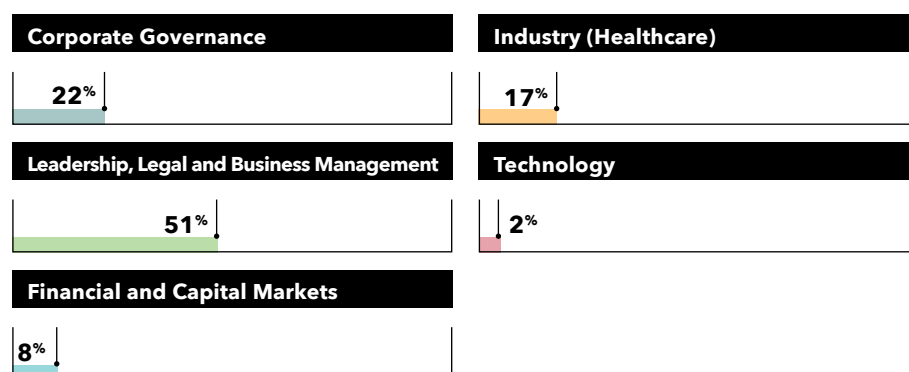
CONTINUING EDUCATION PROGRAMMES

As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education programme for new Board Members. In August 2018, one induction program was facilitated for three (3) new Directors who were appointed on 24 April 2018.

Directors also received further training from time to time through Continuous Education Program (CEP), particularly on relevant laws, regulations, changing commercial risk and environment as required by Paragraph 15.08(3) of the MMLR. During the year, the Board members have attended trainings/programmes organised by various parties as disclosed under Practice 2.1 of the CG Report.

CORPORATE GOVERNANCE OVERVIEW

2018 DIRECTORS' TRAINING FOCUS AREAS



BOARD COMPOSITION

The composition of the Board of Directors is as follows:

- One Non-Independent Non-Executive Chairman;
- Two Non-Independent Non-Executive Directors;
- Six Independent Non-Executive Directors;
- One President & Managing Director; and
- Two Executive Directors.

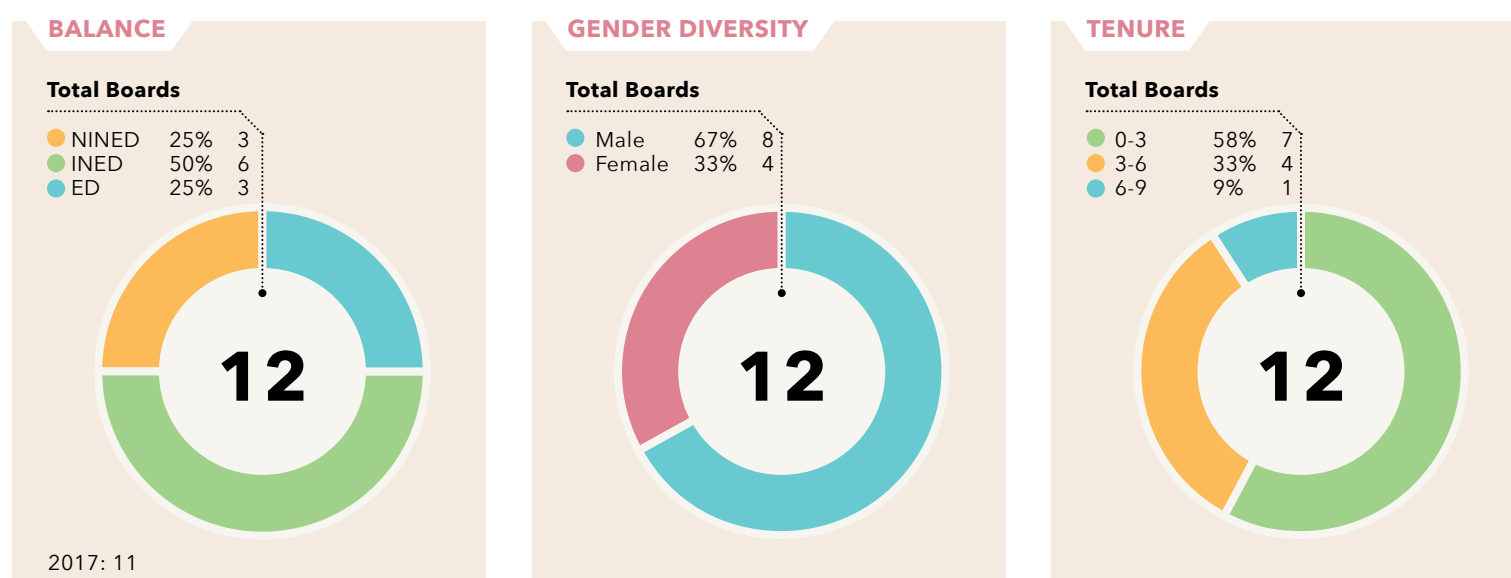
The present size and composition remains well-balanced and is made up of professionals with a wide range of knowledge and experience in business, operations and finance, all relevant to the direction of a large, expanding Group. The profiles of all Board Members, comprising of their qualification, experience and calibre are disclosed on pages 93 to 104 of this Integrated Report.

The Board, through the Nomination and Remuneration Committee (NRC), undertakes a rigorous evaluation each year in order to assess how well the Board, its Committees, the Directors and the Chairman are performing, including assessing the independence of Independent Directors, taking into account the individual Director's capability to exercise independent judgement at all times.

The Board has adopted the nine-year policy as enshrined in the MCCG since 2017 which limits the tenure of the Independent Director. Three new Directors were appointed in April 2018 in line with the compliance with MCCG as well as achieve the diversity target of at least 30% women directors on the Board.

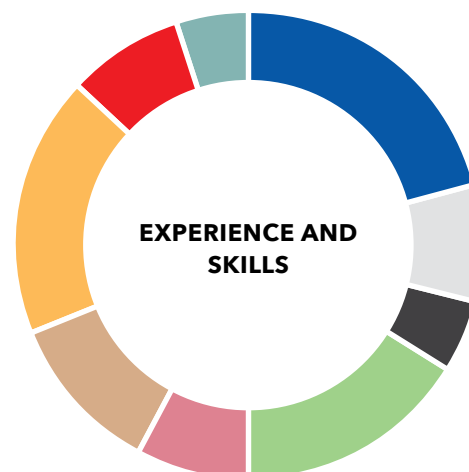
The Board also approved the NRC's recommendation that the Board size be increased to 12 from 11 directors previously.

The current composition of the Board Members has the appropriate mix of diversity, skills, experience and capabilities.



EXPERIENCE AND SKILLS

Accounting/ Financial Management/Audit	21%	8
Business Development Advisory	8%	3
Mathematics/Statistics/ Economics	5%	2
Legal/Regulatory/Risk/ Corporate Governance	16%	6
Specialist Consultants	8%	3
Healthcare (Operations)	11%	4
Corporate CEO / Managing Director	18%	7
Education	8%	3
Research & Development	5%	2



2018 MEETING CALENDAR

	BOD	ACM	RSC	BC ^(c)	TBC ^(c)	BTB ^(c)	NRC	MAC
Non Independent Non-Executive Director								
Dato' Kamaruzzaman bin Abu Kassim	5/5						3/3	
Zulkifli bin Ibrahim	5/5				2/2	1/2		
Mohd Sahir bin Rahmat	5/5				2/2	1/2		
Independent Non-Executive Director								
Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir	5/5			2/2		2/2	2/3	
Prof Dato' Dr. Azizi bin Haji Omar	4/5	4/5	4/5		2/2	2/2		4/4
Dr. Zaki Morad bin Mohamad Zaher	5/5		3/5	2/2		1/2		4/4
Dato' Muthanna bin Abdullah ^(b)	3/3	5/5	5/5				2/2	
Christina Foo ^(b)	3/3	5/5	5/5					
Dato' Dr. Bajit Kor A/P Teja Singh ^(b)	3/3	5/5					2/2	1/1
Datuk Azzat bin Kamaludin ^(a)	2/2	1/2			1/2		1/1	
Dr. Kok Chin Leong ^(a)	2/2	1/2						1/1
Zainah binti Mustafa ^(a)	2/2	2/2					1/1	
Executive/Managing Director								
Dato' Amiruddin bin Abdul Satar	5/5			1/1	2/2	2/2		4/4
Aminudin bin Dawam	5/5			2/2				
Jasimah binti Hassan ^(b)	3/3	5/5						1/1
Total number of meetings	5	7	5	2	2	2	3	4

Chairman

^(a) Retired as INED w.e.f on 23 April 2018

^(b) Appointed as INED w.e.f on 24 April 2018

^(c) Building Committee and Tender Board Committee merged into one committee in July 2018

CORPORATE GOVERNANCE OVERVIEW

BOARD REMUNERATION

The Board has in place a Board Remuneration Policy governing the remuneration of directors and believes that the levels of remuneration offered by the Group are sufficient to attract directors of calibre with sufficient experience and talent to contribute to the performance of the Group. The Non-Executive Directors are remunerated based on fixed annual director's fees and fixed meeting allowances. The current Board Remuneration Policy was approved by the shareholders of the Company at the 26th AGM held in April 2019.

The remuneration framework applicable for the President and Managing Director and Executive Director has the underlying objective of attracting and retaining an executive director needed to manage the Company successfully. It is structured to commensurate with the achievement of corporate targets set by the Board and their individual performance. Their remuneration packages have been reviewed by the NRC and approved by the Board.

BOARD COMMITTEE

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

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

NOMINATION AND REMUNERATION COMMITTEE

DATO' KAMARUZZAMAN BIN ABU KASSIM, CHAIRMAN - NINED
TAN SRI DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR - INED

DATO' MUTHANNA BIN ABDULLAH - INED
DATO' DR. BAJIT KOR A/P TEJA SINGH - INED

Roles and Responsibilities

The NRC is responsible to ensure that there is an effective and orderly succession planning in the Group. NRC also responsible for formulating the nomination, selection and succession for the Group's key management position.

ACTIVITIES IN 2018

- Undertook a fresh review of Board composition by adding three new INED and one ED in April 2018 which also achieved 30% composition of women directors
- Reviewed and appointed two (2) Group's key management positions
- Reviewed and extended contract of President & Managing Director and Executive Director
- Accepted the application of retirement for three directors who have exceeded the nine-year cumulative term limit

PRIORITIES IN 2019

- To review of top Management succession plan

BUILDING & TENDER BOARD COMMITTEE

**TAN SRI DATIN PADUKA SITI SA'DIAH BINTI SH BAKIR
(CHAIRMAN) - INED**
ZULKIFLI BIN IBRAHIM - NED
DATO' AMIRUDDIN BIN ABDUL SATAR- PMD
PROF DATO' DR. AZIZI BIN HAJI OMAR - INED
DATO' DR. ZAKI MORAD BIN MOHAMAD ZAHER - INED

Roles and Responsibilities

- The BTB oversees the timeline and costing of each project undertaken by the Group and to address any issues relating to these projects. At the same time evaluates, deliberates and approves the recommendations made by the Management to award major contracts and tenders to selected contractors for the Board's approval.

ACTIVITIES IN 2018

- Building Committee and Tender Board Committee merged as one committee BTB in July 2018
- Reviewed and approved on the amendment of a few standard practices in the contract with Consultants and Contractors, in line with new contract requirement - Reviewed the progress of various development projects and approved variations to project time lines and costs
- Reviewed the project development cost and Project Cost Saving initiatives by Project Management Services
- Reviewed and approved the award tender to the Board

PRIORITIES IN 2019

- To focus on the new hospitals development's completion within the stipulated time

CORPORATE GOVERNANCE OVERVIEW

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE (AC)

The AC currently comprises of four INED. All of the members were newly appointed as new member of AC on 24 April 2018.

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

AUDIT COMMITTEE (AC)

DATO' MUTHANNA BIN ABDULLAH - CHAIRMAN
PROF DATO' DR. AZIZI BIN HAJI OMAR - INED
DATO' DR. BAJIT KOR A/P TEJA SINGH - INED
CHRISTINA FOO - INED

Roles and Responsibilities

- The AC reviews the adequacy and effectiveness of internal control system and governance process to safeguard the rights and interests of the shareholders
- Effective 23 April 2018, the duties and responsibilities of the AC on Risk Management was transferred to RSC

ACTIVITIES IN 2018

- AC Chairman held regular working discussions with the Management engaged in the process of materials preparation for the Committee.
- Assessed the financial impact of the first adoption of new MFRS
- Reviewed recent development in tax laws and regulations
- Reviewed and approved Audit Charter in line with the International Standards for Professional Practice of Internal Auditing by the Institute of Internal Auditors (IIA)
- Reviewed the quarterly financial results before recommending the same to Board for approval
- Reviewed the related party transactions and recurrent related party transactions

PRIORITIES IN 2019

- To assess the effectiveness of the process and adherence to SOP by the Management and staff at all Hospitals/Centres in order to ensure an efficient and sound control systems
- To assess the expected controls embedded in the upgraded 2nd generation cloud computing system of HITS2 and KCIS2

For more details of activities done by AC in 2018 can be found in the Audit Committee Report at pages 129 to 132.

REVIEW OF THE PERFORMANCE OF AC

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

RELATIONSHIP WITH EXTERNAL AUDITORS

A dialogue was held between AC, IA, Finance and the external auditors to discuss on the External Auditors audit plan, report, internal controls issues and procedures. The performance of external auditors was assessed and the AC recommended their appointment and remuneration to the Board.

POLICY ON WHISTLE-BLOWING

The Group has a Policy on Whistle-Blowing that enables employees, stakeholders (i.e. shareholders / suppliers / customers) and any other parties to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

The Policy covers, inter-alia, three (3) tiers of whistle-blowing reporting line, comprising of the President & Managing Director,

the Chairman of the Audit Committee and the Chairman of the Board, to facilitate whistle-blowing activities according to different possible circumstances.

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

The objective of this channel is to encourage the reporting of such matters in good faith, the confidence that employees or any party making such report are protected against any retaliation.

RISK & SUSTAINABILITY COMMITTEE

CHRISTINA FOO (CHAIRMAN) - INED
DATO' MUTHANNA BIN ABDULLAH - INED
PROF DATO' DR. AZIZI BIN HAJI OMAR - INED
DATO' DR. ZAKI MORAD BIN MOHAMAD ZAHER - INED
JASIMAH BINTI HASSAN - ED

Roles and Responsibilities

- The RSC oversees the overall risk exposure and risk management matters relating to any material clinical and non-clinical risk identified. RSC will recommend to the Board for any changes in the policy, framework, standards and procedures where applicable. At the same time, the RSC also monitors the appropriateness of KPJ strategies in addressing material stakeholder sustainability concerns and ensure its compliance with sustainability policy and reporting requirement.

ACTIVITIES IN 2018

- The RSC was established effective 24 April 2018. For the year, the RSC held 5 meetings
- Reviewed the KPJ Risk Framework & Guidelines
- Reviewed all the Risk Reports on Cybersecurity, Patient Care Related and Incident Reporting (Clinical/Non-Clinical Incidents) presented during the year
- Reviewed the progress of all the major sustainability initiatives undertaken
- Reviewed the draft 2018 of Integrated Report
- Reviewed the draft CG Report, CG Overview and SORMIC for 2018 Integrated Reporting

PRIORITIES IN 2019

- To oversee the migration to ISO3100:2018 Risk Management standard in line with KPJ ISO certification in preparation for the ISO surveillance audit cycle.
- To enhance the promotion of healthy risk culture and keeping abreast with new and emerging risks and discuss possible mitigation plans.
- To review from time to time and focus on top key-risks affecting the Group

More details of the activities undertaken by RSC in 2018 can be found at the SORMIC section on pages 133 to 138.

CORPORATE GOVERNANCE OVERVIEW

As a healthcare service provider, the Board considers the clinical risks from its hospital operations to be the primary risk area. The Board delegates its powers to the Medical Advisory Committee (MAC) to provide oversight on all clinical governance, risks and control matters.

GROUP MEDICAL ADVISORY COMMITTEE (GMAC)

DATO' DR. ZAKI MORAD BIN MOHAMAD ZAHER
(CHAIRMAN MAC) - INED
DATO' AMIRUDDIN BIN ABDUL SATAR - PMD
DATUK DR. HUSSEIN BIN AWANG
(CHAIRMAN, MEDICAL DIRECTORS' MEETING)
DATO' DR. S SIVAMOHAN (CHAIRMAN CGPC)
PROF. (C) DATO' DR. SHAHRUDIN BIN MOHD DUN
(CHAIRMAN CGAC)

DATO' DR. NGUN KOK WENG (CHAIRMAN CRM)
DATO' DR. FADZLI CHEAH (CHAIRMAN CEC)
PROF. DATO' DR. AZIZI HAJI OMAR (CHAIRMAN RQIC) - INED
DR. MOHD HAFETZ BIN AHMAD (CHAIRMAN RERC)
DATO' DR. BAJIT KOR A/P TEJA SINGH - INED
JASIMAH BINTI HASSAN - ED
GUNAVATHY KALEE (GENERAL MANAGER,
KPJ CLINICAL SERVICES KPJHB)

Roles and Responsibilities

- The GMAC develops and monitors clinical governance activities and guidelines of the KPJ Group of Hospitals. The committee ensures that the best clinical governance activities and guidelines are adopted and practised by the Group in order to strengthen existing systems for quality control, based on clinical standards, evidence based practice and lessons learnt from past cases.

ACTIVITIES IN 2018

- Developed new policies and guidelines as well as reviewing and updating all existing policies/guidelines to ensure evidence based processes are in place.
- Reviewed clinical governance and reporting clinical outcomes by doctors
- Reviewed the activities for clinical compliance including accreditation standards and clinical surveys.
- Monitored performance and patient outcomes such as clinical indicators and quality indicators for Accident and Emergency Services
- Introduced new services in line with new technology in meeting customers' expectations and endeavour to provide a safe healing environment.

PRIORITIES IN 2019

- To monitor the execution of policy, procedures and guidelines for patient safety and satisfactory clinical outcomes

More details of the activities undertaken by GMAC in 2018 can be found at the Medical Advisory Committee Report on pages 133 to 138.

TENDER EVALUATION COMMITTEE (TEC) MANAGEMENT

AMINUDIN BIN DAWAM (CHAIRMAN) - ED
JASIMAH BINTI HASSAN - ED
ROSLAN BIN AHMAD - SENIOR GENERAL MANAGER

AHMAD NASIRRUDDIN BIN HARUN - SENIOR GENERAL MANAGER
UTHAYA KUMAR - SENIOR GENERAL MANAGER

Roles and Responsibilities

- Evaluate and make its recommendations to the BTB on major purchases, acquisitions or disposal of assets, awards of contracts and appointments of consultants/advisors of the Group.

ACTIVITIES IN 2018

- Recommended tender for Hospital Development and IT projects to BTB
- Revised tender evaluation by adding Quality Assurance and Quality Control (QAQC) Procedures

PRIORITIES IN 2019

- To encourage prospective contractors to practice sustainable business
- To review the contractors evaluation process

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Group understands that one of its major responsibilities is to provide sufficient and timely information as and when necessary to its shareholders and investors, as this reflects good corporate governance practice. It is imperative to maintain transparency, build trust and understanding in the relationship through active dialogue and communication with shareholders and investors.

As part of the Group's commitment to promote a high level of communication and transparency with the investment community, experienced and senior level management personnel are directly involved in the Group's investor relations function. The President & Managing Director and senior management personnel hold discussions with analysts, investors and shareholders from time to time on the Group's results and performance.

The Senior Management personnel involved in Investor Relations activities are:

- Dato' Amiruddin bin Abdul Satar - President & Managing Director
- Aminudin bin Dawam - Executive Director
- Norhaizam binti Mohammad - Vice President (II) - Group Finance Services
- Khairul Annuar bin Azizi - General Manager - Risk, Compliance & Investor Relations

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

All shareholders have an equal access to information. The Group has established formal channels to engage with shareholders and stakeholders:

COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS

- Integrated Report, Sustainability Report, Corporate Brochures, Fact Sheets, Notice of AGM
- Announcements to Bursa Malaysia Securities
- Website Updates on all corporate communication
- Annual General Meeting
 - Primary engagement platform between the Board and the shareholders
 - 33-day notice was given for the AGM held on 23 April 2018
 - Attended by all Board members
 - Business presentation by President & Managing Director and the Chairman encourage shareholder to participate in Q&A session
 - Electronic poll voting on all resolutions and immediate announcement of results
 - In line with KPJ's EES initiatives which encourage green environment the shareholders will be able to access our Integrated Reports online instead of hard copy distribution. The report and proxy form can be downloaded at <http://kpj.listed.com/ar.html>

COMMUNICATION VIA MASS MEDIA

- Media Interview on Corporate Developments
- Social Media established on most popular social media platform at Group level and subsidiaries

ENGAGEMENT WITH ANALYSTS AND INVESTORS

- Analyst/ Investor Meetings
- IR Roadshow
- Quarterly Results and Audited Annual Financial Statement
- 16 Equity Research coverage on KPJ
- Hospital Visits by Analysts/Fund Managers and Shareholders
 - meeting hospital's management and touring the facilities hospital, to get a better understanding about hospital's operations

CORPORATE GOVERNANCE OVERVIEW

INVESTOR RELATIONS INFORMATION

Investor Relations Activities

There was strong interest shown amongst analysts and fund managers to get the latest updates on KPJ, especially on the progress of KPJ's Malaysian hospital network expansion, business & financial performance of Malaysian, Indonesian, Australian and Bangladeshi operations.

SHARE QUOTE

Share Quote

Market : Main
Sector : Healthcare
Stock Code : 5878

Share Price

High : RM1.15
Low : RM0.84
Close : RM1.04



FTSE4Good

KPJ Healthcare Berhad
is a constituent of the
FTSE4Good Index since
20 June 2016

The senior management
personnel involved in
the Investor Relations
activities are:

**Dato' Amiruddin
bin Abdul Satar**
President &
Managing Director

**Aminudin
bin Dawam**
Executive Director

**Norhaizam binti
Mohamad**
Vice President (II)
Group Finance Services

Khairul Annuar bin Azizi
General Manager -
Risk, Compliance and
Investor Relations

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LARGE GROUP MEETINGS

9 February 2018	Kuala Lumpur , Maybank Investment
5 March 2018	Kuala Lumpur , Menara KPJ President and Managing Director and Vice President - Group Finance (II) met analysts and fund managers
4 June 2018	Kuala Lumpur , Menara KPJ President and Managing Director and Executive Director met analysts and fund managers
12 July 2018	Kuala Lumpur BIMB Luncheon Talk

ONE-ON-ONE MEETINGS/INVESTOR CONFERENCES

26-27 June	Singapore Citi ASEAN C-Suite Investor Conference 2018
26 July	Kuala Lumpur UOB Kay Hian - Industry 4.0 Conference
7 November	Kuala Lumpur Affin Hwang Capital Corporate Day
FY 2018	One-on-one meetings 45 meetings and met 174 analysts and fund managers

HOSPITAL VISITS BY ANALYST AND SHAREHOLDERS

23 January	Bangkok , Vejthani Hospital Meeting with hospital's CFO and management team
19 September	Kuala Lumpur , KPJ Rawang, Selangor Meeting with hospital's ED and management team
7 October	Penang , KPJ Penang Meeting with hospital's ED and management team
7 November	Jakarta , Rumah Sakit Permata Hijau, Rumah Sakit Bumi Serpong Damai Meeting with hospital's ED and management team

SUMMARY OF ACTIVITIES

	Meetings/Tele-conferences	Investor Conferences
2018	45	4
2017	51	4

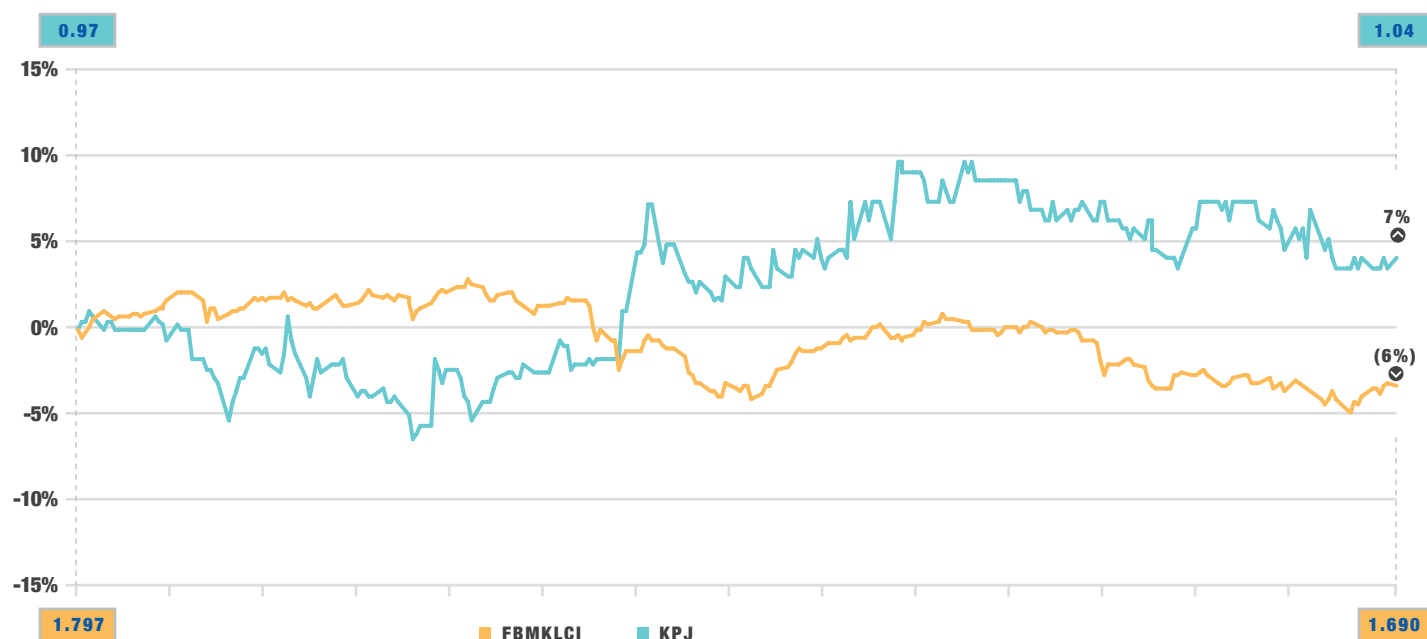
GENERAL MEETING

Date	Meetings	Venue	Agenda
23 April	25 th Annual General Meetings	The Puteri Pacific, Johor Bahru	Re-election and appointment of new directors and presentation of Company's Performance

KPJ Shares Performance

2018 was a challenging and turbulent year which saw significant investment funds shifting away from the most global emerging markets including Malaysia. Against this backdrop, KPJ Share performance throughout the year was commendable, closing the year at RM1.04 compared to RM0.97 in 2017. This represented an increase of 7% in KPJ Share price performance, compared to the drop in FBMKLCI performance of 6%.

KPJ Share Price vs FBMKLCI as at 31 December 2018



KPJ Price and Volume Traded

Year-on-year, the closing price of 2018 was RM1.04 represented an increase of 7 sen or 7% compared to 2017 closing price of RM0.97.

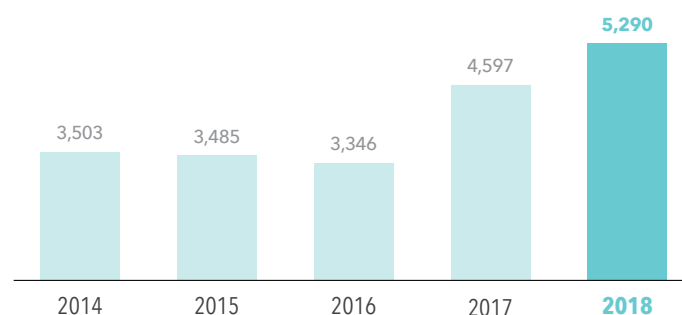


CORPORATE GOVERNANCE OVERVIEW

Individual Shareholders

After share split in 2017, KPJ has attracted the interest of retail investors. As at 31 December 2018, the number of Individual shareholders increased by 15% to 5,290 shareholders from 4,597 shareholders previously.

AS AT 31 DEC	SHAREHOLDERS	SHARES
2014	3,503	202,859,600
2015	3,485	222,987,676
2016	3,346	208,581,404
2017	4,597	233,944,657
2018	5,290	222,683,811



KPJ Share Price (Quarter)

QUARTER	4Q2018	3Q2018	2Q2018	1Q2018
Volume	263,436,900	410,973,500	274,819,900	196,084,500
Daily Average	4,181,538	6,849,558	4,657,964	3,214,500
Closing Price (RM)	1.04	1.08	1.02	0.89
Hi (RM)	1.13	1.17	1.15	1.01
Low (RM)	1.01	0.99	0.84	0.87
Trading Range (sen)	12.00	17.50	31.00	14.00

KPJ Share Price (5 years)

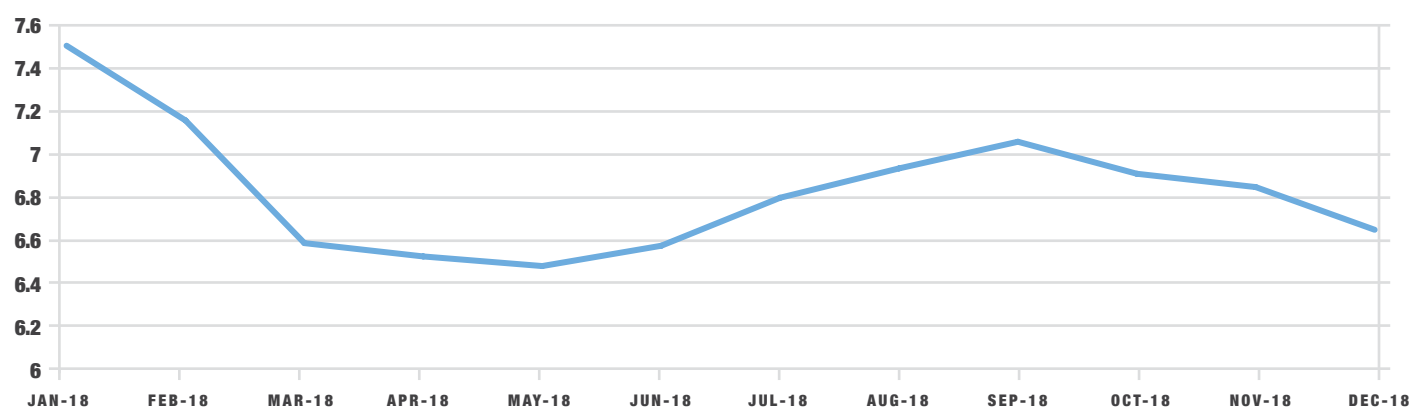
	YEAR END					
	2018	2017	2016	2015	2014	2013
Market Cap RM (billion)	4.6	4.1	4.4	4.4	3.8	3.8
Closing Price (RM)	1.04	0.97	1.05	1.06	0.93	0.97
High (RM)	1.15	1.14	1.1	1.11	0.96	1.01
Low (RM)	0.84	0.90	1.02	0.90	0.89	0.96
Foreign Shareholding (Shares) (%)	6.67	7.45	8.80	8.94	9.87	12.95

Dividend

In respect of the financial year ended 31 December 2018, the Group declared and paid the following interim payments:

- First interim single tier dividend of 0.50 sen per share on 4,213,630,292 ordinary shares, declared on 26 February 2018 and paid on 20 April 2018.
- Second interim single tier dividend of 0.50 sen per share on 4,214,465,132 ordinary shares, declared on 30 May 2018 and paid on 20 July 2018.
- Third interim single tier dividend of 0.50 sen per share on 4,200,750,613 ordinary shares, declared on 16 August 2018 and paid on 5 October 2018.
- Fourth interim single tier dividend of 0.50 sen per share on 4,307,294,237 ordinary shares, declared on 29 November 2018 and paid on 15 February 2019.
- The Directors did not recommend the payment of final dividend in respect of the financial year ended 31 December 2018.

Interim	Date declared	Date paid	Cents per share	No. of share	RM'million
1 st	26-Feb-18	20-Apr-18	0.50	4,213,630,292	21.1
2 nd	30-May-18	20-Jul-18	0.50	4,214,465,132	21.1
3 rd	16-Aug-18	5-Oct-18	0.50	4,200,750,613	21.0
4 th	29-Nov-18	15-Feb-19	0.50	4,307,294,237	21.5

Foreign Shareholding**KPJ Warrant-B**

The trading interest for KPJ-WB since its listing on 29 January 2014 has been quite low, given the fact that KPJ-WB was only “in- the-money” since 1Q2015 with the exercise price of RM4.01.

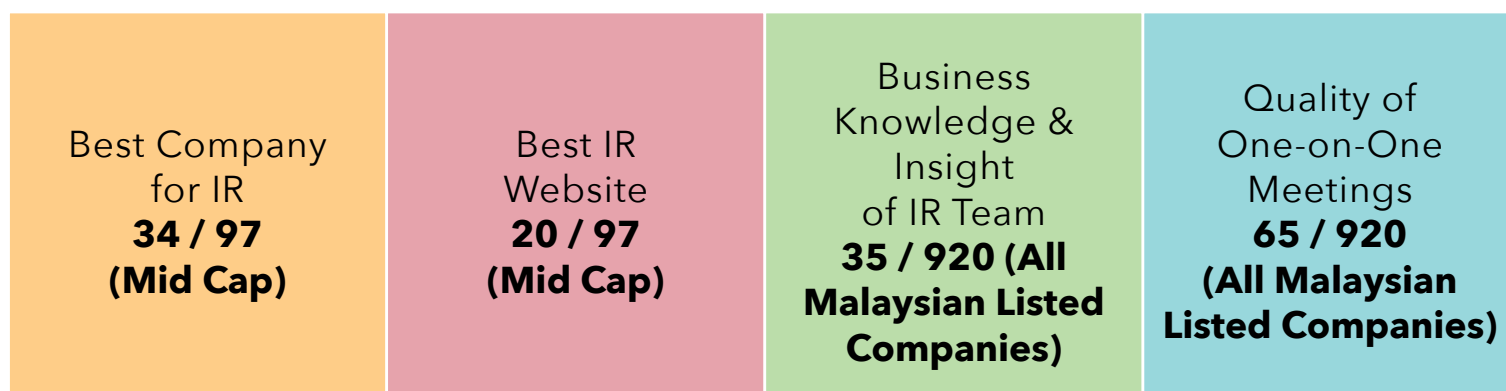
Arising from the Share Split, an additional 259,226,010 units of KPJ-WB were issued on the Entitlement Date. On the Ex-Date 21 September 2017, almost 17.1million units of KPJ-WB were transacted, which was the highest traded volume since its listing in 2014.

On 20 December 2018, an announcement was made to the warrantholders on the expiry date of the warrants 2014/2019. The expiry date was on 23 January 2019 at 5.00 pm. On expiry date, there were 244.1 million or 70.5% of warrant units that expired and unexercised.

MALAYSIA INVESTOR RELATIONS AWARDS 2018 (IR AWARDS)

The Investor Relations Awards 2018 (IR Awards) is the largest annual event in the Malaysian Investor Relations Association (MIRA)'s calendar. The awards is one of the culmination and dedicated initiatives for the Association in advancing and promoting good IR practices among listed entities in Malaysia.

In 2018, KPJ was nominated in the 8th Malaysia Investor Relations (IR) Survey and the results were as follows:



In partnership with KPMG Management and Risk Consulting Sdn Bhd, the awards were presented as a result of a survey undertaken between September to October 2018 by a media consultancy firm focusing on evaluating and rating the IR-related activities conducted by Malaysian companies and corporate individuals/professionals in 2017.

Over 900 legitimate investment professionals covering stocks in Bursa Malaysia were invited to take part in the survey.