

KPJ HEALTHCARE BERHAD

**MINUTES OF THE 28th ANNUAL GENERAL MEETING OF KPJ HEALTHCARE BERHAD
("KPJ" OR "THE COMPANY") HELD ON FULLY VIRTUAL BASIS VIA TIIH ONLINE
WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE
SERVICES SDN BHD IN MALAYSIA, 22 JUNE 2020 AT 11.00 A.M.**

ATTENDANCE VIA VIDEO CONFERENCING

DIRECTORS:	<p>YBhg Dato' Yusli Bin Mohamed Yusoff (<i>Chairman</i>)</p> <p>Encik Ahmad Shahizam Bin Mohd Shariff (President & Managing Director)</p> <p>YBhg Dato' Mohd Redza Shah Bin Abdul Wahid (Independent Non-Executive Director)</p> <p>YBhg Datuk Mohd Radzif Bin Mohd Yunus (Independent Non-Executive Director)</p> <p>Miss Christina Foo (Independent Non-Executive Director)</p> <p>Encik Mohamed Ridza Bin Mohamed Abdulla (Independent Non-Executive Director)</p> <p>Encik Khairuddin Bin Jaflus (Non-Independent, Non-Executive Director)</p> <p>YBhg Prof Dato' Dr Azizi Bin Haji Omar (Non- Independent, Non-Executive Director)</p> <p>YBhg Dato Dr Ngun Kok Weng (Non-Independent, Non-Executive Director)</p> <p>YBhg Dato' Dr Sivamohan A/L S.Namasivayam (Non-Independent, Non-Executive Director)</p> <p>Encik Rozaini Bin Mohd Sani (Non-Independent, Non-Executive Director)</p> <p>Encik Shamsul Anuar Bin Abdul Majid (Non- Independent, Non-Executive Director)</p>
SENIOR MANAGEMENT:	<p>Puan Norhaizam binti Mohammad (Chief Financial Officer)</p> <p>Puan Nik Zainon binti Yusoff (Chief Operating Officer)</p> <p>Mr Suriagandhi Suppiah (Chief Transformation Officer)</p> <p>Mr Yap Chee Wai (Chief Technology Officer)</p> <p>Encik Nik Izhar bin Nik Mohammed (Chief Commercial Officer)</p>

	<p>Puan Ariesza Noor (Chief Corporate Officer)</p> <p>Encik Shathiran bin Mohd Idrus (Chief Talent Officer)</p> <p>Tuan Hj Aminudin bin Dawam (Head of Projects)</p> <p>Tuan Hj Mohd Sahir bin Rahmat (Head of International Business)</p>
COMPANY SECRETARY	Puan Hana binti Ab Rahim
INDEPENDENT MODERATOR (BY INVITATION)	Mr. Krishman Vargès (KPMG Management & Risk Consulting Sdn Bhd)
OTHERS (BY INVITATION)	<p>Encik Ismed Darwis Bin Bahatlar, Audit Partner from Messrs Ernst & Young, PLT, the Company's External Auditor</p> <p>Miss Jasmine Chan Yoke Peng from Boardroom Corporate Services Sdn Bhd</p> <p>Puan Nadiah Abdul Haleem Shah, Legal Advisor from Messrs Abdul Raman Saad & Associates</p> <p>Mr Adrian Chair, from Messrs Adnan, Sundra & Low</p>

1.0 CHAIRMAN'S WELCOME ADDRESS

- 1.1 Dato' Yusli Bin Mohamed Yusoff presided as the Chairman (hereinafter referred to as "Dato Chairman") and welcomed shareholders and all those present to the Annual General Meeting ("AGM" or "Meeting") of KPJ.
- 1.2 Dato' Chairman informed that in view of the full Movement Control Order conditions, the AGM is conducted in a fully virtual manner via live streaming and online remote voting as prescribed by Securities Commission Malaysia in its Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers.
- 1.3 Dato' Chairman clarified that the virtual AGM is recorded for the Company's retention and requested shareholders, proxies and all others participating in this AGM to not take any images, audio or visual recording or make reproduction in any form.

1.4 Dato' Chairman then briefed all those participating on the following:

- As a contingency plan in the event of technical glitches involving the device and connectivity of Dato Chairman, Dato' Mohd Redza Shah bin Abdul Wahid (Independent Non-Executive Director) will assume chairmanship of the Meeting.
- In accordance with paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions in the AGM Notice are put to vote by poll, using the Remote Participation and Voting ("RPV") facility provided by Tricor Investor & Issuing House Sdn Bhd ("Tricor").
- Online voting is open from the onset, and shareholders may vote to any time up to close of the voting.
- The Company has appointed Tricor as Poll Administrator to conduct the poll for the AGM and Asia Securities Sdn Berhad as independent scrutineers to validate the votes cast.
- KPMG Management & Risk Consulting Sdn Bhd has been appointed as an independent moderator to stream questions raised by shareholders during the AGM as well as any pre-submitted questions via Tricor's registration website.

1.5 Dato' Chairman then introduced the Board of Directors, Management personnel, the Company Secretary, advisors and independent moderator who were present via video conferencing.

2.0 QUORUM AND PROXY

2.1 Dato' Chairman called upon the Company Secretary to confirm the presence of a quorum. To this end, the Company Secretary confirmed that in accordance with Rule 61.1 of the Constitution of the Company, the quorum of the AGM was present. Further, the Company Secretary elucidated that a total of 155 proxy forms were received, representing 3,504,170,027,730 ordinary shares which is equivalent to 84.76% of the issued and paid up capital of the Company. The holders of 490,487,630 ordinary shares equivalent to 11.44% of the issued and paid up capital of the Company had appointed Dato' Chairman to be their proxy.

2.2 As the requisite quorum was present, the Meeting was called to order.

3.0 NOTICE OF MEETING

3.1 The Chairman proposed that if there is no objection, the Notice of the 28th AGM including the text of the resolutions and the Circular to Shareholders, to be taken as read.

4.0 GENERAL INSTRUCTIONS ON MEETING PROCEDURES

- 4.1 Dato' Chairman briefed shareholders on the procedures in tabling and approving the resolutions tabled. The resolutions set out in the AGM notice are to be put to vote by poll as per Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 4.2 Dato' Chairman explained the sequence or the flow of the Meeting and informed that the independently moderated shareholders' Question & Answer session will be facilitated by an independent moderator, KPMG Management & Risk Consulting Sdn Bhd.
- 4.3 Dato Chairman clarified that in the event that the Company is unable to answer any questions, the responses to the questions will be posted on the Company website. In line with Practice 13.6 of the Malaysian Code on Corporate Governance, the minutes of the Meeting are to be circulated to all shareholders within 30 days upon conclusion of this AGM.
- 4.4 A short video by Tricor was played to demonstrate to the shareholders, corporate representatives and proxies who were present at the AGM on the process of online voting via TIIH Online. The voting session had commenced from the start of the Meeting (i.e. 11.00 a.m).

5.0 REVIEW BY CHAIRMAN

- 5.1 In his remarks, Dato' Chairman underscored that KPJ overcame a multitude of unprecedented challenges in highly challenging times, which resulted in resilient performance for the year 2020. Despite the adverse impact of the debilitating COVID-19 pandemic, the Company had stepped up to the plate and proved its mettle to make steadfast progress on several fronts.
- 5.2 Dato' Chairman elucidated that the healthcare industry experienced a "washout year" with all hospitals registering lower-than-expected bed occupancy rates ("BOR"). The Company had a lower BOR of 48% (2019: 67%) while the number of inpatients fell 24.8% year-on-year. As a result, the revenue of KPJ and its subsidiaries (collectively referred to as the "Group") declined 11% from RM 2.7 billion previously to RM 2.4 billion while net profit nearly halved from RM 226.7 million in 2019 to RM 110.8 million in 2020.
- 5.3 It was further highlighted that despite the challenges during the year, the Board made a conscious decision to reward shareholders for their support and went on to pay out three interim dividends amounting to 1.2 sen per share in respect of the financial year ended 31 December 2020.
- 5.4 Dato' Chairman assured shareholders that plans are in place to transform KPJ and reinforce its position as Malaysia's biggest hospital group by bed count capacity. KPJ's strategy of "Re-energising" is a collective future value creation effort which calls for the creation of synergies across the Group's business to outperform the industry and deliver sustainable total shareholder returns.

- 5.5 As KPJ ventures forward, Dato' Chairman reiterated that the Company would continue to focus on its "Re-energising" strategy and uphold its mandate to "Care for Life".
- 6.0 AGENDA 1: TO RECEIVE THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2020 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**
- 6.1 Dato' Chairman informed the Meeting that the first item on the agenda is to receive the audited financial statements of the Company for the year ended 31 December 2020 and the reports of the Directors and auditors thereon.
- 6.2 The audited financial statements, and reports of the Directors and Auditors have been circulated to shareholders, and Dato' Chairman proposed that the Auditors' report is to be taken as read.
- 6.3 Dato' Chairman explained that the Audited Financial Statements are tabled pursuant to Section 340(1) of the Companies Act 2016 and as such, the item is for discussion only and not required to be put to vote.
- 6.4 Dato' Chairman then invited the President & Managing Director ("PMD"), Encik Ahmad Shahizam Mohd Shariff to present the financial performance of the Group for the year 2020 as well as business updates and prospects.

Presentation by PMD

- 6.5 PMD presented the financial highlights of the Company for the financial year ended 31 December 2020 with an overview of how the movement restrictions starting in March 2020 impacted KPJ during the financial year under review. In regards to the Company's operational highlights, the Company for the first time in history saw a decline in outpatients and inpatient numbers. However, this was partially moderated by the increase in number of testing for COVID-19 cases. A positive highlight that bucked the negative trend is in terms of the 10.1% increase in deliveries from 10,948 in 2019 to 12,057 in 2020.
- 6.6 Notwithstanding the challenging environment, PMD emphasised that the Company remains committed to grow in a sustainable and responsible basis. As such, KPJ's sustainability initiatives are aligned with the 15 prioritised United Nations' Sustainable Development Goals ("UN SDGs"). KPJ's focus on the UN SDGs is in line with the World Health Organisation's targets for inclusive and sustainable health. Since the start of 2020, KPJ has been working closely on various public-private health initiatives including mass testing and national vaccination programmes. PMD further highlighted the economic, environment and social impact generated by KPJ.
- 6.7 In addition, PMD also noted that the Company has been recognised in various fields with regards to its services and operations including awards received for National Corporate Reporting Awards 2020, Reader's Digest Trusted Brand for Private Hospitals, Human Resources Asia- One of the Best Companies to Work, Hospital Management Asia- Excellence Award for KPJ Puteri and Global Health Awards for Top Orthopaedics Service – KPJ Tawakkal KL.

- 6.8 PMD then concluded the presentation and proceeded to respond to the questions posed by the Minority Shareholders Watch Group (“MSWG”) prior to the AGM. In this regard, PMD undertook to respond to the questions in turn as follows:

Question 1: The Company’s revenue declined by 11% to RM2.4 billion from RM2.7 billion a year earlier while net profit reduced by half to RM110.8 million from 226.7 million from the previous year for financial year ended December 31, 2020. The decline was mainly attributable to the spread of the COVID-19 pandemic (Page 27 of Annual Report 2020).

- a) **What are the steps being taken by the Company to mitigate the decline in revenue and profitability for Financial Year 2021 due to the pandemic?**
- b) **What is the targeted revenue and net profit for Financial Year 2021?**

Response:

- a) *KPJ has aligned itself to the three major trends that have shaped the healthcare industry. The three trends are:*
- Healthcare being delivered digitally where possible;*
 - Demand for greater transparency by healthcare consumers; and*
 - Better public-private partnerships and collaboration.*

To mitigate the decline in revenue, KPJ continues to intensify its efforts in promoting telemedicine services. KPJ promoted more packages and provided pricing transparency to build trust amongst our patients on healthcare charges. KPJ also started to deepen its public-private partnership collaboration which has yielded positive results to both parties.

KPJ is mindful of costs and will continue with its rationalisation exercise to ensure optimal resource allocation. KPJ will adopt new and advanced technology to improve performance and clinical excellence.

- b) *KPJ is cautiously optimistic towards its financial performance for financial year 2021 due to the spike of COVID cases and the current Movement Control Order and the anticipated recovery towards Quarter 3, Financial Year Ended 31 December 2021.*

Question 2: Telemedicine was one segment of the Company’s business that experienced growth during the pandemic because patients were reluctant to come to hospitals to get their diagnosis (Page 29 of AR 2020).

- a) **What was the contribution of the telemedicine business to the Company’s profitability in financial year ended 31 December 2020?**
- b) **What are the measures taken by the Company to grow its telemedicine business?**

Response:

- a) *The contribution of Telemedicine towards the Group's profitability was fairly minimal in the financial year ended 31 December 2020, and the platform was rolled out towards the end of the financial year. The revenue is minimal as no significant premium is levied for telemedicine consultation.*
- b) *KPJ continues to use intense promotion and marketing of its telemedicine services and market aggregators are used to reach a wider network of consumers via digital platforms. KPJ expects further growth in terms of the numbers of telemedicine consultations in the coming years.*

Question 3: The Company has slated plans to open its new 300 bed hospital at Sg Penchala known as KPJ Damansara II in the first quarter of 2022.

- a) **What is the status of this new hospital and is the target opening schedule according to plans?**
- b) **What is the cost of building this new hospital?**

Response:

- a) *KPJ Damansara II is currently at the commissioning stage and is on track to open in the first quarter of 2022.*
- b) *KPJ Damansara II has a "development and lease" model. The developer takes on the cost to build the hospital building and KPJ will lease the building upon the agreed completion and hand over date. Hence, the cost of building is borne by the developers of the hospital.*

Question 4: The Company's revenue during the year was mainly contributed by laboratory services, Lablink which recorded an increase by more than 100% or RM13.3 million contributed by COVID-19 screening and testing activities. A total of 240,000 tests were recorded by Lablink (Page 43 of Annual Report 2020). What is the targeted revenue of Lablink for Financial Year 2021 and what are the expected margins of this business?

Response:

Demand for testing will remain strong for as long as new variants of the virus are found and when someone develops symptoms of COVID-19. The screening will become the new norm for healthcare facilities before surgeries and specific procedures to protect healthcare providers and prevent the spread. COVID-19 screening will still be vital as we slowly return to halted activities. KPJ anticipates that Lablink will record strong performance in FYE 2021. The Company is not at the liberty to disclose expected margins of this business.

Question 5: There is an impairment loss of RM16.9 million for property, plant and equipment for Financial Year Ended 2020 (Financial Year Ended 2019: Nil). What is the nature of this impairment and what made this impairment necessary? Is any portion of the impairment recoverable?

Response: The majority of the impairment loss on land is attributed to Jeta Gardens. The impairment loss was derived from a lower market price based on the valuation performed by CBRE Australia. We do not anticipate that the impairment would be recoverable at this juncture

7.0 AGENDA 2: RE-ELECTION OF DIRECTORS

- 7.1 Dato' Chairman informed that the first five ordinary resolutions under this agenda are the re-elections of Miss Christina Foo, YBhg Datuk Mohd Radzif Bin Mohd Yunus, Dato' Chairman himself (i.e. Dato' Yusli Bin Mohamed Yusoff) and Encik Mohamed Ridza Bin Mohamed Abdulla, the Directors retiring under by rotation in accordance with Rule 95(i) of the Constitution of the Company and the re-election of the , Encik Ahmad Shahizam Bin Mohd Shariff who is also retiring under Rule 96 of the Constitution of the Company.
- 7.2 However, Miss Christina Foo and YBhg Datuk Mohd Radzif Bin Mohd Yunus have expressed their intention not to seek for re-election and therefore, retire at the conclusion of the AGM. Accordingly, resolutions 1 and 2 were not tabled. On behalf of the Board, Dato' Chairman recorded his appreciation to both of them for the services rendered to the Company.
- 7.3 The profiles of Directors seeking re-election were provided on pages 88-99 of the Annual Report 2020.
- 7.4 Dato' Chairman then put the motion to vote by poll, post the Question & Answer session.

8.0 AGENDA 3: PROPOSED DIRECTORS' FEES

- 8.1 Dato' Chairman proceeded to the ordinary resolution on the approval of Directors' fees of RM1,600,000 ("Proposed Directors' Fees") for the financial year ended 31 December 2021 (2020: RM1,540,000)
- 8.2 Dato' Chairman then put the motion to vote by poll, post the Question & Answer session.

9.0 AGENDA 4: PAYMENT OF DIRECTORS' REMUNERATION

- 9.1 Dato' Chairman continued with the next ordinary resolution which is to approve the Directors' Remuneration (excluding Directors' fees) to Non-Executive Directors ("NED") for the period from 23 June 2021 until the conclusion of the next AGM of the Company. The breakdown on the payment of Directors' fees and Directors' remuneration have been disclosed in the Explanatory Notes 15(ii) of the AGM Notice and also under Practice 6.2 and 7.1 of the Corporate Governance Report submitted to Bursa and posted at KPJ's website.
- 9.2 Dato' Chairman then put the motion to vote by poll, post the Question & Answer session.

10.0 AGENDA 5: TO RE-APPOINT ERNST & YOUNG PLT AS AUDITORS

- 10.1 The next ordinary resolution entailed the re-appointment of the Company's auditors and its remuneration. Dato' Chairman presented the resolution for Messrs Ernst & Young PLT be re-appointed as Auditors of the Company for the financial year ended 31 December 2021 and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Board of Directors.
- 10.2 Dato' Chairman then put the motion to vote by poll, post the Question & Answer session.
- 11.0 AGENDA 6: SPECIAL BUSINESS - AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016**
- 11.1 Dato' Chairman informed shareholders that the first agenda under Special Business is to approve the ordinary resolution on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.
- 11.2 Dato' Chairman iterated that the proposed resolution if passed, will give flexibility to the Directors of the Company, authority, from time to time to issue and allot ordinary shares up to a maximum amount not exceeding in total 10% of the issued share capital of the Company from the time being upon such terms as may be determined by the Directors in the best interest of the Company, without convening a general meeting.
- 11.3 It was further clarified that the mandate sought under the said resolution is a renewal of an existing mandate particularly on the exercising of KPJ's Employee Share Option Scheme at the price of RM0.91 per share respectively and the proceeds raised from the previous mandate were utilised for working capital purposes.
- 11.4 Dato' Chairman then put the motion to vote by poll, post the Question & Answer session.
- 12.0 AGENDA 7: SPECIAL BUSINESS - PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**
- 12.1 The next special business agenda item entailed the ordinary resolution to authorise the Company and/or its subsidiaries ("Group"), to enter into and give effect to the Recurrent Related Party Transactions of a Revenue or Trading nature, all with the particulars of which are set out in the Circular to Shareholders dated 21 May 2021 with the related parties as described in the Circular, circulated together with the Annual Report.

- 12.2 The next special business agenda item entailed the ordinary resolution to authorise the Company and/or its subsidiaries (“Group”), to enter into and give effect to the Recurrent Related Party Transactions of a Revenue or Trading nature, all with the particulars of which are set out in the Circular to Shareholders dated 21 May 2021 with the related parties as described in the Circular, circulated together with the Annual Report.
- 12.3 It was further clarified that the transactions are necessary for the day-to-day operations of the Group and are carried out in the ordinary course of business of the Group, made on an arm’s length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of the Company. The details of the Proposed Shareholders’ Mandate are set out in the Circular Shareholders dated 21 May 2021.
- 12.3 Dato’ Chairman reminded those who are deemed interested in the proposal as detailed in said circular to abstain from voting on the same.
- 12.4 Dato’ Chairman then put the motion to vote by poll, post the Question & Answer session.

13.0 QUESTIONS AND ANSWERS SESSION

- 13.1 Dato Chairman invited the independent moderator, Mr Krishman Vargès from KPMG Management & Risk Consulting Sdn Bhd to present the questions received for this AGM.
- 13.2 The independent moderator read the questions received for the AGM and directed it to the relevant respondents within KPJ.

Question 1: As a Large Company, KPJ is required to have more than 50% of its directors as Independent Directors according to Practice 4.1 of the Malaysian Code on Corporate Governance 2017. As of December 31, 2020, the Company had 50% of its Board as Independent Directors. Does the Company plan to apply Practice 4.1 and if yes, by when?

Response (Dato’ Chairman): KPJ’s Board is very conscious of this and it will be taken into consideration by the Board in its next discussion on Board composition in the coming future.

Question 2: Is KPJ considering to pursue mergers & acquisitions, especially in the overseas segment? Is KPJ looking to expand into complementary industries?

Response (PMD): Taking into consideration current economic conditions and industry trends, KPJ’s immediate focus is to improve on its existing capacity utilisation in Malaysia and business processes to perform at the highest level. KPJ is currently looking to expand its business model beyond the hospital framework to also include a greater offering in the ambulatory care and ancillary business segments.

Question 3: Unlike in the past where the Company has been paying dividends on a quarterly basis, the Company has not declared any dividends for the past 2 quarters. What is the reason for this and when does the Company intend to resume paying dividends (whether quarterly or otherwise)?

Response (PMD): Historically, KPJ's practice for dividend distribution has been a 40% - 50% payout from profit after tax, as to be typically paid on a quarterly basis. Over the past 2 quarters, due unprecedented economic challenges and also, reviewing the impact of the COVID-19 pandemic on the Company's performance, KPJ's Board has made the decision not to distribute dividend in those quarters. However, this situation is best reviewed every quarter and the Company will be looking into this for the remaining quarters of the year.

Question 4: Can the Risk & Governance Committee Chairman provide a brief on the top 5 risks and how to mitigate?

Response (Chairman of Risk & Governance Committee): A brief explanation on the top 5 risk is as follows:

Clinical care

KPJ Clinical Governance Framework is in place for sound and ethical clinical practices, with strong governance structure in place at all hospitals. KPJ Patient Safety Goals is designed to ensure that all KPJ hospitals offer patients safe and best care possible.

Regulatory & Compliance

KPJ has comprehensive clinical policies and processes to ensure continuous compliance with existing laws, rules and regulations. Internal controls and reporting mechanism are in place to ensure timely detection and management of compliance issues at hospitals. Regular engagement with the Ministry of Health is undertaken to remain up-to-date with government policies and directions.

Cybersecurity

Robust Information Technology Service Management policies and procedures are in place as per ISO27001 Information Security Management. Dedicated team of Information Technology security professionals and Security Operation Centre (SOC) is deployed to manage and protect KPJ's Information Technology Infrastructure & Systems. Independent security review and disaster recovery drills are instituted as part of Business Continuity Management to ensure information technology systems availability and recovery during a disaster.

Talent management-healthcare professionals

A wide network of hospitals as equipped with international standard facilities and equipment is a strong pull factor to attract and retain top healthcare professionals. KPJ's robust Clinical Governance Framework offers strong safety net for safe and ethical practices at hospitals. Investment is made in appropriate skills development and reward strategy to attract and retain professional talents.

Business Continuity

Business Continuity Plans are in place and continuously reviewed to enable hospitals to respond and manage various emergency/disaster situations in a timely manner. Contingency Plans are also in place to manage possible disruptions to key facilities availability and critical supply chains.

Question 5: What is the impact of the Full Movement Control Order (FMCO) to the Company? What is the Company's future outlook?

Response (PMD): The various forms of movement control orders had a negative impact on KPJ's overall performance with both patient numbers and BORs being typically lower than normal. This is to be expected as although the healthcare services are considered essential, there are still a lot of potential constraints and reservations for patients to access KPJ's healthcare facilities for treatment. This is seen quite clearly during the first imposition of Movement Control Order in Quarter 1, 2020 whereby BORs dropped sharply.

The situation has however improved significantly over time with greater familiarity on the part of society in navigating the movement control order. Owing to this, the BORs have improved compared to the corresponding rates as observed in the preceding year.

KPJ is cautiously optimistic on the outlook for the rest of 2021 with the current increase in the rate of vaccinations in Malaysia which in turn should help to promote a high level of immunity against COVID-19 and this should allow for some resumption of activities (i.e. to a level that is closer to pre-pandemic levels).

Question 6: Will the company be providing e-vouchers as door gifts for the virtual General Meetings?

Response (PMD): The Company is extremely happy to have shareholders experience first-hand the facilities and services at KPJ. In this regard, KPJ will be providing health screening vouchers for the AGM and Extraordinary General Meeting participants so as to enable them to come to the closest KPJ hospital and undertake health screening. It is hoped that all participating shareholders will utilise this benefit. The health screening vouchers will be disseminated via email.

Question 7: Given that the Company has a net current liability position as at 31.12.2020, what actions will the Company take to avoid going concern issues (e.g. right issue, private placement)?

Response (PMD): To clarify, the net current liability position of RM 161.7 million was actually due to a long term liability of Sukuk issuance (amounting to RM250 million) being reclassified to current liability as at the end of financial year 31 December 2020 given that this amount is to be paid in the first half of 2021. In fact, the amount was already fully paid on 16 April 2021. Essentially, the change in net current liability position was due to the shift in the long-term liability to short-term liability as reflected in the balance sheet.

To date, the Group has sufficient unutilised finance facilities to ensure that operations can continue uninterrupted.

Question 8: Will the hardcopy of the Annual Report be provided to shareholders?

Response (PMD): KPJ in support of UN SDGs is committed to ensuring that the Company do not unnecessarily utilise hard copies. Over the last few years, KPJ has been primarily issuing the annual reports through soft copies. If there is a need, shareholders may request for hardcopies to the Company Secretary and they will be dispatched to the registered address of shareholders.

Question 9: Are Directors attending this virtual AGM being paid meeting allowances?

Response (Dato' Chairman): No, Directors are not paid meeting allowances for attending the AGM. Meeting allowances are only paid for formally scheduled Board and Board Committee meetings (not AGM and Extraordinary General Meeting).

Question 10: Are the minutes of this AGM going to be uploaded to the corporate website? If yes, please do not include the personal particulars of Remote Participation and Voting participants as they would become public domain material and thus, being in breach of the Personal Data Protection Act 2010 - searches on Google have already shown evidence of this.

Response (PMD): Yes, minutes of the AGM will be uploaded onto the corporate website as per the best practices of corporate governance. Shareholders can be rest assured that in making the disclosures, no personal data will be tagged to any individual participants or made visible to outside parties.

Question 11: What was the additional cost incurred by the Company to hire new C-suite members for the financial year ended 31 December 2020?

Response (PMD): As part of a talent driven organisation, KPJ has ambitious plans to further enhance its position in the industry and market. KPJ's succession planning for the Senior Leadership Group including those in the C-Suite who report directly to the PMD is undertaken through an organised and centrally co-ordinated programme which is overseen by the Nomination and Remuneration Committee as well as the Board of Directors.

In terms of cost for hiring new C-suite members for the financial year ended 31 December 2020, most of the recent hires in the C-Suite represent replacement for those in the Senior Leadership Group who attained retirement. In effect, the changes in C-suite have not resulted in additional significant cost.

However, on the whole, cost is closely monitored by the Human Resources Division to ensure that remuneration is equitable yet competitive and commensurate with the Company's current and future transformation needs.

Question 12: In view of the sluggish environment in foreign markets due to the COVID-19 impact, what is KPJ strategy and view in managing its overseas assets? Are there any opportunities to acquire or dispose of assets in foreign markets?

Response (PMD): Taking into consideration the current weaker economic conditions and industry trends, KPJ is currently focusing to better utilise its existing capacity in its main markets, particularly Malaysia. KPJ is reviewing its continued presence regionally and internationally to ensure competitiveness in the location where KPJ is nestled. KPJ is reviewing its overseas investments and if there is any potential change, such announcements will be made accordingly.

KPJ is also seeking to expand the platforms by which the Company provides services beyond hospitals. KPJ is looking at ambulatory care as well as ancillary and support businesses which will complement and support KPJ to grow and serve KPJ's key markets.

Question 13: In regards to Jeta Garden, is there potential impairment on the asset?

Response (Chief Financial Officer): In regards to Jeta Garden, KPJ has already written down the goodwill and cost of investments for a total of RM 19 million in 2016. Recently, during the financial year ended 31 December 2020, KPJ has further impaired RM 16 million on land cost based on an external valuation done by a professional valuer. At this juncture, there is no potential impairment identified. The Management team is now assessing the business for which KPJ is considering to exit from Australia.

Question 14: Given the current economic climate, is the Board considering austerity measures such as reduction of Directors' fees?

Response (Dato' Chairman): KPJ's Board will adopt an overall perspective to institute measures to contain cost. The suggestion for reduction of Directors' fee can be considered in the future. However, it is important to bear in mind that Directors must be paid with a fair sum as sourcing for high calibre Directors is indeed challenging. KPJ's Board is fortunate to have high calibre individuals as Directors.

- 13.3 Dato' Chairman closed off the shareholders' question and answer session with confirmation from the moderator that all moderated questions by have been addressed.

14.0 END OF POLL AND RESULTS

- 14.1 Dato' Chairman reminded those who have not cast their votes for the resolutions that the voting session will remain open for another 10 minutes and the countdown time will be shown on screen. The Meeting was then adjourned for tabulation and verification of votes by the Poll Administrator and Independent Scrutineers with resumption slated in 30 minutes for the results announcement
- 14.2 The Meeting then resumed for announcement of the poll results. The resolutions tabled at the AGM were passed with the results as follows and the Chairman declared the all the resolutions to be carried:

Resolution	For		Against		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	3,555,578,436	97.8347	78,691,670	2.1653	3,634,270,106	100.0000
Ordinary Resolution 4	3,630,537,068	99.8973	3,733,038	0.1027	3,634,270,106	100.0000
Ordinary Resolution 5	3,629,366,286	99.8651	4,903,820	0.1349	3,634,270,106	100.0000
Ordinary Resolution 6	3,634,159,936	99.9970	110,170	0.0030	3,634,270,106	100.0000
Ordinary Resolution 7	3,634,157,436	99.9970	107,670	0.0030	3,634,265,106	100.0000
Ordinary Resolution 8	3,624,456,732	99.7300	9,813,174	0.2700	3,634,269,906	100.0000
Ordinary Resolution 9	3,257,004,586	89.6192	377,265,120	10.3808	3,634,269,706	100.0000

Resolution	For		Against		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Resolution 10	1,975,523,060	99.8268	3,427,762	0.1732	1,978,950,822	100.0000

15.0 OTHER BUSINESS

- 15.1. Dato' Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business which had been given in accordance with the Companies Act 2016 and the Company's Constitution. The Company Secretary confirmed that the Company has not received any notice for transaction of any other business at the AGM.

16.0 CLOSE OF MEETING

- 16.1 Dato' Chairman recorded appreciation to the Board, Management, staff, advisors, shareholders and customers of KPJ for their continuous support and on that note, the AGM was declared closed.

The meeting ended at 12.45 p.m.

19 July 2021

Confirmed on _____

Confirmed by,



(YBhg Dato' Yusli Bin Mohd Yusoff)
Chairman

Prepared by



(Puan Hana Binti Ab Rahim)
Company Secretary