

# Digitalisation

## KPJ DIGITAL TRANSFORMATION PLAN








**KPJ believes that digital technology will help elevate our service offerings, by transforming the customer experience and fostering a closer relationship between our medical professionals and patients. With the pandemic altering entire industry landscapes, we believe that some of its effects will continue to persist, and as such the next level of customer service will take a hybrid form, combining elements of online and physical interactions. To achieve this, the Group's Digital Transformation Plan will continue to leverage Industry 4.0 technology such as cloud services, the Internet of Things, 3D Printing and Big Data.**

The Digital Transformation Plan will reimagine customer journeys by enabling seamless end-to-end solutions, services and technological innovation which are accessible to our customers and users anywhere, anytime and on any device. Producing these solutions are important to drive KPJ's growth and transformation plans, and to achieve our digital vision of offering state of the art healthcare services and facilities to our customers.

The focus areas over the next 5 years shall be to:

- Transform the core Healthcare Information System (HIS) into a next generation future proof ready platform
- Improve integration of all systems and delivery channels
- Grow our digital products and services in healthcare.

In addition, the KPJ Digital Transformation Plan targets to produce:

						
<b>Customer service excellence</b>	<b>New business models</b>	<b>Operational excellence</b>	<b>Converged technology platform</b>	<b>Shared services and standardisation</b>	<b>Best of both worlds</b>	<b>Best practices in project management &amp; IT governance</b>
The focus of new digital services and also technology development shall be on providing the best-in-class healthcare experience for patients, providing personalised engagement and thus creating loyalty for KPJ.	Introducing continuous healthcare innovations and creating new revenue streams for KPJ.	Improving agility and performance by streamlining business processes and creating mobility for our workforce while enhancing efficiency.	Consolidating infrastructures and applications into private cloud, providing a seamless integration and faster Go-to-Market.	Managing complexities and scalability by streamlining service experience, managing cost, and simplifying and enabling rapid deployment.	Combining the best of customised and off the shelf solutions to resolve some of the critical issues currently faced by leveraging existing knowledge instead of reinventing the wheel.	Adoption of the best practices and methodologies in project management and IT governance to ensure project execution will meet the expectations of business and ensuring the IT environment is secure, stable and robust. loyalty for KPJ.

A central theme of the transformation plan is the efficient and effective acquisition and utilisation of patient data. Key to this will be the HIS and the data integration platform which will enable us to acquire data, which is then turned into knowledge that can be used to improve the customer experience. By scaling this further to touchpoints across all KPJ hospitals, we can create a seamless experience for the customer and create new cross- and up-selling opportunities which will lead to new business models. It also sets the foundation for the digital health portal and application that KPJ will be embarking on. By offering Remote Diagnostics and Monitoring services, Virtual Telehealth sessions and the online ordering of tests and medication, the Group's patient care capabilities will also be further improved.

► For more information on our efficiency with innovation and technology please refer to [page 42 of our Sustainability Report](#).

OUR PERFORMANCE REVIEW

# Health Tourism

## PERFORMANCE OVERVIEW

The impact of the COVID-19 pandemic was a significant challenge for KPJ’s Health Tourism business given the closure of international borders that has been in place since March 2020, preventing the entry of our customers from overseas. The Group responded swiftly to this challenge, mitigating the decrease in our Health Travelers category through cost containment measures and aggressive marketing to foreigners and expatriates that remained in Malaysia. We also continued to follow up closely with our existing patients in their home countries by conducting consultations through digital platforms and delivering our medical services especially to those with critical illnesses.

**The steps we took to manage the impact of the pandemic included:**

- 1 Closing our overseas information centres in Indonesia, Somalia and Uzbekistan from April 2020 to control our costs.
- 2 Directing our marketing focus to the Foreign and Expatriate category of patients from:
  - Embassies and Consulates
  - Chambers of Commerce
  - Foreign workers in manufacturing, industrial and construction companies
  - International Schools and Universities
  - Expatriate clubs and associations

With this wide coverage, we recorded an almost immediate improvement in foreign and expatriate patient visits in the second quarter of 2020 and this trend continued until the end of the year largely due to our change in strategy. By the end of 2020, the Foreign and Expatriate patients’ segment of the business had seen an increase in revenue of 49% to RM62.1 million (2019: RM41.6 million) and a doubling of patient visits to 96,359 visits (2019: 44,330 visits). The growth was mainly contributed by COVID-19 screening tests, medical check-ups and vaccinations.

Overall, the Group recorded a 37% decrease in revenue to RM94.7 million (2019: RM150.3 million) and a decrease in overall patient visits to 150,326 visits from 166,671 visits in 2019. 2020 was the big year for Malaysia’s tourism sector including medical tourism due to the Visit Malaysia Year 2020 Campaign. However, the campaign has been cancelled due to the ongoing COVID-19 pandemic and traveller restriction issued by Prime Minister in March 2020. The impact of the crisis indirectly affects our number of health travellers for most of the year, although we see the beginning of recovery due to the government initiative to allowing health tourism to enter the country with permission and approval from Malaysia Government.

### PLANNING FOR THE FUTURE

Although we move ahead into an uncertain future amidst a resurgence in COVID-19 cases all over the world, the Group has laid out its plans for the eventual re-opening of borders in 2021 in line with the rollout of the COVID-19 vaccine. In the year 2021, we are expecting revenue to grow by 25% to RM117.5 million and patient visits to increase by 15% to 157,171 visits.

Our marketing strategies are comprehensive and are based on diversifying the business as we look to:

- Penetrate new markets in China and Singapore especially in the area of fertility treatment;
- Straighten current market – Indonesia, Indo China (Myanmar and Vietnam), Bangladesh and the Middle East;
- Establish contact and network with International Insurance and TPA, including insurance agencies and brokers;
- Establish a partnership programme with other medical centres;
- Establish a partnership programme with corporate clients, including banks and airlines, foreign associations;
- Adopt digital marketing including SEM, teleconsultation and advertisement in major/main digital platforms and social media.



Lablink was one of the private labs running COVID-19 tests for the nation

## UNYIELDING SERVICE FOR THE NATION



**Sree  
Ambal  
Ramankutty**

*Laboratory Person in Charge -  
Microbiology & Molecular Diagnostics Laboratory  
Lablink Central*

“It is my job, my responsibility. Happy to give back to our country Malaysia in whatever small way. I view my contribution being the same with what I would do for my family members, friends, neighbours and the society as a whole.

There are people out there fighting for their lives or their loved ones’, and I think this is the time they need our help.

How do we stay motivated? We do things together – we share the workload, we eat (whenever we have our ‘little previous time’) together and we smile!”

THE WAY WE CREATE VALUE

# Our Market Landscape



“

**The year 2020 was an unprecedented year unlike no other for all economic sectors, across the board. The COVID-19 pandemic shocked public healthcare systems worldwide, plunging economies into unexpected recession and forcing many to permanently change the way they live their lives.**

”

In the face of a global crisis that continues to persist till this day, the pandemic forced the entire healthcare ecosystem to work around the clock to solve challenging issues it has never encountered before.

It showed us that even as a sector known to withstand economic shocks, the healthcare industry, including private operators in the market, were not spared from the consequences of the pandemic. It has changed how we view and operate our health care system for the near term and likely for years to come.

## Our Market Landscape

From an overall economic perspective, the global economy as measured by gross domestic product (GDP) contracted by 3.3% in 2020 according to the International Monetary Fund as a result of global restrictions on movement and prolonged economic inactivity. For Malaysia, the impact of the pandemic saw GDP contracting 5.6% in 2020 according to Bank Negara Malaysia, compared to growth of 4.3% in 2019.

The decline in GDP came primarily from a fall in domestic demand as both business and consumer sentiment remained subdued due to the pandemic. There are less consumers willing to purchase goods and services available in the global economy. This dynamic can be clearly seen in certain heavily affected industries such as travel and tourism. For KPJ Group, the crisis has impacted our financial performance for the year as national movement restrictions affected our patient numbers and bed occupancy rates, as citizens delayed hospital visits to minimize infection risks. Our markets in Indonesia and Bangladesh were similarly affected by a drop in patient numbers on the back of restricted movement orders.

In response to the pandemic, the Malaysian government launched an economic stimulus package valued at RM305 billion in 2020 to rescue businesses and protect the livelihoods of Malaysians. This was further supported by the largest ever Budget in Malaysian history with RM322.5 billion allocated for Budget 2021 to help speed up the economic recovery.

Moving forward in 2021, less stringent movement restrictions and the gradual improvement in sentiment amid the vaccine rollout may lead to a recovery in private consumption.

The decline in aggregate demand amid heightened uncertainty and income fragility may act to dampen inflationary

pressures. However, higher production costs due to supply chain disruptions and the impact of physical distancing and cross-border movement restrictions on the labour supply could lead to upward cost-push inflationary pressures.

While the pandemic has significantly changed our market landscape, it has also accelerated certain trends such as digitalisation which has gained prominence as a method of overcoming the barriers created by the pandemic.

### INDUSTRY IMPACT

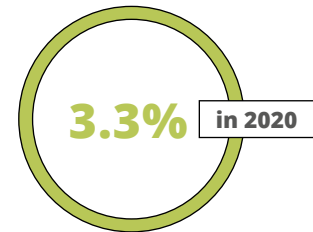
For the healthcare industry, the pandemic was a watershed moment as hospitals were suddenly thrust to the frontlines, with many countries seeing their healthcare systems reaching breaking point as they were not able to fully cater to the overwhelming increase in COVID-19 cases.

Hospitals began stepping up to the challenge, as they began treating COVID-19 patients while also providing screening and testing services. In Malaysia, private hospitals, including KPJ itself, took on the treatment of non-positive patients from public hospitals to ease the strain on the public healthcare system. KPJ also administered COVID-19 tests at KPJ hospitals for members of the public through in-hospital care or emergency drive-through services.

During this time, there was also a greater prevalence of supply chain disruptions and an explosion in demand for personal protective equipment, which created additional challenges that hospitals had to overcome.

While hospitals were battling on the frontline, they also experienced a drop in admissions as patients generally stayed away due to fears of being infected. Most private hospitals experienced a decline in revenue due to the postponement

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## THE WAY WE CREATE VALUE

### Our Market Landscape

of elective and non-urgent treatment due to COVID-19 and a fall in foreign patient volumes as international travel restrictions remained in place. With the loss of customers, hospitals had to quickly find ways to stabilise their revenues by creating new revenue streams to diversify service offerings, by providing COVID-19 related services.

Digitalisation was largely seen as the answer pandemic restrictions, leading to greater adoption of telemedicine and tele-consultation, which was further supported by the online prescription of medicines and delivery to patient's homes. KPJ also began looking at how we can better adopt digitalisation in our hospitals to improve operating efficiencies.

The global pandemic also put pressure on insurers and corporate companies to put a cap on the premium of health insurance or provide packaged pricing for private healthcare services in order to cater to policyholders' needs in difficult times. Insurance companies have revised their policies to enable COVID-19 medical coverage, given the rising number of cases, by offering hospitalisation reimbursements as well as coverage for adverse effects from the COVID-19 vaccination.

There have also been changes in consumer behaviour and preferences in healthcare, many of which were accelerated by the COVID-19 pandemic. Consumers now prefer to get in-home care and are increasingly willing to receive virtual care for a variety of services rather than going to the hospital. Health care providers should evaluate their in-home care strategies and identify opportunities to increase their use of these channels to reach more consumers and deliver care in more cost-effective ways.



**Globally, governments, health care providers, insurers and other stakeholders are being challenged to quickly pivot, adapt, and innovate.**



#### HEALTHCARE TRENDS

A number of foundational shifts have arisen following the outbreak of the COVID-19 disease. Globally, governments, health care providers, insurers and other stakeholders are being challenged to quickly pivot, adapt, and innovate.

Their ability to analyse, understand, and respond to these issues swiftly will shape their ability to recover and thrive in the "new normal" and chart a pandemic-proof journey to better health.

#### DIGITISATION EFFORTS

It is clear that the digitalisation of healthcare services will continue and will improve at a greater pace as a result of the pandemic. On the demand side, patients are now more receptive to the idea of online consultations while on the supply side, hospitals are ensuring they have the platforms and technology to continue providing excellent healthcare even if done remotely.

Health care organizations must also transition to health IT systems powered by cloud computing and data and analytics tools to enable real-time, smart digital health. While there is a wide variation among countries in terms of adoption of digital technologies, the most frequently used technologies according

to recent surveys are electronic health records (EHRs) and e-prescriptions, an area that KPJ is working towards implementing.

#### PUBLIC-PRIVATE PARTNERSHIPS

COVID-19 is also accelerating change across the ecosystem and forcing public and private health systems to adapt and innovate. To better serve the community, both the public and private sector are merging resources to ensure better accessibility to basic healthcare for all. Such practices are also important to ensure better readiness to combat any future pandemic.

#### SHIFTING CARE FROM LARGE GENERAL HOSPITALS TO COMMUNITY-BASED CARE AND SPECIALISED FACILITIES

Healthcare providers are now focusing more on patients' needs and are moving care from hospitals towards community-based services in order to be more sustainable. With the continued rise of COVID-19, the pressures facing health systems are well known, with increases in bed occupancy for COVID-19 patients pushing healthcare providers to find alternatives. The benefits of community based care and specialised facilities can be significant, from improving care outcomes to reducing costs and alleviating pressures on hospitals.

# Stakeholder Engagement

Our stakeholder ecosystem is complex and diverse as demonstrated by the close relationships that have been forged between our stakeholder groups. Each stakeholder group has clear expectations and roles to play in the context of how we operate, and we are highly focused on meeting the needs of each group. KPJ constantly adapts, innovates and refine our operations to ensure we continue to provide patient-centric medical services.

In 2020, we continued to engage our stakeholders at various levels with an added emphasis on managing the impact of the COVID-19 pandemic. Our efforts have been further detailed in the individual stakeholder sections which can be found in KPJ Group's Sustainability Report 2020.









THE WAY WE CREATE VALUE

# Material Matters
















KPJ employs a comprehensive approach when identifying our material matters, by taking into consideration a wide range of internal and external factors that impact our ability to create value. From a broad perspective, we are concerned with how we are impacted by our operating environment, stakeholder expectations and the risks and opportunities present in our industry. For KPJ, factors that impact the creation, preservation or growth of any of our capitals are considered to be material.

For more information regarding our operating environment, please refer to pages 52 to 70. The Group details its strategy on page 21 and how we manage our key risks and opportunities on page 78. We have also shared the constructive way in which the Group engages its stakeholders on page 75.

Material Matters	Factors	Affected Stakeholder Groups	Link To Strategic Thrusts	Link To Key Risks & Opportunities
<b>Cost of Healthcare Services</b>	<ul style="list-style-type: none"> <li>• Exchange rate uncertainties of Ringgit Malaysia affect cost of imported items like drugs, surgical items and medical equipment</li> <li>• The disruption of supply chain will lead to the price hikes from scarcity of supplies globally for healthcare essentials</li> <li>• Staff costs inflation due to shortages of experienced specialised healthcare professionals and competition from other operators</li> <li>• Efficient and vigorous cost optimisation measures to manage direct costs and operating overheads; procurement policies designed to obtain from the best sources at lowest prices possible; investing the technology and in energy efficient appliances to optimise energy consumption.</li> <li>• Since private healthcare services are priced based on “cost plus” model, optimal cost management will promote an efficient and competitive pricing framework</li> </ul>	<ul style="list-style-type: none"> <li>• Patients,</li> <li>• Intermediaries</li> <li>• Government &amp; Regulators</li> <li>• Accreditation Bodies &amp; Industry Associations</li> <li>• Investors &amp; Shareholders</li> <li>• Local Community</li> </ul>	    	<ul style="list-style-type: none"> <li>• Ensuring availability of key medical staff &amp; consultants</li> <li>• Clinical care</li> </ul>
<b>Managing and Retaining Talent</b>	<ul style="list-style-type: none"> <li>• Shortage of experienced specialised nurses and specialist consultants due to competition from other hospital operators</li> <li>• Competitive remuneration packages and benefits to attract and retain the right talent</li> <li>• Conducive working environment and culture to promote healthy work life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Employees &amp; Consultants</li> <li>• Investors &amp; Shareholders</li> </ul>		<ul style="list-style-type: none"> <li>• Ensuring Availability of Key Medical Staff &amp; Consultants</li> </ul>



## Material Matters

Material Matters	Factors	Affected Stakeholder Groups	Link To Strategic Thrusts	Link To Key Risks & Opportunities
<p><b>Government Regulations</b></p>	<ul style="list-style-type: none"> <li>• Strict licensing regime under the Private Healthcare Facilities and Services Act 1998</li> <li>• Cost of compliance with stringent regulations on licensing of hospital facilities, staffing ratio, quality standards, security of medical records, occupational safety &amp; health</li> </ul>	<ul style="list-style-type: none"> <li>• Government &amp; Regulators</li> <li>• Intermediaries</li> <li>• Patients</li> <li>• Employees &amp; Consultants</li> <li>• Investors &amp; Shareholders</li> </ul>	 01  02  03  04  05  07	<ul style="list-style-type: none"> <li>• Government Policy &amp; Compliance</li> </ul>
<p><b>Quality of Service Standards</b></p>	<ul style="list-style-type: none"> <li>• Patient-centric, qualified and experienced healthcare professionals</li> <li>• Strict adherence to government regulations, accreditation standards and KPJ Clinical Governance Framework</li> </ul>	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Intermediaries</li> <li>• Employees &amp; Consultants</li> <li>• Investors &amp; Shareholders</li> </ul>	 01  02  05  06  07	<ul style="list-style-type: none"> <li>• Clinical care</li> <li>• Compliance with Accreditation Requirements</li> <li>• Ensuring availability of Key Medical staff &amp; Consultants</li> <li>• Insurance Management</li> </ul>
<p><b>Funders for Healthcare Services</b></p>	<ul style="list-style-type: none"> <li>• Intermediaries like private insurance companies, managed care organisations and corporate employers contribute around 70% of hospitals revenue, however due to the prolonged Covid-19 impact is anticipated to reduce corporate spending.</li> <li>• Patients with medical insurance cards or undertaking letters from employers are able to be treated at any KPJ hospital nationwide</li> <li>• Collectively, these intermediaries have strong bargaining power on how much KPJ can charge for services, hence influencing KPJ revenue and market share</li> </ul>	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Employees &amp; Consultants</li> <li>• Investors &amp; Shareholders</li> <li>• Intermediaries</li> </ul>	 02  03  06  07	<ul style="list-style-type: none"> <li>• Clinical care</li> <li>• Compliance with Accreditation Requirements</li> <li>• Ensuring availability of Key Medical staff &amp; Consultants</li> <li>• Insurance Management</li> </ul>

THE WAY WE CREATE VALUE

# Managing Risks and Opportunities



To add to our value creation journey, KPJ persistently monitors and assesses prevailing and future risks in the healthcare sector, in order to identify current emerging opportunities. This is part of our meticulous risk identification and management process.



**01 - ENSURING AVAILABILITY OF KEY MEDICAL STAFF AND CONSULTANTS**

**Risk Definition**

Growing demand for private healthcare services could potentially lead to a shortage of suitably qualified and experienced staff to provide patient centric care to our customers.

**Impact of the Risk on KPJ**

In order to ensure profitable growth in line with KPJ's long-term strategies, the expansion of KPJ's network of hospitals and the upgrading of existing hospitals require additional suitably qualified staff to cater to growing needs. The retirement of senior consultants may also jeopardise the continuity of the talent pool in certain sub-specialties.

**How We Manage or Mitigate the Risk**

- KPJ focuses on staff retention, and pursues various training and productivity strategies to widen staff career opportunities to serve the Group.
- To ensure a strong talent pipeline, KPJ has KPJUC that conducts various medical and healthcare courses from certificates to PhD level.
- Our wide network of hospitals that are equipped with international standard facilities and equipment is a strong pull factor for specialist consultants to join the Group.
- KPJ's robust Clinical Governance Framework that promotes clinical safety and excellence offers a strong safety net for healthcare professionals.
- Continued investment in appropriate skills development and offering a succession plan programme and reward strategy to retain our talents and professionals.

**Outcome**

- One (1) new programme were introduced in 2020, namely: MBA in Healthcare Management
- There were two (2) programmes expected to be open for new intake in 2021 i.e. Master in Anaesthetist and Post Graduate Training in Paediatric
- 50 new resident consultants of various specialties joined the Group in 2020.

**Link to Material Matters and Our Seven Strategic Thrusts**

**Material Matters**

- Managing and Retaining Talent

**Strategic Thrusts**



**Increase/Decrease in importance/or same**

**DECREASE**

## Managing Risks and Opportunities

### 02 - CLINICAL CARE ▼

#### Risk Definition

Delivering high quality, customer focused healthcare services to provide for market needs and expectations.

#### Impact of the Risk on KPJ

Failure to provide high quality patient centric care may lead to negative media comments and patients dissatisfaction that will affect KPJ's reputation and drive away customers.

#### How We Manage or Mitigate the Risk

- Medical Advisory Committee (MAC) as the apex clinical committee overseeing KPJ's Clinical Governance Framework and guidelines for sound and ethical medical practices. The MAC has various subcommittees within its purview namely Clinical Governance Policy Committee, Clinical Governance Action Committee, Clinical Ethics Committee and Research & Development Committee.
- Clinical Risk Management Committee (CRMC) to review and oversee the effectiveness of the clinical ERM framework, with all major clinical risks and incidents related to patient and staff safety presented to CRMC.
- KPJ Patient Safety Goals under the purview of the MAC are designed to ensure all KPJ hospitals are offering patients the best care possible.
- The analysis of trends of clinical outcomes are monitored and act as reference to mitigate any risk that relates to clinical and infectious disease.

#### Outcome

- Clinical Governance Policy Committee approved ten new policies and seven were also updated.
- Clinical surveys were conducted on 27 hospitals covering 13 service areas.

#### Link to Material Matters and Our Seven Strategic Thrusts

#### Material Matters

- Cost of Healthcare Services
- Quality of Service Standards
- Funders for Healthcare Services

#### Strategic Thrusts



#### Increase/Decrease in importance/or same

**DECREASE**

**THE WAY WE CREATE VALUE**

Managing Risks and Opportunities

**03 - GOVERNMENT POLICY & COMPLIANCE**

**Risk Definition**

KPJ operates in a highly regulated environment which includes laws passed by the Malaysian Government pertaining to private healthcare facilities such as the Private Healthcare Facilities and Services Act 1998 (Act 586) and Occupational Safety and Health 1994 (Act 514).

**Impact of the Risk on KPJ**

Failure to comply to laws and regulations could result in KPJ being subject to patient claims, fines, penalties, damage to reputation, suspension from the treatment of patients, loss of operating licence or accreditation which would result in the Group not being able to operate one or more of its hospitals thus causing a reduction in earnings.

**How We Manage or Mitigate the Risk**

- KPJ continues to strengthen its ERM framework and associated policies and procedures to ensure risks are mitigated as far as possible.
- KPJ has in place significant Clinical Care processes and policies overseen by MAC and CRMC to ensure continuous compliance with existing laws, rules and regulations.
- KPJ continuously engages with the Ministry of Health Malaysia to remain up to date on any potential changes in Government Policy.

**Outcome**

- Continuously engage with MOH to remain up to date on any potential changes in Government regulations and policies.
- Ensured all non-compliance issues were complied with prior to renewal of operating licences.
- Embarked on the implementation of ISO 45001 (Occupational Health & Safety Management System).

**Link to Material Matters and Our Seven Strategic Thrusts**

**Material Matters**

- Government Regulations

**Strategic Thrusts**



**Increase/Decrease in importance/or same**

**DECREASE**

**04 - INTEGRITY & ETHICS**

Expectations for employees of the Group to adhere to the highest standards of ethical conduct and values, and to avoid conflict of interest in any ongoing or potential business dealings in the Group with various suppliers and service providers.

In order to ensure profitable growth in line with KPJ's longterm strategies, the expansion of KPJ's network of hospitals and the upgrading of existing hospitals require additional suitably qualified staff to cater to growing needs. The retirement of senior consultants may also jeopardise the continuity of the talent pool in certain sub-specialties.

- KPJ is a signatory to the "Malaysian Corporate Integrity Pledge" since 2011.
- Staff reaffirm their commitment to KPJ through the Yearly Staff Integrity Pledge Ceremony.
- Asset Declaration Policy and No Gifts and Entertainment Policy applicable to all staff.
- The establishment of Integrity Unit and appointment of Chief Integrity Officer in February 2020
- Anti-Bribery/Corruption Policy signed by Chairman of KPJ on 16th February 2020.
- Employees to report any misconduct or unethical behavior by any staff member directly to the President and Managing Director.

- Continuously ensuring that all staff reaffirm their commitment through the staff e-integrity pledge via Employee Self Service (ESS) system.
- Execution of Asset Declaration by new staff members
- All staff had signed the Conflict of Interest Declaration
- A series of awareness training on ABMS ISO 37001 and related SOPs was conducted at KPJ Headquarters with 100% participation.
- The awareness training is also cascaded to KPJ Group. The target group is top management and Head of Department/Services.

**Material Matters**

- Managing and Retaining Talent
- Quality of Service Standards
- Funders for Healthcare Services

**SAME**

## Managing Risks and Opportunities

▼	
<b>Risk Definition</b>	
<b>Impact of the Risk on KPJ</b>	
<b>How We Manage or Mitigate the Risk</b>	
<b>Outcome</b>	
<b>Link to Material Matters and Our Seven Strategic Thrusts</b>	
<b>Increase/Decrease in importance/or same</b>	
<ul style="list-style-type: none"> <li>• Comprehensive Whistle-Blowing Policy covering three tiers of whistle-blowing reporting line ie , President and Managing Director, Chairman of the Risk and Governance Committee, and Chairman of the Board.</li> <li>• Declaration on Conflict of Interest by all staff</li> <li>• Continuous communication and awareness of KPJ Anti Bribery/ Corruption Policy and its relevant procedures to all levels of staff.</li> <li>• Engaging with a qualified and independent party to obtain the assurance that KPJ is operating in compliance with its policies and procedures related to integrity and corruption.</li> <li>• Integrity Pact implementation guidelines is one of the Anti-Bribery/Corruption Policy. The Integrity Pact is a tool for preventing corruption in the procurement process. It</li> </ul>	<p>comprises of a set of declaration process by KPJHB staff, procurement committees involved in procurement activities as well as the suppliers.</p> <ul style="list-style-type: none"> <li>• Introduction of dedicated email for whistleblowing reporting via integrity@kpjhealth.com.my for public, vendors/suppliers and stakeholders.</li> <li>• Notifying vendor/supplier on the implementation of Anti-Bribery/Corruption Policy i.e. Integrity Pact and the new dedicated email for whistleblowing reporting channel.</li> <li>• Tender Evaluation Committee is responsible for evaluating all tenders for purchases, award of contracts and appointment of project development consultants/ advisors and makes its recommendation to the Development &amp; Procurement Committee.</li> </ul>
<p>A total of 540 staff had attended the on-line awareness program in November and December 2020. On-going awareness training is planned for Q1 and Q2 2021.</p> <ul style="list-style-type: none"> <li>• KPJ has attained the ISO 37001:2016 Anti Bribery Management System ('ABMS') certification on 23rd October 2020, to manage the corporate liability risks that may face in its business, to meet the requirements of Section 17A Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) that had been enforced on 1st June 2020</li> <li>• Declaration of "Integrity Pact" by vendors/suppliers. In 2020, a total of 1310 vendors and suppliers have signed the Corporate</li> </ul>	<p>Integrity Agreement (CIA) with KPJ. To date, a total of 9,043 vendors and suppliers have signed the CIA.</p> <ul style="list-style-type: none"> <li>• Received one (1) report from the whistleblowing reporting channel and necessary action had been taken in accordance with the Whistleblowing Policy.</li> <li>• In 2020, the Tender Evaluation Committee conducted 8 meetings evaluating all tenders for purchases, award of contracts and appointment of project development consultants/advisors, thereafter making its recommendation to the Development and Procurement Committee.</li> </ul>

Strategic Thrusts



**THE WAY WE CREATE VALUE**

Managing Risks and Opportunities

**05 - COMPLIANCE WITH ACCREDITATION REQUIREMENTS** ▼

**Risk Definition**

KPJ's hospital accreditations are obtained from internationally acknowledged bodies, namely the Malaysian Society for Quality in Health (MSQH) and the Joint Commission International (JCI), which puts its hospitals on par with international hospital accreditation standards.

**Impact of the Risk on KPJ**

It is necessary to maintain KPJ's hospital accreditations in order to remain a leader in the marketplace, thus ensuring its reputation as the healthcare provider of choice.

**How We Manage or Mitigate the Risk**

- Maintaining national and international accreditation to remain a leader in the healthcare sector and to support health tourism initiatives.
- All hospitals with the MSQH and JCI accreditations have to undergo stringent surveillance audits by the respective surveyors and audit teams to ensure compliance with accreditation standards and requirements before accreditation certification can be renewed, usually every three years.

**Outcome**

- 21 hospitals are certified with IMS Certification that includes ISO 9001:2015 Quality Management System, OSHAS 18000:2007, ISO 14000:2015 Environmental Management System and ISO 22000:2018 Food Safety Management System.
- 21 hospitals certified with ISO 18001:2007 OSHAS are moving towards the conversion to ISO 45001:2018 Occupational Safety and Health Management System.
- 19 hospitals are MSQH accredited, while 4 are JCI accredited.
- 8 KWAN clinics are MSQH accredited.
- 2 of our hospitals, namely KPJ Ampang Puteri and KPJ Damansara were certified with the Gold-Level Excellence in Person-Centred Care from Planetree International, the first and only in Asia Pacific region.
- 18 of our hospitals were certified with Baby Friendly Hospital Initiatives (BFHI).

**Link to Material Matters and Our Seven Strategic Thrusts**

**Material Matters**

- Cost of Healthcare Services
- Quality of Service Standards
- Funders for Healthcare Services

**Strategic Thrusts**



**Increase/Decrease in importance/or same**

**DECREASE**

**06 - INSURANCE MANAGEMENT** ▼

KPJ, as with other healthcare companies, is sometimes subjected to legal actions alleging negligence, malpractice and other claims.

Any legal action could potentially lead to the payment of damages and significant legal costs.

- KPJ has in place adequate insurance coverage on its major assets and to protect against potential liability arising from its operations.
- All specialists, medical officers and other healthcare professionals of KPJ Group are covered by Medical Malpractice Insurance to mitigate against medico-legal risks in the course of performing their duties.

- Renewal of insurance policies for the period of coverage from 1 January 2021 until 31 December 2021. Prior to the renewal, we undertook a comprehensive risk review of the Group's insurance needs, taking into account changes in the Operating environment as well as assets and liabilities.

**Material Matters**

- Quality of Service Standards

**Strategic Thrusts**



**DECREASE**

## Managing Risks and Opportunities

### 07 - CYBERSECURITY ▼

#### Risk Definition

KPJ's IT platform supports a number of management, administrative and clinical processes which are crucial for the smooth operations of the Group.

#### Impact of the Risk on KPJ

KPJ's business could be disrupted if its information systems fail or if its databases are breached, destroyed or damaged.

#### How We Manage or Mitigate the Risk

- KPJ Group Technology Services (GTS) has put in place the following teams, implementation, policies and procedures:-
  - Robust IT Service Management policies and procedures in accordance to ISO/ IEC 27001
  - Dedicated team of IT Security professionals and Security Operation Centre (SOC) to protect KPJ's IT Infrastructure and Systems
  - Annual independent security review which is part of the requirement for ISO/IEC 27001 certification
- Annual Disaster Recovery drill as part of the Business Continuity Management (BCM) to ensure the IT Systems availability and recovery during disaster.
- Patch Management to ensure all servers and end user devices are fully updated to the latest security patches.
- Tighter Enforcement of access privilege control, remote access control and USB control.
- User awareness and cybersecurity vigilance.

#### Outcome

- Implemented new User Access Matrix (UAM) at all hospitals to enhance systems access security.
- Regular IT Security Bulletins and IT Security Workshops to all staff to create awareness and enhance cybersecurity vigilance.
- Constant 24 x 7 monitoring of security infrastructure by Security Operation Centre.
- Security enforcement for Users' and Administrator's Access & Privilege control, Remote Access.
- Connection control, KPJ Domain Control for all Desktop and Notebook, and USB Devices Control.
- IT Infrastructure and Systems readiness to ensure Business Continuity during disaster.

#### Link to Material Matters and Our Seven Strategic Thrusts

#### Material Matters

- Quality of Service Standards

#### Strategic Thrusts



#### Increase/Decrease in importance/or same

SAME

**THE WAY WE CREATE VALUE**

Managing Risks and Opportunities

**08 - READINESS TO RESPOND TO MAJOR INTERNAL OR EXTERNAL INCIDENTS**

**Risk Definition**

During an emergency or an internal or external disaster, KPJ has to respond in a timely manner to critical incidents.

**Impact of the Risk on KPJ**

Failure to respond in a measured manner and ensure smooth hospital operations despite the emergency or internal or external disaster would lead to the disruption of hospital operations. This would cascade down to impact the Group's reputation in the marketplace, and affect its future profitability.

**How We Manage or Mitigate the Risk**

- In order to strengthen the existing management plan under disaster and emergency situation, KPJ has developed KPJ Business Continuity Management (BCM) Framework which serves as guidance for the Group in drafting BCM system plans, policies and procedures.
- The framework facilitates a structured and scalable approach to design and execute Business Continuity Plan (BCP) as well as provides a one-stop reference to understand the BCM concepts, expectations and deliverables from all stakeholders KPJ Group.
- KPJ has adopted the requirements of the Private Healthcare Facilities and Services Act 1998 (Act 586), Occupational Safety and Health 1994 (Act 514), Environmental Quality Act 1974 JCI and MSQH in formulating the BCM.

**Outcome**

- Due to COVID-19 Pandemic, a series of table talk on Fire Safety were conducted at all KPJ Hospitals.
- In April 2020, flash flood incident was happened in KPJ Ampang Puteri but there were no evacuation of patients took place. The incident was successfully managed by the hospital Emergency Response Team.
- KPJ Business Continuity Management (BCM) Framework circulated to all KPJ Hospitals and Subsidiaries in April 2021.

**Link to Material Matters and Our Seven Strategic Thrusts**

**Material Matters**

- Government Regulations
- Quality of Service Standards

**Strategic Thrusts**



**Increase/Decrease in importance/or same**

**SAME**

**09 - FRAMEWORK FOR MANAGEMENT OF RISK**

KPJ faces various risks in its ongoing regional operations which need to be assessed, evaluated and mitigated in a timely manner and reported

The establishment of clear structures of risk assessment and management that KPJ faces in its regional operations is necessary to ensure that risks are dealt with effectively to minimise its impact on KPJ's operations and profitability.

- Risk management activities are coordinated through a risk reporting and escalation framework known as "Incident Reporting & Root Cause Analysis" via Q-Radar portal.
- The Group adopts with the KPJ Risk Management Guideline (adopting ISO 31000:2018). The guidelines were developed to enable all Hospitals within the Group to identify, assess, monitor and where necessary to make decisions in order to take actions to address and communicate the risks.
- Appointment of KPMG Management & Risk Consulting Sdn Bhd as an external assurance to enhance the roles and functions of Risk Management
- GRC Software to facilitate the risk assessment process and reporting

- Coordinate and monitor the implementation of risk management activities across all operations by appointed Risk Officer at the respective hospitals
- Conducted the Group Risk Officer Meetings where key areas discussed during the meeting included major Risk Registers, sharing of common findings of major incident reports, overview of Business Continuity Management Framework
- Report and recommendations by KPMG were presented and deliberated in RGC
- Conducted review sessions of ERM Risk Registers for HQ Services
- Evaluated the GRC system to be used group wide by June 2021
- In 2020, Risk and Compliance Services conducted 6 training sessions related to Q-Radar Online Reporting System with Hospitals and 18 briefing session with HQ Services on Risk Registers

**Material Matters**

- Quality of Service Standards



**SAME**





## COVID-19 TESTING PERSONNEL



They are the ones who had to deal with the massive rise in testing capacity, as well as the people who do the testing itself.

**Dr. Syed Faisal Bin Taha**

*Consultant Internal Medicine and Nephrologist  
Kedah Medical Centre*

We gathered back our spirits that was thrown into pieces. Our enemy didn't realize that it came too late, way beyond the era that we could establish impressive online technological communications. Our homes became the next command centre now. Everyday our chief in command would gather us on online meetings, grilling us with gruelling tasks. We were not daunted at all because we are a great team.

We had ridden the wave. Now it was the time to recollect and decipher what we could learn from all this. I couldn't emphasize more than to ensure we all wear masks at all times and observe the social distancing framework.

COMMITTED TO STRONG GOVERNANCE

# Who Governs Us

Activity  
Chat  
Groups  
Calendar  
Calls  
Files

<https://kpj.listedcompany.com/directors.html>

**DATO' YUSLI BIN MOHAMED YUSOFF**

**AHMAD SHAHIZAM BIN MOHD SHARIFF**

**CHRISTINA FOO**

**MOHAMED RIDZA BIN MOHAMED ABDULLA**

**PROF DATO' DR. AZIZI BIN HAJI OMAR**

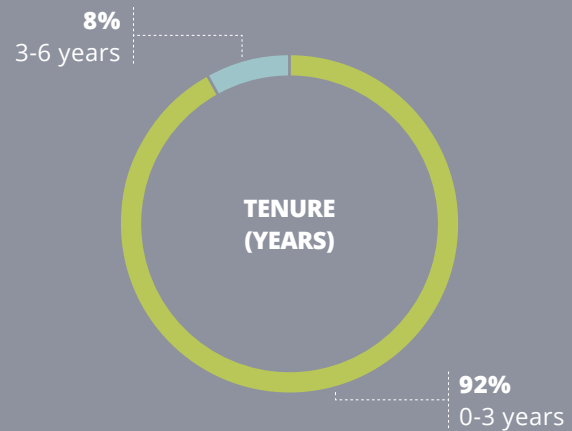
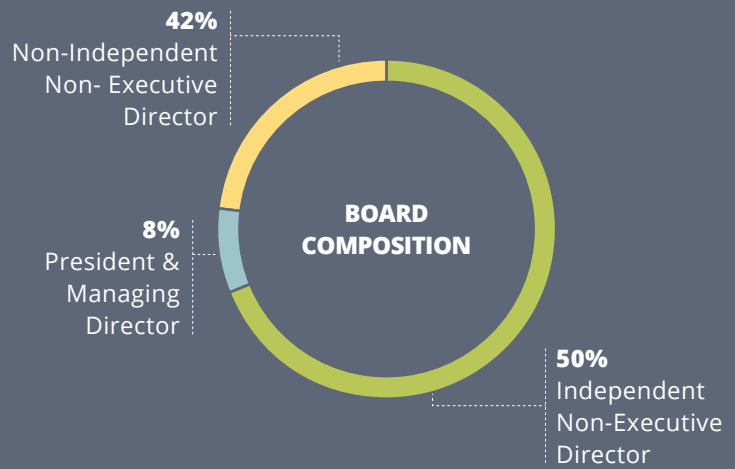
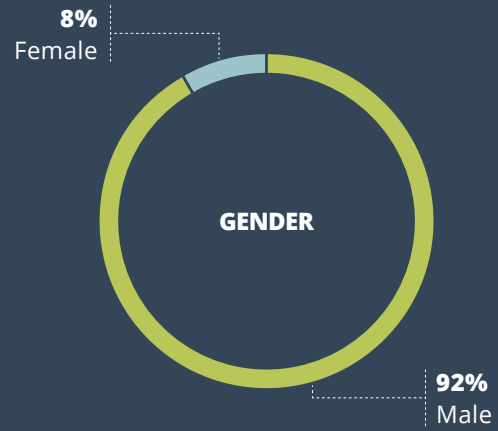
**DATO' DR. NGUN KOK WENG**

**KHAIRUDDIN BIN JAFUS**

**ROZAINI BIN MOHD SANI**

Committee Key > **A** Audit Committee   **N** Nomination and Remuneration Committee   **D** Development and Procurement Committee   **I** Investment Committee

## Who Governs Us



**COMMITTED TO STRONG GOVERNANCE**

Who Governs Us



**DATO' YUSLI BIN MOHAMED YUSOFF**

*Chairman,  
Independent Non-Executive Director*

Male Aged 62 Malaysian

**DATE OF APPOINTMENT:**

18 February 2020

**BOARD MEETING ATTENDANCE IN FY2020**

10/10

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

1 year 3 months

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Institute of Chartered Accountants in England and Wales, United Kingdom
- Member of Malaysian Institute of Accountants
- Bachelor of Economics, University of Essex, England, United Kingdom

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

- Mudajaya Group Berhad
- Westports Holdings Berhad
- AirAsia X Berhad
- FGV Holdings Berhad

**OTHER PUBLIC COMPANIES:**

- Australasia Resources and Minerals Berhad
- Malaysian Institute of Corporate Governance

**PRESENT APPOINTMENT(S):**

**Mudajaya Group Berhad**

- Independent Non-Executive Chairman
- Chairman, Risk Management Committee
- Member of Audit Committee

**Westports Holdings Berhad**

- Chairman, Audit and Risk Management Committee

**AirAsia X Berhad**

- Chairman, Audit Committee
- Member, Risk Management Committee
- Member, Nomination and Remuneration Committee

**FGV Holdings Berhad**

- Independent Non-Executive Deputy Chairman
- Chairman, Nomination and Remuneration Committee
- Chairman, Board Governance and Risk Management Committee

**Malaysian Institute of Corporate Governance**

- President

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

**Bursa Malaysia Berhad**

- Chief Executive Officer / Executive Director (2004-2011)

**Capital Market Development Fund**

- Board Member (2004-2011)

**Financial Reporting Foundation of Malaysia**

- EXCO Member (2004-2011)

**Association of Stockbroking Companies Malaysia**

- Chairman (2003-2004)

**CIMB Securities**

- Chief Executive Officer (2000-2004)

**Intria Berhad**

- Executive Vice Chairman (1998-1999)

**Metacorp Berhad**

- Managing Director (1998-1999)

**Sime Merchant Bankers Berhad**

- Chief General Manager (1996-1998)

**Shapadu Corporation**

- Group Managing Director (1995-1996)

**Renong Berhad**

- Chief Operating Officer/Executive Director (1994-1995)

**Time Engineering Berhad**

- Chief Operating Officer (1993)

**Faber Group**

- Financial Controller (1992)

**HBN Management (Group management office of Renong Group)**

- Senior Manager, Corporate Affairs (1990-1992)

**Hugin Sweda PLC, London**

- Chief Accountant (1986-1990)

**Peat Marwick Mitchell, London**

- Audit Senior and Trainee Accountant (1981-1986)

## Who Governs Us

### AHMAD SHAHIZAM BIN MOHD SHARIFF

President & Managing Director

 Male  Aged 50  Malaysian



**DATE OF APPOINTMENT:**

1 July 2020

**BOARD MEETING ATTENDANCE IN FY2020**

● ● ● ● ● ● 6/6

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

10 months

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor of Laws (LLB), London School of Economics and Political Science, University of London, United Kingdom
- Master in Public Administration, Harvard University, Cambridge, Massachusetts, United States of America

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

**The MCKK Foundation**

- Board Member and Trustee

**Malaysia Healthcare Travel Council**

- Independent Member and Audit Committee

**OTHER PUBLIC COMPANIES:**

Nil

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

**Healthcare Optimisation Partners Sdn Bhd**

- Advisor (2018-2020)

**Medplanner Sdn Bhd**

- Advisor (2019-2020)

**IHH Healthcare Bhd**

- Chief Corporate Officer (2017-2017)

**Pantai Holdings Bhd**

- Chief Executive Officer (2014-2017)

**IHH Healthcare Bhd**

- Executive Director (2012-2014)

**Parkway Pantai Limited**

- Executive Director (2010-2012)

**Khazanah Nasional Bhd**

- Director, Investment Division (2004-2010)

**HSBC Amanah Finance**

- (2003-2004)

**Salomon Smith Barney**

- (May 2000-2003)

**ING Barings**

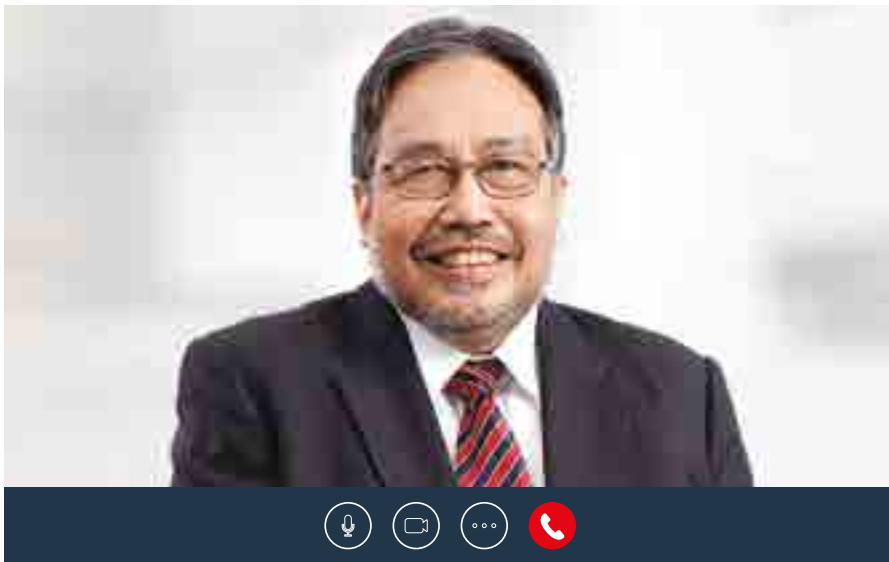
- (1996-2000)

**HSBC Bank Malaysia Bhd**

- (1994-1995)

**COMMITTED TO STRONG GOVERNANCE**

Who Governs Us



**DATUK MOHD RADZIF BIN MOHD YUNUS**

*Independent Non-Executive Director*

Male 
 Aged 62 
 Malaysian

**DATE OF APPOINTMENT:**

1 January 2020

**BOARD MEETING ATTENDANCE IN FY2020**

●●●●●●●●●● 10/10

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

1 year 4 months

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Registered Valuer, Real Estate Professional and Property Manager, Board of Valuers Malaysia
- Bachelor in Applied Science Property Resource Management with Finance University of South Australia
- Diploma in Land Survey, Universiti Teknologi Malaysia

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

- Duopharma Biotech Berhad
- Bina Darulaman Berhad (retired in September 2020)
- Heitech Padu Berhad
- SMRT Holdings Berhad (retired in August 2020)

**OTHER PUBLIC COMPANIES:**

Nil

**PRESENT APPOINTMENT(S):**

**KPJ Healthcare Berhad**

- Chairman, Nomination and Remuneration Committee
- Chairman, Development and Procurement Committee
- Member, Investment Committee

**Duopharma Biotech Berhad**

- Non-Independent Non- Executive Director
- Chairman, Risk Management Committee
- Member of Halal Committee

**Bina Darulaman Berhad**

- Independent Non- Executive Director
- Member, Audit Committee
- Chairman, Nomination, Remuneration and ESOS Committee
- Member, Risk Committee
- Chairman, Procurement Committee

**SMRT Holdings Berhad**

- Independent Director

**Heitech Padu Berhad**

- Non-Independent Non-Executive Director
- Member, Nomination and Remuneration Committee
- Member, Risk Committee

- Certified Risk Director - Institute Enterprise Risk Management
- Advisor - UN Global Compact Network Malaysia/Brunei Centre of Excellence

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

**SME Bank**

- Group Managing Director (2010-2017)

**IJN Holdings Sdn Bhd**

- Group Managing Director (2006-2010)

**Institut Jantung Negara Sdn Bhd**

- Chief Executive Officer (2003-2010)

**TH Properties Sdn Bhd**

- Chief Executive Officer (2002 -2004)

**Perumahan Kinrara Berhad**

- Non-Independent Non-Executive Director (2002-2004)

**Sime Darby Healthcare Sdn Bhd**

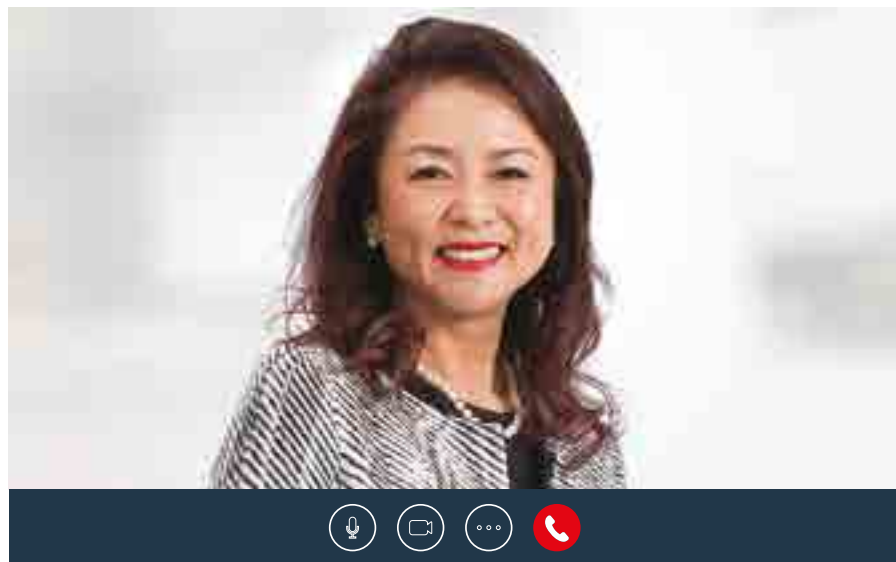
- Independent Non-Executive Director (2011 -2013)

## Who Governs Us

### CHRISTINA FOO

*Independent  
Non-Executive Director*

 Female  Aged 59  Malaysian



#### DATE OF APPOINTMENT:

24 April 2018

#### BOARD MEETING ATTENDANCE IN FY2020

●●●●●●●●●● 10/10

#### LENGTH OF SERVICE (AS AT 26 APRIL 2021)

3 years

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

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, CPA Australia
- Fellow, Malaysian Institute of Management
- Fellow, Institute of Corporate Directors Malaysia
- Member, ASEAN Chartered Professional Accountant
- Member, Malaysian Institute of Corporate Governance
- Bachelor of Business Studies (Accounting), Deakin University, Australia

#### PRESENT DIRECTORSHIP(S):

##### Listed Entity:

- UEM Sunrise Berhad

#### OTHER PUBLIC COMPANIES:

Nil

#### PRESENT APPOINTMENT(S):

##### KPJ Healthcare Berhad

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

##### Malaysian Technology Development Corporation

- Board Member
- Chairman, Board Audit and Risk Management Committee
- Member, Nomination and Remuneration Committee
- Member, Approvals Committee, Business Startup Fund
- Member, Approvals Committee, Business Growth Fund

##### Priority One Tax Services Sdn Bhd

- Managing Director

##### Sunway University

- Chairman, Industry Advisory Board Sunway University Business School

##### UEM Sunrise Berhad

- Board Member
- Chairman, Audit Committee
- Member, Board Governance and Risk Committee
- Member, Nomination and Remuneration Committee

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

##### EY Malaysia

- Director

##### Malaysian Institute of Accountants

- Vice President

##### CPA Australia Ltd

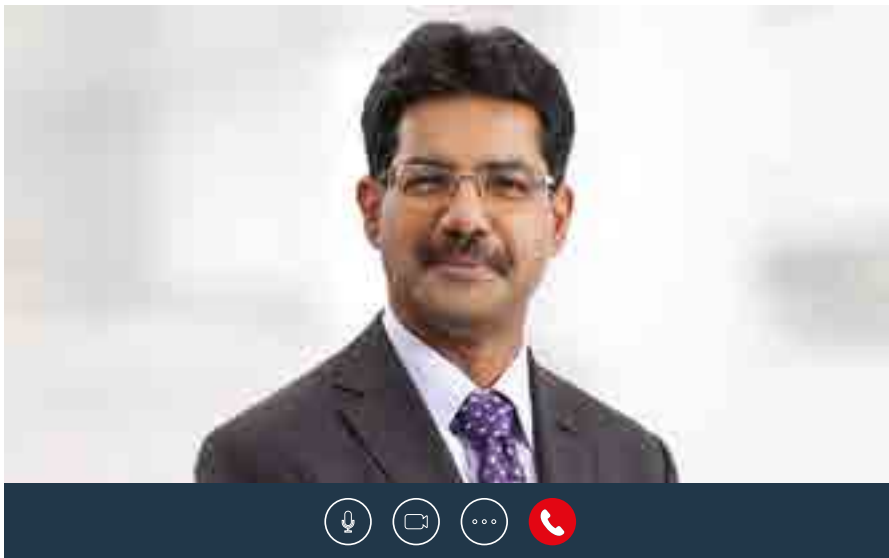
- Board Member

##### Confederation of Asian And Pacific Accountants

- Board Member

**COMMITTED TO STRONG GOVERNANCE**

Who Governs Us



**MOHAMED RIDZA  
BIN MOHAMED ABDULLA**

*Independent  
Non-Executive Director*

Male Aged 52 Malaysian

**DATE OF APPOINTMENT:**

1 April 2020

**BOARD MEETING ATTENDANCE IN FY2020**

●●●●●●●● 8/8

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

1 year 1 month

**ACADEMIC/PROFESSIONAL  
QUALIFICATION/MEMBERSHIP(S):**

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

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

- Theta Edge Berhad

**OTHER PUBLIC COMPANIES:**

- Bank Islam Malaysia Berhad
- BIMB Investment Management Berhad

**PRESENT APPOINTMENT(S):**

**KPJ Healthcare Berhad**

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

**Theta Edge Berhad**

- Member, Audit and Risk Management Committee
- Member, Nomination and Remuneration Committee

**Bank Islam Malaysia Berhad**

- Chairman, Board IT Committee
- Member, Audit and Examination Committee
- Member, Strategy Committee

**BIMB Investment Management Berhad**

- Chairman
- Independent Non-Executive Director

**Mohamed Ridza and Co.**

- Managing Partner

**Sime Darby Property Bhd**

- Member, Audit Committee
- Member, Risk Management Committee

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

**Zaid Ibrahim and Co.**

- Partner

**Technip Asia Pacific, Kuala Lumpur and France**

- General Legal Counsel

**Arab Malaysian Corporation Berhad (AMCB)**

- Group Legal Adviser

**Rashid and Lee**

- Advocate and Solicitor



## Who Governs Us

### DATO' MOHD REDZA SHAH BIN ABDUL WAHID

Independent  
Non-Executive Director

 Male  Aged 58  Malaysian



#### DATE OF APPOINTMENT:

7 MAY 2020

#### BOARD MEETING ATTENDANCE IN FY2020

● ● ● ● ● ● ● ● 8/8

#### LENGTH OF SERVICE (AS AT 26 APRIL 2021)

1 year

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

- Associate Chartered Accountant (ACA)
- Member, Institute of Chartered Accountant in England and Wales (ICAEW)
- Qualification obtained whilst attached to Touche Ross and Co., Chartered Accountants (now known as Deloitte and Touche)
- Chartered Bankers (Asian Institute Of Chartered Bankers)
- Master of Science of Economics (International Banking and Finance), University of Wales, Cardiff, UK
- Bachelor of Science in Economic (Industry and Trade), London School of Economic, University of London, England

#### PRESENT DIRECTORSHIP(S):

##### Listed Entity:

- E.A Technique (M) Berhad
- Damansara REIT Managers Sdn Berhad (Manager of Al'Aqar Healthcare REIT and Al-Salam Real Estate Investment Trust)

#### OTHER PUBLIC COMPANIES:

Nil

#### PRESENT APPOINTMENT(S):

##### KPJ Healthcare Berhad

- Chairman, Investment Committee
- Member, Audit Committee
- Member, Development and Procurement Committee

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

- Chairman, Nomination Committee
- Chairman, Remuneration Committee

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

##### Bank Muamalat Malaysia Berhad

- Chief Executive Officer (2008 - 2019)

##### Silterra Malaysia Berhad

- Chief Financial Officer (2000 - 2002)

##### Tradewinds Corporation Berhad

- Group Chief Executive Officer (2002 - 2005)

##### Tradewinds (M) Berhad

- Acting Chief Executive Officer (2004 - 2005)

##### DRB-HICOM Berhad

- Group Chief Operating Officer (2005-2008)

**COMMITTED TO STRONG GOVERNANCE**

Who Governs Us



**PROF DATO' DR. AZIZI BIN HAJI OMAR**

*Non-Independent  
Non-Executive Director*

Male Aged 72 Malaysian

**DATE OF APPOINTMENT:**

1 February 2016 (as an Independent Non-Executive Director)

1 December 2020 (Redesignated as a Non-Independent Non-Executive Director)

**BOARD MEETING ATTENDANCE IN FY2020**

●●●●●●●●●● 10/10

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

5 years 3 months

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Tasmania, Australia
- Postgraduate training in Paediatrics and Paediatric Respiratory Medicine
  - Hospital Kuala Lumpur / Universiti Kebangsaan Malaysia
  - Hospital for Sick Children, Great Ormond Street, London
  - Birmingham Children Hospital
  - Dudley Road Hospital, Birmingham
- Trained in paediatric flexible bronchoscopy
  - University of North Carolina (Chapel Hill, USA)
- Membership of the Royal Colleges of Physicians of the United Kingdom
- MMedSc (Clinical Epidemiology) from Newcastle University, NSW
- Fellow of Royal College of Physicians (FRCP) of Edinburgh and Glasgow
- Fellow of Academy of Medicine Malaysia (FAMM) and Fellow of College of Chest Physicians (USA) (FCCP)
- Harvard Medical School Certificate- SEA Healthcare Leadership One Year Program

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**PRESENT APPOINTMENT(S):**

**KPJ Healthcare Berhad**

- Member, Nomination and Remuneration Committee
- Member, Audit Committee
- Head of KPJ Research and Quality Innovation Committee and editor of KPJ Medical Journal
- Member, Medical Advisory Committee
- Consultant Paediatrician and Paediatric Respiratory Physician, KPJ Damansara Specialist Hospital

**KPJ Healthcare University College Sdn Bhd (KPJUC)**

- Member, Board of Directors
- Professor and member, Senate

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

**National**

- Chairman, Subspecialty Committee for Accreditation, Paediatric Respiratory Medicine, National Specialist Register (2000-2016)
- Member, Malaysian Medical Council (1995-1997)
- President, Malaysian Paediatric Association (1997-1998)
- Board Member, APHM and Association of Private Hospital (2000-2004)
- Member, Conjoint Board for Postgraduate Training in Medical Specialties (1995-1997)
- Member, Paediatric Conjoint Board (1995-2000)

- Member, Clinical Practice Guidelines Committee, Academy of Medicine of Malaysia
- Chairman, Clinical Practice Guidelines on Paediatric Asthma (1996)
- Chairman, Clinical Practice Guidelines on Paediatric Respiratory Infections (2000)
- Member, Clinical Practice Guidelines on Tuberculosis (1996)
- Member, Committee of Malaysian Thoracic Society of Malaysia (1997-1998)
- Editorial Board Member, Malaysian Paediatric Journal, Malaysia (1990)

**Universiti Kebangsaan Malaysia (UKM)**

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

**Universiti Teknologi MARA (UiTM)**

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

**Universiti Tunku Abdul Rahman (UTAR)**

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

## Who Governs Us

### DATO' DR. NGUN KOK WENG

*Non-Independent  
Non-Executive Director*

 Male  Aged 69  Malaysian

#### DATE OF APPOINTMENT:

1 April 2020 (as an Independent Non-Executive Director)

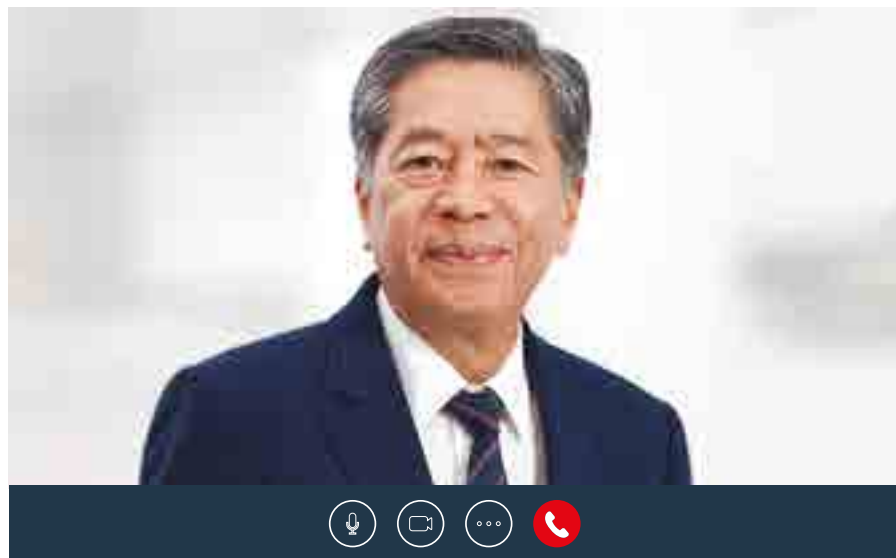
1 December 2020 (Redesignated as a Non-Independent Non-Executive Director)

#### BOARD MEETING ATTENDANCE IN FY2020

 8/8

#### LENGTH OF SERVICE (AS AT 26 APRIL 2021)

1 year 1 month



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

- Fellowship of the Royal Colleges of Surgeons (FRCS), Royal College of Surgeons of Edinburgh, United Kingdom
- Fellowship of the Royal Colleges of Surgeons (FRCS), Royal College of Physicians and Surgeons of Glasgow, United Kingdom
- Bachelor in Medicine Bachelor in Surgery (MBBS), Universiti Malaya, Kuala Lumpur

#### PRESENT DIRECTORSHIP(S):

##### Listed Entity:

Nil

#### OTHER PUBLIC COMPANIES:

Nil

#### PRESENT APPOINTMENT(S):

##### KPJ Healthcare Berhad

- Member, Audit Committee
- Member, Risk and Governance Committee
- Member, Medical Advisory Committee
  - Chairman, Clinical Risk Management Committee
  - Member, Medical Advisory Committee

##### KPJ Pahang Specialist Hospital

- General Sugeon

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

##### Kuantan Specialist Hospital (1986-2016)

- General Surgeon
- Advisor of all Clinical Committee

##### Pahang Medical Centre (1983-1986)

- General Surgeon

##### Ministry of Health (1977-1983)

**COMMITTED TO STRONG GOVERNANCE**

Who Governs Us



**DATO' DR. SIVAMOHAN  
A/L S. NAMASIVAYAM**

*Non-Independent  
Non-Executive Director*

Male Aged 66 Malaysian

**DATE OF APPOINTMENT:**

7 May 2020 (as an Independent  
Non-Executive Director)

1 December 2020 (Redesignated as a  
Non-Independent Non-Executive Director)

**BOARD MEETING ATTENDANCE IN FY2020**

● ● ● ● ● ● ● ● 8/8

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

1 year

**ACADEMIC/PROFESSIONAL  
QUALIFICATION/MEMBERSHIP(S):**

- Fellowship in Gynae-Oncology (Commonwealth Medical Foundation Fellowship), University of Oxford, United Kingdom
- Fellow of the Royal College of Obstetrician and Gynaecologist, United Kingdom FRCOG (London)
- Fellow of Academy Malaysia (FAMM)
- Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Mysore, India
- Member of the Royal College of Obstetrician and Gynaecologist, United Kingdom (MRCOG)
- Master in Healthcare Management (MSc), University of Swansea, United Kingdom

**PRESENT APPOINTMENT(S):**

**KPJ Healthcare Berhad**

- Member, Development and Procurement Committee
- Member, Risk and Governance Committee
- Member, Medical Advisory Committee - Chairman, Clinical Governance and Policy Committee

**Association of Private Hospitals  
Malaysia (APHM)**

- Board Member

**KPJ Damansara Specialist Hospital**

- Consultant, Obstetrician and Gynaecologist

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

**Ampang Puteri Specialist Hospital**

- Consultant of Obstetrician and Gynaecologist (1995-1997)

**Ministry of Health**

- House Officer/Medical Officer/Registrar/Consultant (1980-1995)

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

Nil

**OTHER PUBLIC COMPANIES:**

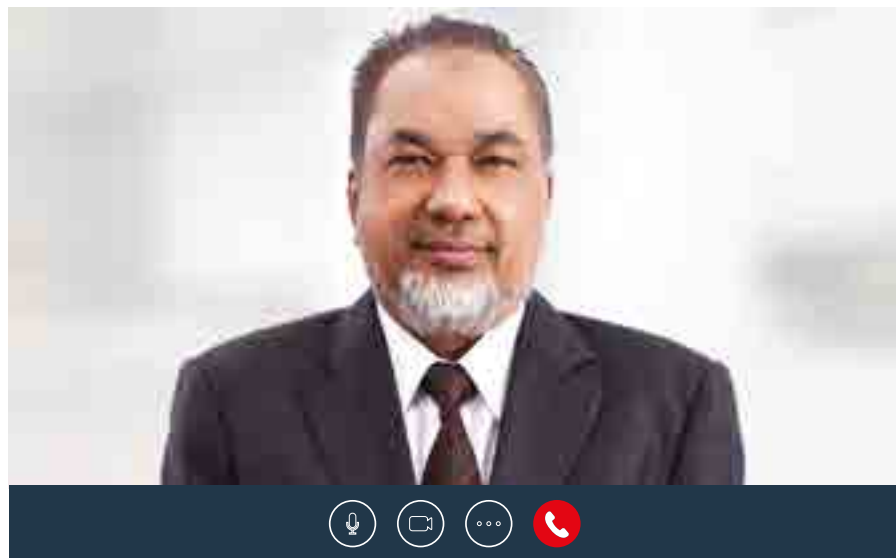
Nil

## Who Governs Us

### **KHAIRUDDIN BIN JAFUS**

*Independent  
Non-Executive Director*

 Male  Aged 65  Malaysian



**DATE OF APPOINTMENT:**

7 MAY 2020

**BOARD MEETING ATTENDANCE IN FY2020**

● ● ● ● ● ● ● ● 8/8

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

1 year

**ACADEMIC/PROFESSIONAL  
QUALIFICATION/MEMBERSHIP(S):**

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

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**PRESENT APPOINTMENT(S):**

**KPJ Healthcare Berhad**

- Member, Audit Committee
- Member, Development and  
Procurement Committee
- Member, Risk and Governance  
Committee

**Johor Land Berhad**

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

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

**RHB Bank Group**

- Executive Vice President/ Head,  
Transformation Groupwide (2015- 2017)
- Executive Vice President/ Project  
Director, Core Banking Solution (CBS)  
Project (2013-2015)
- Senior Executive Vice President/ Head,  
Transformation Office and Group  
Procurement (2011-2013)
- Chief Operating Officer (2009-2011)

**Bank Pembangunan Malaysia Berhad**

- Vice President/ Head, Group Risk  
Management (2008-2009)

**Bank Simpanan Nasional**

- Director (2006-2008)

**ABRAR Discounts Berhad**

- General Manager (2004-2006)

**Pinnacle Assets Sdn Bhd**

- Director/ Fund Manager Representative  
(2002-2004)

**KSC Sdn Bhd**

- General Manager (2000-2002)

**ABRAR Unit Trust Management  
Berhad**

- Chief Executive Officer (1996-1999)

**ABRAR Futures Sdn Bhd**

- Executive Director (1995-1996)

**BBMB Securities Sdn Bhd**

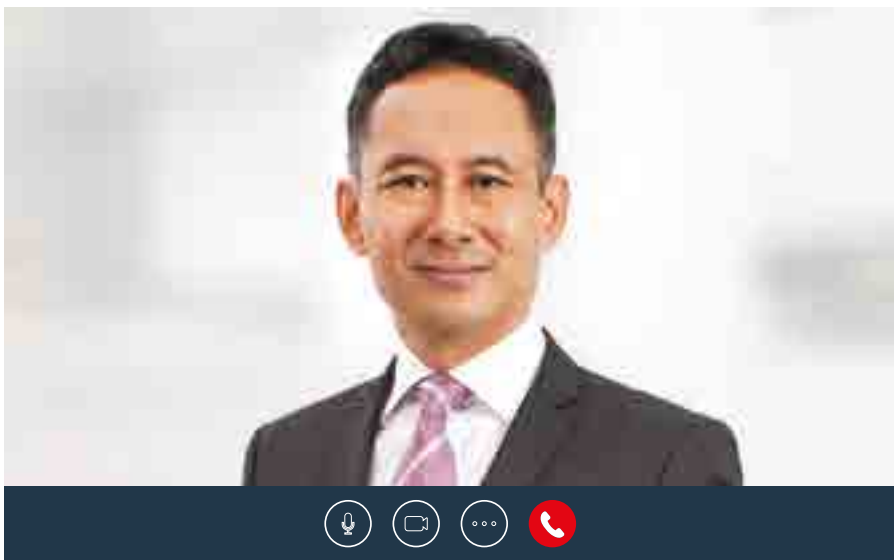
- Executive Director (1991-1994)

**Bank Negara Malaysia**

- Senior Assistant Manager (1978-1991)

**COMMITTED TO STRONG GOVERNANCE**

Who Governs Us



**ROZAINI  
BIN MOHD SANI**

*Non-Independent  
Non-Executive Director*

Male Aged 48 Malaysian

**DATE OF APPOINTMENT:**

7 May 2020 (as an Independent  
Non-Executive Director)

1 December 2020 (Redesignated as a  
Non-Independent Non-Executive Director)

**BOARD MEETING ATTENDANCE IN FY2020**

●●●●●●●● 8/8

**LENGTH OF SERVICE (AS AT 26 APRIL 2021)**

1 year

**ACADEMIC/PROFESSIONAL  
QUALIFICATION/MEMBERSHIP(S):**

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

**PRESENT DIRECTORSHIP(S):**

**Listed Entity:**  
Nil

**OTHER PUBLIC COMPANIES:**

Nil

**PRESENT APPOINTMENT(S):**

- KPJ Healthcare Berhad**
  - Member, Development and Procurement Committee
- Johor Corporation**
  - Chief Financial Officer

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

- Iskandar Waterfront Holdings**
  - Non-Executive Director (2017-2018)
- E.A Technique (M) Berhad**
  - Chief Operating Officer (2016-2017)
- Kulim (M) Berhad**
  - Non-Executive Director (2014-2016)
- Johor Corporation**
  - Senior Vice President, Finance and Corporate Services (2015-2016)
  - Vice President, Finance (2014-2015)
- Astro Malaysia Holdings Berhad**
  - Chief Financial Officer (2013-2014)
- PETRONAS Dagangan Berhad**
  - Chief Financial Officer (2010-2013)
- PETRONAS Group of Companies**
  - Various managerial roles (2001-2010)
- KPMG, Sydney, Australia**
  - Assistant Manager (1995-2001)

## Who Governs Us

### SHAMSUL ANUAR BIN ABDUL MAJID

Non-Independent  
Non-Executive Director

 Male  Aged 50  Malaysian

#### DATE OF APPOINTMENT:

7 May 2020 (as an Independent  
Non-Executive Director)

1 December 2020 (Redesignated as a  
Non-Independent Non-Executive Director)

#### BOARD MEETING ATTENDANCE IN FY2020

 8/8

#### LENGTH OF SERVICE (AS AT 26 APRIL 2021)

1 year



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

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

#### PRESENT DIRECTORSHIP(S):

##### Listed Entity:

- Damansara REIT Managers Sdn Berhad  
Manager of Al-`Aqar Healthcare REIT  
and Al-Salām Real Estate Investment  
Trust

#### OTHER PUBLIC COMPANIES:

- Kulim (Malaysia) Berhad
- QSR Brands (M) Holdings Bhd
- Johor Land Berhad

#### PRESENT APPOINTMENT(S):

##### KPJ Healthcare Berhad

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

##### Johor Corporation

- Chief Investment Officer

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

##### Johor Corporation

- General Manager (2017)

##### Fikiran Sepakat Sdn Bhd

- Director and Partner (2014-2017)

##### Iskandar Waterfront Holdings

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

##### Iskandar Investment Berhad

- Executive Vice President, Strategy and  
Feasibility (2007-2011)

##### Grenland Malaysia

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

##### The Boston Consulting Group

- Energy Sector Specialist (1999-2001)

##### Shell Malaysia

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

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

COMMITTED TO STRONG GOVERNANCE

# Who Lead Us

Activity  
Chat  
Groups  
Calendar  
Calls  
Files

<https://kpj.listedcompany.com/management.html>

 <b>AHMAD SHAHIZAM BIN MOHD SHARIFF</b> <i>President &amp; Managing Director</i>	 <b>NIK ZAINON BINTI YUSSOFF</b> <i>Chief Operating Officer</i>	 <b>NORHAIZAM BINTI MOHAMMAD</b> <i>Chief Financial Officer</i>
 <b>SURIAGHANDI A/L SUPPIAH</b> <i>Chief Transformation Officer</i>	 <b>NIK IZHAR BIN NIK MOHAMMED</b> <i>Chief Commercial Officer</i>	 <b>ARIESZA NOOR</b> <i>Chief Corporate Officer</i>
 <b>SHATHIRAN BIN MOHD IDRUS</b> <i>Chief Talent Officer</i>	 <b>YAP CHEE WAI</b> <i>Chief Technology Officer</i>	 <b>AMINUDIN BIN DAWAM</b> <i>Head Of Projects</i>

Meeting details ^    Turn on captions    Present now



## Who Lead Us



**MOHD SAHIR  
BIN RAHMAT**  
*Head Of International Business*



**ROSLAN  
BIN AHMAD**  
*Regional CEO (Northern Region)*



**DATO' MOHD FARID  
BIN SALIM**  
*Regional CEO (Central Region I)*



**MAISARAH  
BINTI OMAR**  
*Regional CEO (Central Region II)*



**ASMADI  
BIN MOHD BAKRI**  
*Regional CEO (Southern Region I)*



**KHAIRUN  
BIN AHMAD**  
*Regional CEO (Southern Region II)*



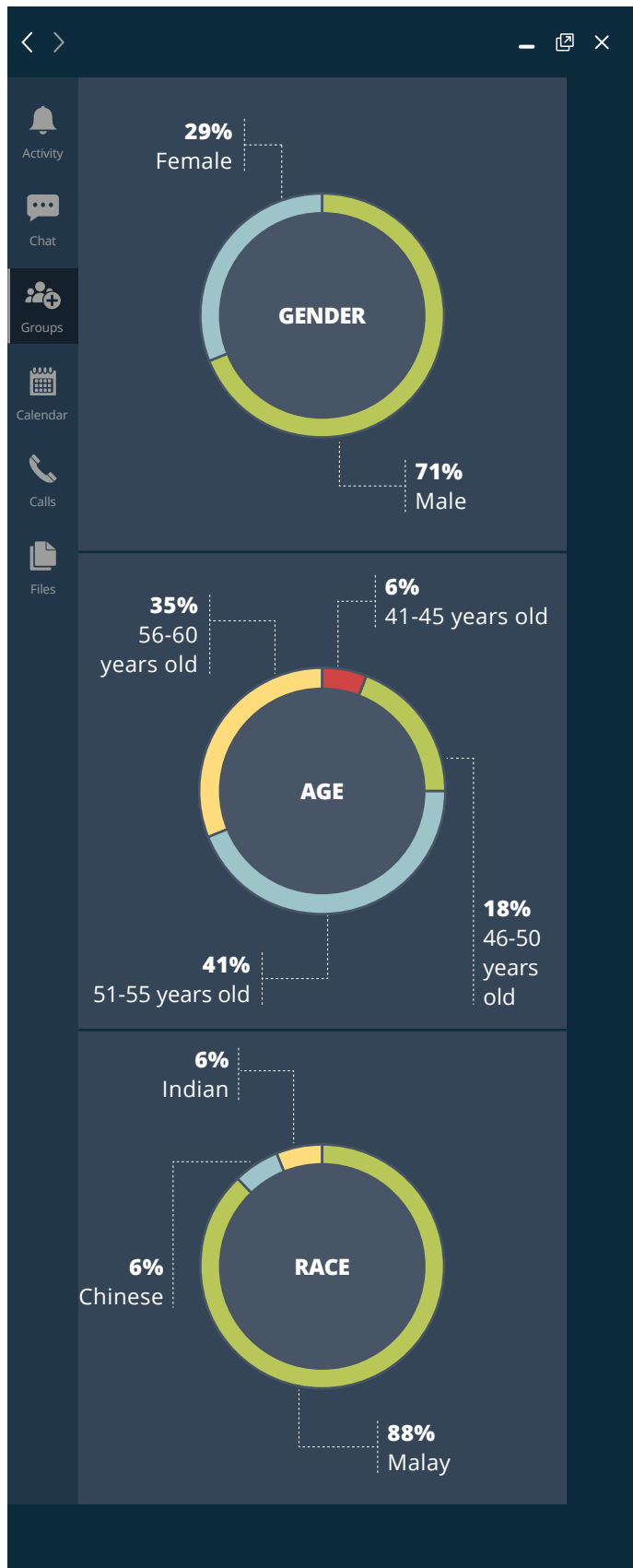
**MUNIRAH  
BINTI KHUDRI**  
*Regional CEO (East Coast Region)*



**MOHD NASIR  
BIN MOHAMED**  
*Regional CEO (East Malaysia Region)*

**COMMITTED TO STRONG GOVERNANCE**

Who Lead Us



Meeting details ^

Turn on captions

**AHMAD SHAHIZAM BIN MOHD SHARIFF**

President & Managing Director

Male | Aged 50 | Malaysian | 1 July 2020

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor of Laws (LLB), London School of Economics and Political Science, University of London, United Kingdom
- Master in Public Administration, Harvard University, Cambridge, Massachusetts, United States of America

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

**The MCKK Foundation**

- Board Member and Trustee (since November 2008) Malaysia

**Malaysian Healthcare Travel Council**

- Board Member (Independent Member and Audit Committee)

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Ahmad Shahizam began his career in banking with HSBC Malaysia in 1994 and subsequently served at ING Barings, Salomon Smith Barney and HSBC Amanah Finance. In 2004, he joined Khazanah Nasional Berhad as Special Officer to the Managing Director and went on to assume the position of Director of Investments where he was responsible for Khazanah's investments in the healthcare and power sectors. In 2008, he was appointed an Alternate Director of Parkway Holdings Limited (Parkway), as well as a Director of Pantai Holdings Berhad and IMU Health Sdn Bhd, before his appointment as Executive Director of Parkway in 2010. He then took on the role of Executive Director of IHH Healthcare Berhad in 2012 before he assumed the position of Chief Executive Officer of Pantai's Operations Division in July 2014. In this role, he oversaw the overall operations of the Pantai Group in Malaysia and corporate functions of Parkway Pantai's Malaysia operations. En. Ahmad Shahizam then went on to serve as IHH's Chief Corporate Officer in 2017. Following his time with the IHH Group, he served as an Advisor to Healthcare Optimisation Partners Sdn Bhd from 2018 and Medplanner Sdn Bhd from 2019, before assuming his current position at KPJ on 1 July 2020.

## Who Lead Us



Present now



### NIK ZAINON BINTI YUSOFF

Chief Operating Officer (COO)

Female Aged 52 Malaysian 14 September 2020

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

- Bachelor of Science (Major in Finance ), University of Alabama at Birmingham, USA
- Post Graduate Diploma in Health Service and Hospital Management, South Bank University, London
- Innovating Health for Tomorrow Programme, INSEAD, Fontainebleu, France
- Competitive Strategy Programme, INSEAD, Fontainebleu, France
- The Job of CEO, Singapore Institute of Management (SIM)

#### PRESENT DIRECTORSHIP(S): LISTED ENTITY:

Nil

#### OTHER PUBLIC COMPANIES:

Nil

#### WORKING EXPERIENCE:

Nik Zainon began her career in KPJ in 1993 where she served for 10 years. She then went on to work with TDM Berhad for a period of 15 years, holding various positions within the TDM Group. She then re-joined KPJ in September 2020 as Chief Operating Officer.

### NORHAIZAM BINTI MOHAMMAD (ACMA,CGMA)

Chief Financial Officer (CFO)

Female Aged 48 Malaysian 20 April 2017

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

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

#### PRESENT DIRECTORSHIP(S): LISTED ENTITY:

Nil

#### OTHER PUBLIC COMPANIES:

Nil

#### WORKING EXPERIENCE:

She served in Utusan Melayu (M) Berhad between 1996 and 1997 and subsequently as a Manager of Audit and Business Assurance at PricewaterhouseCoopers from 1997 to 2007. She then joined KPJ in 2008 holding various positions in companies and hospitals within the KPJ Group until her appointment as Chief Financial Officer in 2017. She is currently a member of the Board of Directors of two hospitals and five support services companies within the Group.

**COMMITTED TO STRONG GOVERNANCE**

Who Lead Us



Meeting details ^ Turn on captions Present now

**SURIAGHANDI A/L SUPPIAH**

Chief Transformation Officer

Male | Aged 52 | Malaysian | 1 September 2020

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor of Business (Accounting), Monash University, Australia
- Master of Business Administration, University of Chicago Booth School of Business, Chicago, USA
- Member of the Harvard Business School Alumni Club of Malaysia
- Attended the ASEAN Senior Management Development Program by Harvard Business School
- Attended the Genovasi organized Design Thinking School by Stanford School

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Suriaghandi brings over 24 years' experience in various aspects of business operations to the table. He has a proven expertise in strategy, business turnaround, expansion, and investments with a solid knowledge of high-level managerial practices, business administration and strategy. He has a truly universal skill set given his experience in the Healthcare, Investments, Property Asset Management as well as Energy and Utilities segments. He adopts a global outlook on business with an emphasis on developing staff and working relationships while growing the business. His experience in Malaysia, the Asia Pacific, and Europe have seen him working in companies such as Khazanah Nasional Berhad, Pantai Holdings Berhad, Parkway Group Healthcare Pte Ltd, Parkway Laboratory Services Ltd, Parkway Pantai, Salcon Green Energy (UK), KPMG, Pulau Indah Ventures (Khazanah and Temasek Holdings JV company) and Savills Malaysia. He took up the role of Chief Transformation Officer at KPJ in September 2020.

**NIK IZHAR BIN NIK MOHAMMED**

Chief Commercial Officer (CCO)

Male | Aged 50 | Malaysian | 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Associate of The Chartered Institute of Management Accountants (CIMA) UK
- Bachelor of Accounting and Finance (Hons), Manchester Metropolitan University, UK

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

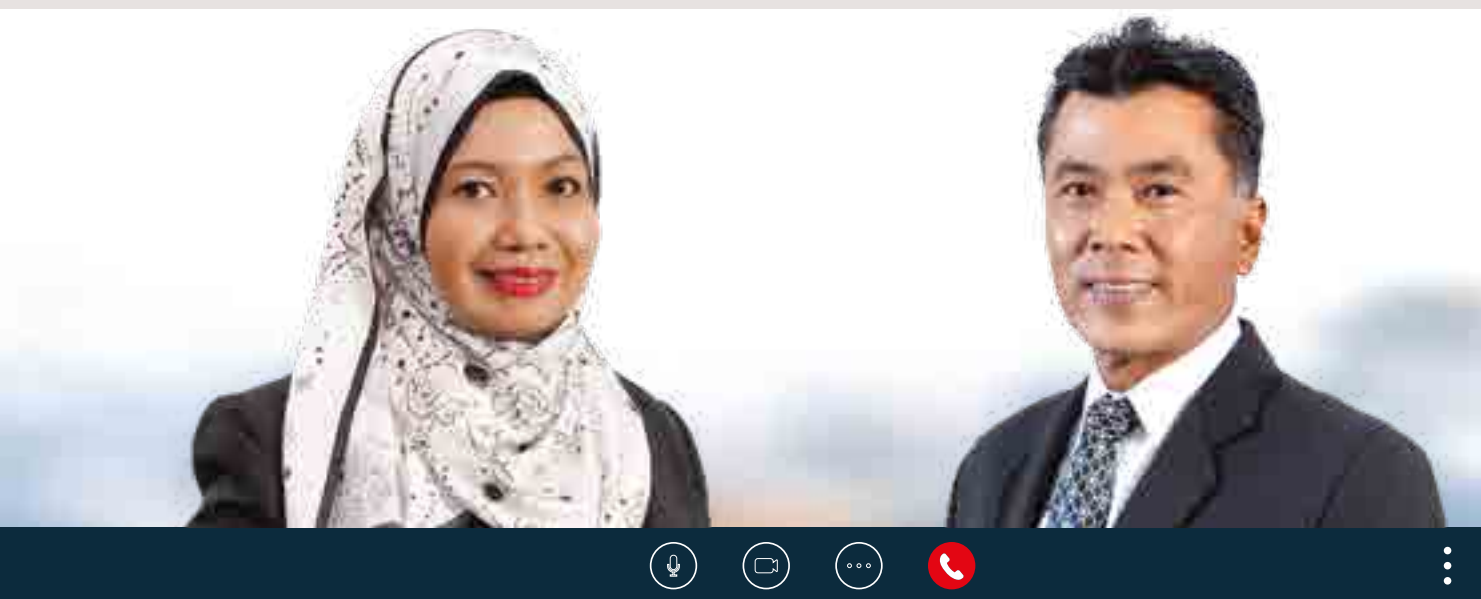
**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Nik Izhar began his career as a finance professional in the construction industry. He then went on to an international cosmetic direct selling company for 17 years, becoming a retail and franchise expert with end-to-end strategic and operational accountability in Sales, Marketing, IT and Supply Chain (logistics and distribution) management. He also had short stints as a regional representative to revive ailing businesses in Thailand, Vietnam and Indonesia. In 2017, he joined KPJ Ampang Puteri Specialist Hospital's management before moving to KPJ Headquarters in mid-2020 to take up a position in the Transformation Management Office. He was appointed the Chief Commercial Officer of KPJ on 1 February 2021.

## Who Lead Us



### ARIESZA NOOR

Chief Corporate Officer

Female Aged 44 Malaysian 1 March 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- BCOM (Hons) Accounting and Finance, Lincoln University, New Zealand
- Fellow, CPA Australia

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Being a full board scholar of Tenaga Nasional Berhad (TNB), Ariesza served in TNB in various financial and accounting roles from 1999 onwards. In 2012, she joined IHH Healthcare Berhad as their Vice President of Investor Relations and Corporate Communications. She also served as the Vice President, Group Strategy and Operations for WASCO Energy, a multinational oil and gas services company owned by Wah Seong Corporation Berhad from a cumulative 11 years. At WASCO, she oversaw the Group’s branding, marketing, strategic planning and M&A activities, apart from leading WASCO’s major pipe coating operations in Malaysia. She came onboard KPJ in March 2021 as Chief Corporate Officer.

### SHATHIRAN BIN MOHD IDRUS

Chief Talent Officer

Male Aged 56 Malaysian 12 April 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Master in Business Administration, University of Missouri

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Shathiran started his career in 1989 and until 2012, he developed his career with several multinational companies namely Philips, Sara Lee Corporation, ICI Paints and Continental Sime Tyre. He held Human Resource leadership roles in these companies, mostly at Asia Pacific Regional level.

Switched his career exposure from multinational companies to Government-Linked Companies in 2012 by joining Permodalan Nasional Berhad, Petronas Lubricant International, RHB and later on Theme Attractions, Resorts and Hotels, a Khazanah Nasional Berhad entity.

Shathiran joined KPJ Healthcare Berhad in April 2021.

**COMMITTED TO STRONG GOVERNANCE**

Who Lead Us



Meeting details ^



Turn on captions



Present now

**YAP CHEE WAI**

Chief Technology Officer (CTO)



Male



Aged 53



Malaysian



11 February 2019

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor of Engineering with Honours (Major-Electronics and Computer Engineering), Monash University, Australia
- Bachelor of Science (Major- Computer Science) , Monash University, Australia

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Yap brings to the table 29 years of experience in the Information Technology (IT), Telecommunication, Mobile and Digital Services, as well as Ports and Logistics sectors. He joined KPJ in February 2019, assuming the role of Chief Technology Officer.

**AMINUDIN BIN DAWAM**

Head of Projects



Male



Aged 57



Malaysian



1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Master of Business Administration, Sam Houston State University, Huntsville, Texas, USA
- Bachelor of Business Administration (Finance) from Sam Houston State University, Huntsville, Texas, USA
- Post-Graduate Diploma in Health Sciences and Hospital Management at South Bank University, London, UK

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

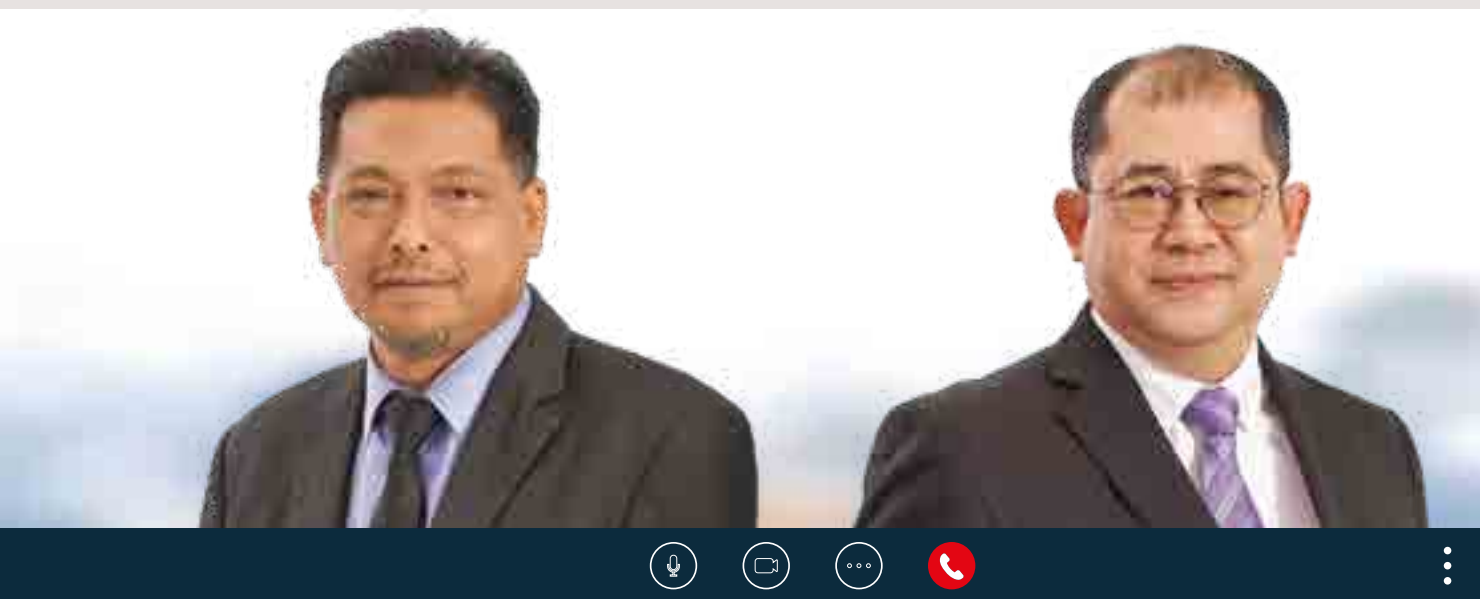
**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Aminuddin Bin Dawam joined Johor Corporation (JCorp) after graduating in 1988. He then joined KPJ in 1992 where he held various positions in companies and hospitals within the KPJ Group. He was the Commissioning Director for United Hospital, Dhaka, Bangladesh before his appointment as the Group General Manager of KPJ in 2008. Between 2011 and 2013, he was in Pantai Holdings Berhad as its Chief Operating Officer, Malaysia Operations overseeing the operations of both Pantai and Gleneagles hospitals in Malaysia. He re-joined JCorp in September 2013 as the Senior Vice President, Business Development Division and came fully on board as KPJ's Executive Director from 1 January 2017 until May 2020. During this period, he also oversaw the International Business and Support Companies portfolios. Effective February 2021, he sits as the Head of Projects overseeing the execution and development of projects within the KPJ Group.

## Who Lead Us



### MOHD SAHIR BIN RAHMAT

Senior Vice President  
Head of International Business

Male Aged 57 Malaysian 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Master of Business Administration, Henley Business School, University of Reading, UK
- Bachelor of Accountancy, Universiti Kebangsaan Malaysia
- Postgraduate Diploma in Health Services and Hospital Management from the South Bank University, London
- Member of Malaysian Institute of Accountants (MIA)

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Mohd Sahir joined JCorp in May 1987 before joining KPJ in 1991 where he held various positions in companies and hospitals within the Group. He served as the Group Financial Officer and Vice President (I) of Corporate and Financial Services for three and four years respectively. In 2017, he transferred to JCorp upon being promoted as the Vice President of Business Development and appointed as a Non-Independent Non-Executive Director of KPJ representing JCorp. In 2020, he re-joined KPJ as Senior Vice President, Corporate Affairs and relinquished Directorship of KPJ. Upon the restructuring of the Group involving KPJ's top management, he took on the role of Head of International Business effective February 2021.

### ROSLAN BIN AHMAD

Regional CEO (Northern Region)

Male Aged 57 Malaysian 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

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

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Prior to joining KPJ in 1996, Roslan was with the Malaysian Pineapple Industry Board from 1988 where he served its London office until 1995. Currently he is the Regional CEO (Northern Region) of six hospitals, and a Board member of several support companies in the Group.

**COMMITTED TO STRONG GOVERNANCE**

Who Lead Us



Meeting details ^



Turn on captions



Present now

**DATO' MOHAMAD FARID BIN SALIM**

Regional CEO (Central Region I)



Male



Aged 56



Malaysian



1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Fellowship of Chartered Association of Certified Accountants (FCCA), United Kingdom
- Master of Business Administration International Business, University of East London, UK
- Post Graduate Diploma in Healthcare Management from South Bank University, London, UK
- Leadership Development Program at Henley Business School, University of Reading, UK
- Member of Malaysian Institute of Accountants (MIA)
- Certified in Advanced JCorp Leadership Program
- Certified in INSEAD JCorp Executive Coaching Program

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Dato' Mohamad Farid Bin Salim joined KPJ in 1994 and has held various positions in companies and hospitals within the KPJ Group. Currently he is the Regional CEO (Central Region I) of five hospitals, and a Board member of several support companies.

**MAISARAH BINTI OMAR**

Regional CEO (Central Region II)



Female



Aged 52



Malaysian



1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor in Accountancy, Universiti Putra Malaysia (UPM)
- Master in Healthcare Management, Universiti Teknologi Malaysia
- Member, Malaysian Institute of Accountants (MIA)

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

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



## Who Lead Us



### ASMADI BIN MOHD BAKRI

Regional CEO (Southern Region I)

Male Aged 53 Malaysian 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Master of Business Administration (Healthcare Management) - Universiti Teknologi Malaysia (UTM)
- Bachelor of Arts (Accounting and Finance) - South Bank University, London, UK
- Leadership Development for Corporate Excellence - Kellogg School of Management, Northwestern University, Chicago, USA

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

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

### KHAIRUN BIN AHMAD @ SALIMAN

Regional CEO (Southern Region II)

Male Aged 59 Malaysian 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Master of Business Administration, Henley Management College, UK
- Degree in Accountancy - Universiti Kebangsaan Malaysia (UKM)

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

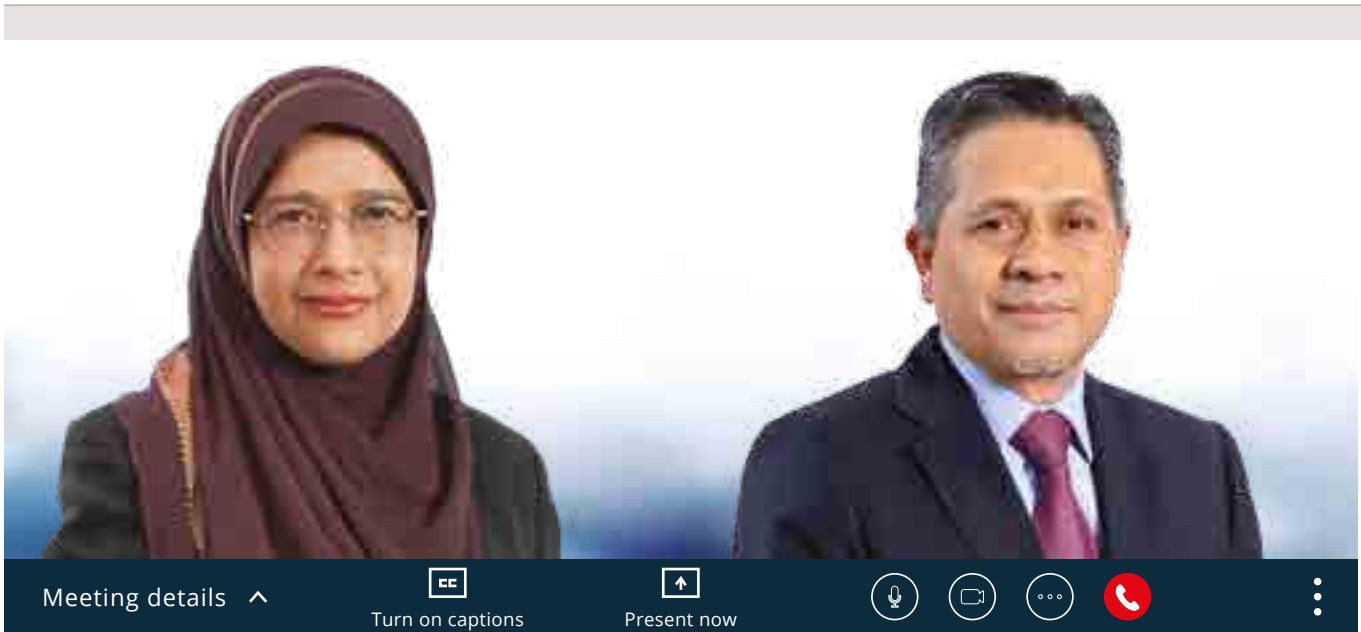
Nil

**WORKING EXPERIENCE:**

Khairun Bin Ahmad @ Saliman joined KPJ in 1994 and has held various positions in companies and hospitals within the KPJ Group. Currently he is the Regional CEO (Southern II) of four hospitals and a Board member of several support companies.

**COMMITTED TO STRONG GOVERNANCE**

Who Lead Us



**DR. MUNIRAH BINTI KHUDRI**

Regional CEO (East Coast Region)

Female Aged 53 Malaysian 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

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

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

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

**MOHD NASIR BIN MOHAMED**

Regional CEO (East Malaysia Region)

Male Aged 60 Malaysian 1 February 2021

**ACADEMIC/PROFESSIONAL QUALIFICATION/MEMBERSHIP(S):**

- Bachelor of Accountancy, University of Abertay, Dundee, Scotland, UK
- Post Graduate Diploma in Healthcare Services and Hospital Management, South Bank University London, UK

**PRESENT DIRECTORSHIP(S): LISTED ENTITY:**

Nil

**OTHER PUBLIC COMPANIES:**

Nil

**WORKING EXPERIENCE:**

Mohd Nasir Bin Mohamed joined KPJ in 1993 and has held various positions in companies and hospitals within the KPJ Group. He is currently the Regional CEO (East Malaysia Region) of four hospitals, and a Board member of several support companies.

None of the KPJ Group Management Committee have any conflict of interest with the Company, family relationship with any Director and/ or Major Shareholder, or have any convictions for offences (other than traffic offences) within the past five years or any public or penalty imposed by the relevant regulatory bodies during the financial year.

# Corporate Information

## REGISTERED OFFICE

KPJ Healthcare Berhad  
(199201015575 (247079-M))  
Level 17, Menara KPJ,  
238, Jalan Tun Razak,  
50400 Kuala Lumpur,  
Wilayah Persekutuan,  
Malaysia.

T (603) 2681 6222  
F (603) 2681 6888

## CORPORATE OFFICE

KPJ Healthcare Berhad  
Level 12, Menara KPJ,  
Jalan Tun Razak,  
50400 Kuala Lumpur,  
Malaysia.

T (603) 2681 6222  
F (603) 2681 6888  
E kpj@kpjhealth.com.my

## PRINCIPAL BANKERS

Maybank Islamic Berhad  
Menara Maybank,  
100, Jalan Tun Perak,  
50050 Kuala Lumpur,  
Malaysia.

HSBC Amanah Malaysia Berhad  
No. 2, Leboh Ampang,  
50100 Kuala Lumpur, Malaysia.

## REGISTRAR

Khidmat Korporat,  
Larkin Sentral Property Berhad  
Lot S8, Podium 1, Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru  
Johor Malaysia.

T 07-297 2521/22

## AUDITOR

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Level 23A, Menara Milenium,  
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50490 Kuala Lumpur, Malaysia.

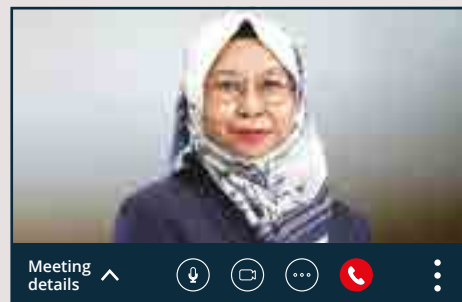


## STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad  
Main Market  
(Listed since 29 November 1994)  
Stock code: KPJ (5878)

## COMPANY SECRETARY

**Hana Binti Ab Rahim @ Ali**  
Company Secretary  
(MAICSA 7064336)



COMMITTED TO STRONG GOVERNANCE

# Corporate Structure

As at 26 April 2021



- ▶ **100%** Bandar Dato Onn Specialist Hospital Sdn Bhd (KPJ Bandar Dato Onn Specialist Hospital)
- ▶ **100%** Kluang Specialist Hospital Sdn Bhd

**100%**  
Johor Specialist Hospital Sdn Bhd (KPJ Johor Specialist Hospital)

**100%**  
Kumpulan Perubatan (Johor) Sdn Bhd

**100%**  
Point Zone (M) Sdn Bhd

**100%**  
Tawakal Holdings Sdn Bhd

- ▶ **100%** Ampang Puteri Specialist Hospital Sdn Bhd (KPJ Ampang Puteri Specialist Hospital)
- ▶ **100%** Bandar Baru Klang Specialist Hospital Sdn Bhd (KPJ Klang Specialist Hospital)
- ▶ **100%** Kajang Specialist Hospital Sdn Bhd (KPJ Kajang Specialist Hospital)
- ▶ **100%** Maharani Specialist Hospital Sdn Bhd (KPJ Bandar Maharani Specialist Hospital)
- ▶ **100%** Pasir Gudang Specialist Hospital Sdn Bhd (KPJ Pasir Gudang Specialist Hospital) (KPJ Puteri Specialist Hospital) (KPJ Batu Pahat Specialist Hospital)
- ▶ **100%** Penang Specialist Hospital Sdn Bhd (KPJ Penang Specialist Hospital) (Taiping Medical Centre)
- ▶ **100%** Pusat Pakar Kluang Utama Sdn Bhd (KPJ Kluang Specialist Hospital)
- ▶ **100%** Rawang Specialist Hospital Sdn Bhd (KPJ Rawang Specialist Hospital) (KPJ Damansara Specialist Hospital)
- ▶ **100%** Sentosa Medical Centre Sdn Bhd (KPJ Sentosa KL Specialist Hospital)
- ▶ **100%** Sibu Medical Centre Corporation Sdn Bhd (Sibu Specialist Medical Centre)
- ▶ **100%** SMC Healthcare Sdn Bhd (KPJ Sabah Specialist Hospital)
- ▶ **100%** Amity Development Sdn Bhd
- ▶ **70%** Kuching Specialist Hospital Sdn Bhd (KPJ Kuching Specialist Hospital)
- ▶ **70%** Miri Specialist Hospital Sdn Bhd (KPJ Miri Specialist Hospital)
- ▶ **70%** Pahang Specialist Hospital Sdn Bhd (KPJ Pahang Specialist Hospital)
- ▶ **61%** Perdana Specialist Hospital Sdn Bhd (KPJ Perdana Specialist Hospital)

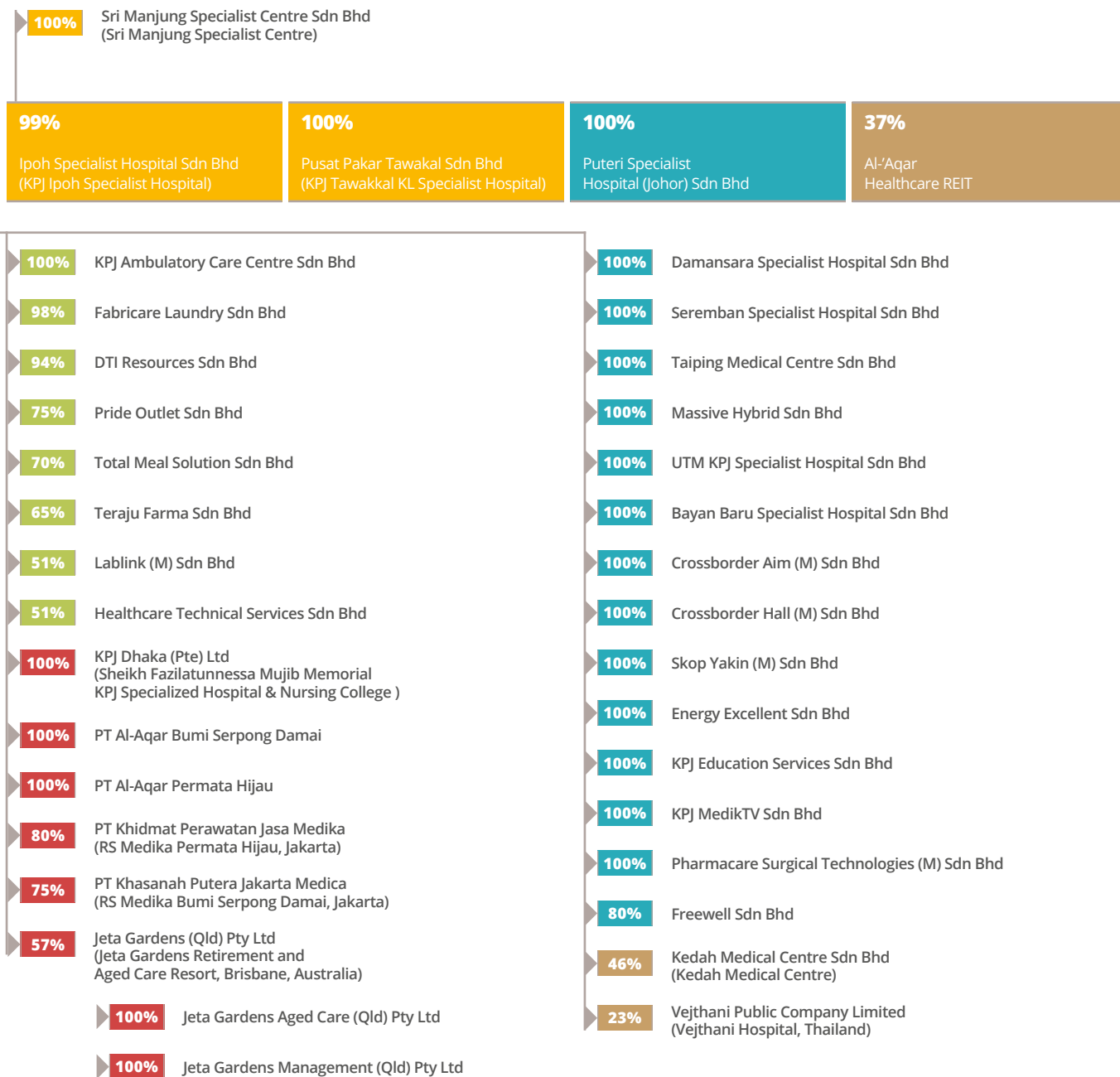
- ▶ **60%** Perlis Specialist Hospital Sdn Bhd (KPJ Perlis Specialist Hospital)
- ▶ **60%** Selangor Specialist Hospital Sdn Bhd (KPJ Selangor Specialist Hospital)
- ▶ **52%** Pusrawi SMC Sdn Bhd
- ▶ **100%** Kuantan Wellness Center Sdn Bhd (KPJ Kuantan Care and Wellness Centre)
- ▶ **100%** Kota Kinabalu Wellness Sdn Bhd
- ▶ **100%** Advanced Health Care Solutions Sdn Bhd
- ▶ **100%** KPJ Eyecare Specialist Sdn Bhd (KPJ Center For Sight)
- ▶ **100%** Pharmaserv Alliances Sdn Bhd
- ▶ **75%** Malaysian Institute of Healthcare Management Sdn Bhd
- ▶ **100%** KPJ Healthcare University College Sdn Bhd
- ▶ **100%** KPJ Education (M) Sdn Bhd
- ▶ **100%** Sibu Geriatric Health & Nursing Centre Sdn Bhd
- ▶ **100%** KPJ HealthShoppe Sdn Bhd
- ▶ **100%** Sterile Services Sdn Bhd
- ▶ **100%** Healthcare IT Solutions Sdn Bhd
- ▶ **100%** PharmaCARE Sdn Bhd
- ▶ **100%** BDC Specialist Hospital Sdn Bhd

**Legend:**

- Malaysian Operations
- Support Services
- Overseas Operations
- Dormant Companies
- Associates

## Corporate Structure

As at 26 April 2021



**COMMITTED TO STRONG GOVERNANCE**

# 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 three Principles, 32 Practices and four 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 2020 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 [https://kpj.listedcompany.com/cg\\_report.html](https://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 (AC) as well as Medical Advisory Committee Report (MAC). The Corporate Governance Framework is developed based on the following statutory requirements, best practices and guidelines:-

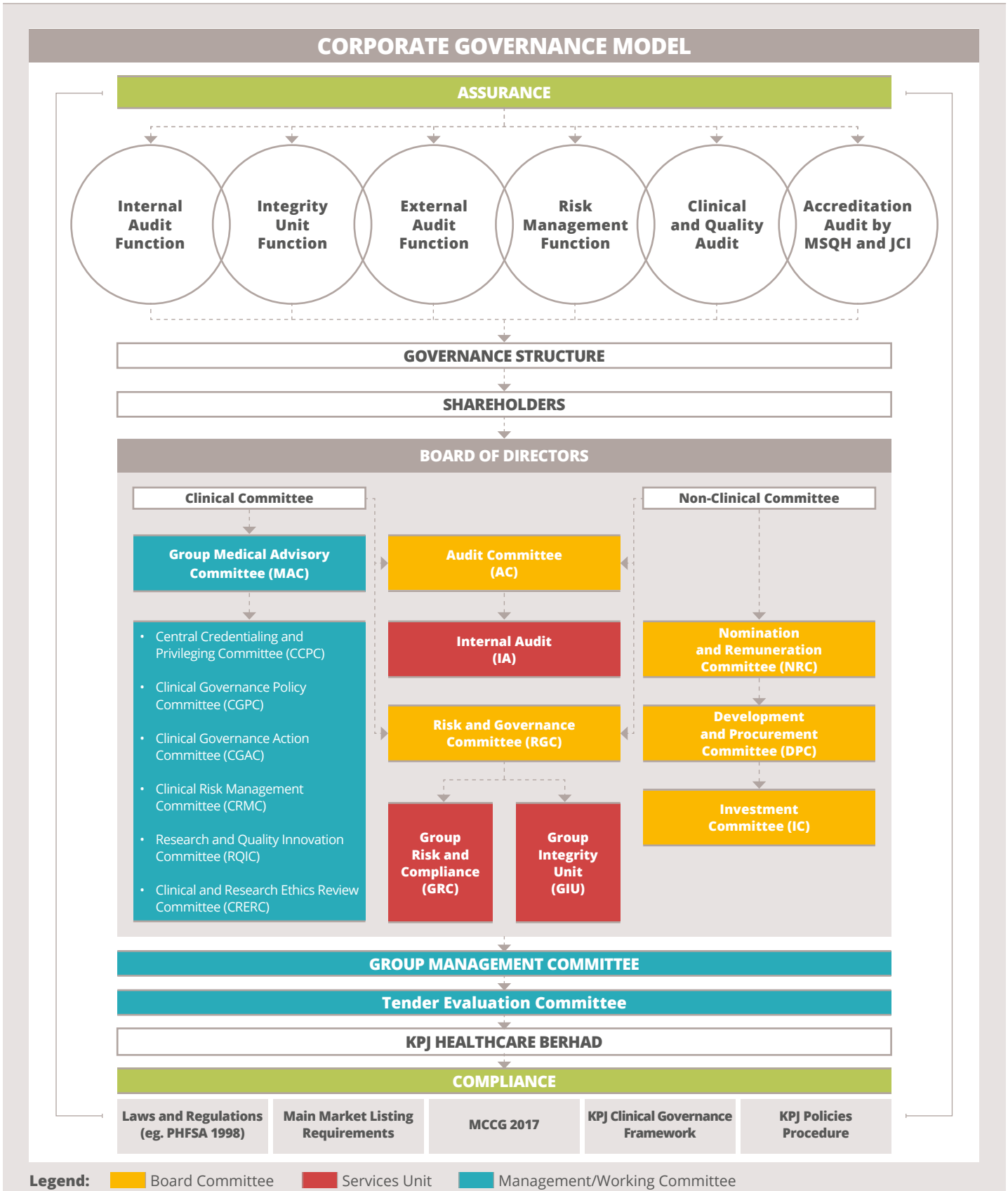
 <p><b>Companies Act 2016 (CA 2016)</b></p>	 <p><b>Main LR of Bursa Securities</b></p>	 <p><b>Malaysia Code on Corporate Governance 2017 (MCCG 2017)</b></p>	 <p><b>Corporate Governance Guide - 3<sup>rd</sup> Edition published on 17 December 2017</b></p>
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The 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 Risk and Governance Committee (RGC) on 1<sup>st</sup> March 2021. As at the date of this Integrated Report, we have applied all the practices in MCCG 2017 except for the following:-

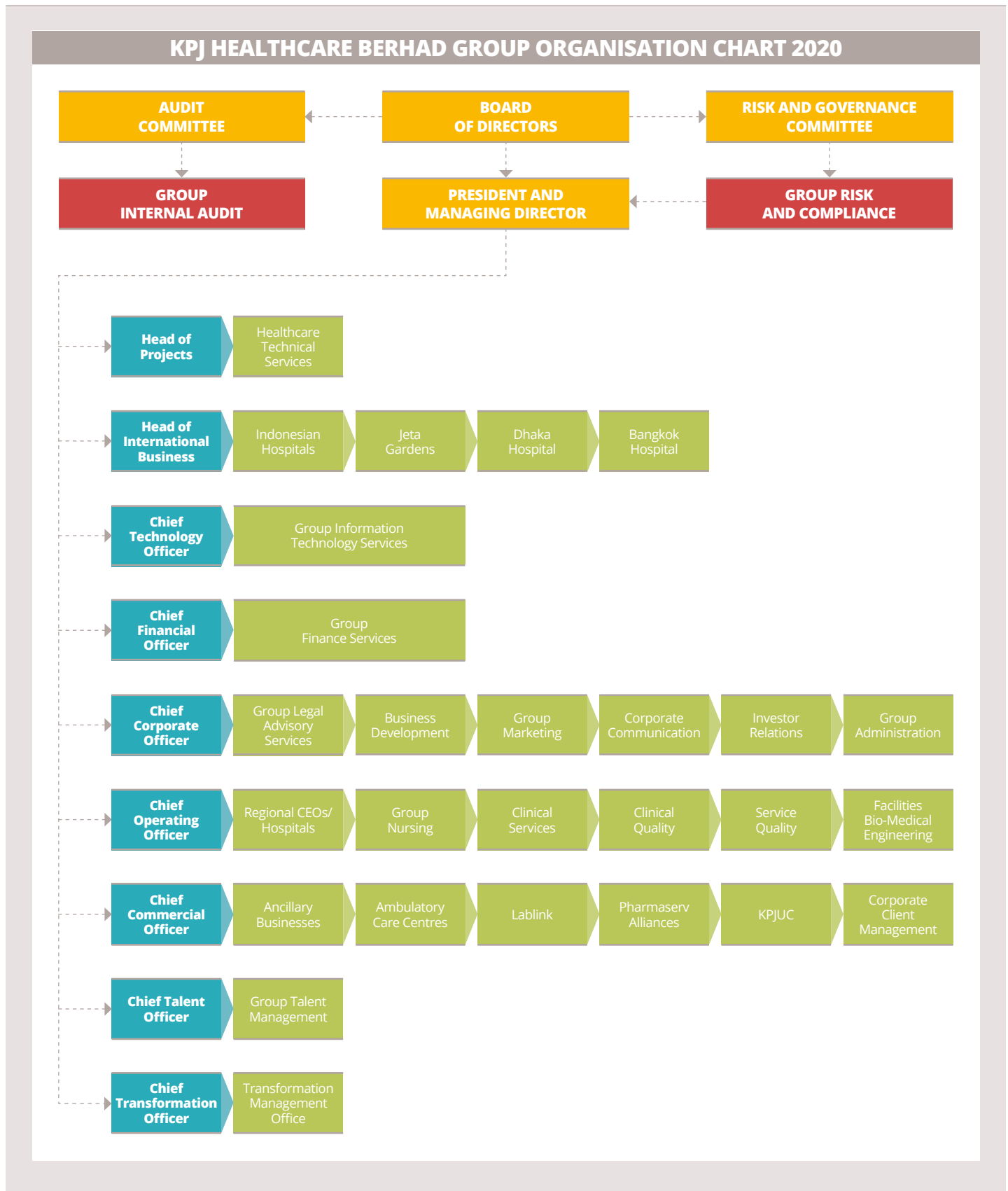
<p><b>Practice 4.1</b> ▼</p> <p>At least half of the board comprises of independent directors. For Large Companies, the board comprises of a majority independent directors.</p>	<p><b>Practice 4.5</b> ▼</p> <p>The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.</p>	<p><b>Practice 7.3 Step-up</b> ▼</p> <p>Companies are encouraged to fully disclose the detailed remuneration of each of senior management on a named basis.</p>	<p><b>Practice 8.4 Step-up</b> ▼</p> <p>The audit committee should comprise solely of independent directors.</p>	<p><b>Practice 9.3 Step-up</b> ▼</p> <p>The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company’s risk management framework and policies.</p>
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The explanation for the departure from the Practices and measures to be taken are provided in the CG Report.

# Corporate Governance Overview



**COMMITTED TO STRONG GOVERNANCE**  
Corporate Governance Overview





## Corporate Governance Overview

PRINCIPLE A PRINCIPLE B PRINCIPLE C

### BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES



#### STRUCTURAL CHANGES TO BOARD COMPOSITION

<b>New Appointment of Managing Director</b>	<b>Date: 1 July 2020</b>
<ul style="list-style-type: none"> <li>Ahmad Shahizam Bin Mohd Shariff</li> </ul>	
<b>Re-designation from Independent Non-Executive Director to Non-Independent Non- Executive Director</b>	<b>Date: 1 December 2020</b>
<ul style="list-style-type: none"> <li>Prof Dato' Dr. Azizi Bin Haji Omar</li> <li>Dato' Dr. Ngun Kok Weng</li> <li>Dato' Dr. Sivamohan A/L S.Namasivayam</li> </ul>	
<b>Resignation of Managing Director</b>	<b>Date: 1 July 2020</b>
<ul style="list-style-type: none"> <li>Dato' Amiruddin Bin Abdul Satar</li> </ul>	
<b>Resignation of Non-Independent Non-Executive Directors</b>	<b>Date: 8 October 2020</b>
<ul style="list-style-type: none"> <li>Dato' Seri (Dr.) Mohamed Azahari Bin Mohamed Kamil</li> </ul>	

Ahmad Shahizam Bin Mohd Shariff, the President and Managing Director 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 2020, for which the President and Managing Director has the responsibility to execute and achieve. It also forms the basis where the performance of Management will be assessed.

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 in accordance with the Terms of Reference (TOR) of the respective committees.

The roles of the Chairman of the Board, President and Managing Director and the ten (10) 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 and Managing Director are clearly segregated to ensure that there is a balance of power and authority.

The Company Secretary 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 Secretary support the Board in managing the Group's Governance Model, ensuring it is effective and relevant. Each Board member has unrestricted access to the advice and services of the Company Secretary.

**COMMITTED TO STRONG GOVERNANCE**

Corporate Governance Overview

PRINCIPLE A

PRINCIPLE B

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**BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES**



**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 2020**

- The Board reviewed, challenged and approved the Group's Strategic Plan for long term value creation and business growth.
- The Board supervised and guided management in navigating the Group's business operations and performance amidst the challenges posed by the COVID-19 pandemic.
- The Board commissioned an independent review on Board assessment and effectiveness, training, remuneration and governance.
- Discussed and engage management on the risks and opportunities of the Group's material matters as well as other value drivers that may have a direct and indirect impact on the Group performance.

**PRIORITIES IN 2021**

- To develop strategy and manage 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 and Our Seven Strategic Thrust.

**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

## Corporate Governance Overview

PRINCIPLE A PRINCIPLE B PRINCIPLE C

### BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES

#### 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 and Managing Director in ensuring the smooth running of the Group's business and operations.

These are enshrined in the Board Charter, which has been updated in 2020 to be in line with the practices of MCCG 2017 and the Companies Act 2016 and due to the current composition in the Board, it has been revised in 2021.

 The full extent of Board responsibilities including Code of Conduct is available at [https://kpj.listedcompany.com/board\\_charter.html](https://kpj.listedcompany.com/board_charter.html).

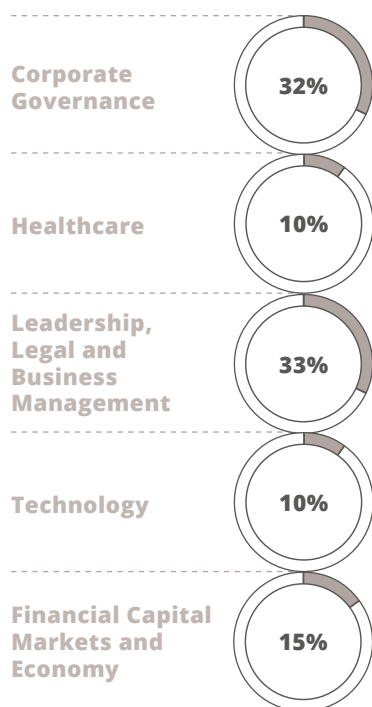
#### CONTINUING EDUCATION PROGRAMMES

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.

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 Main LR. During the year, the Board members have attended trainings/ programmes organised by various parties as disclosed under Practice 2.1 of the CG Report.

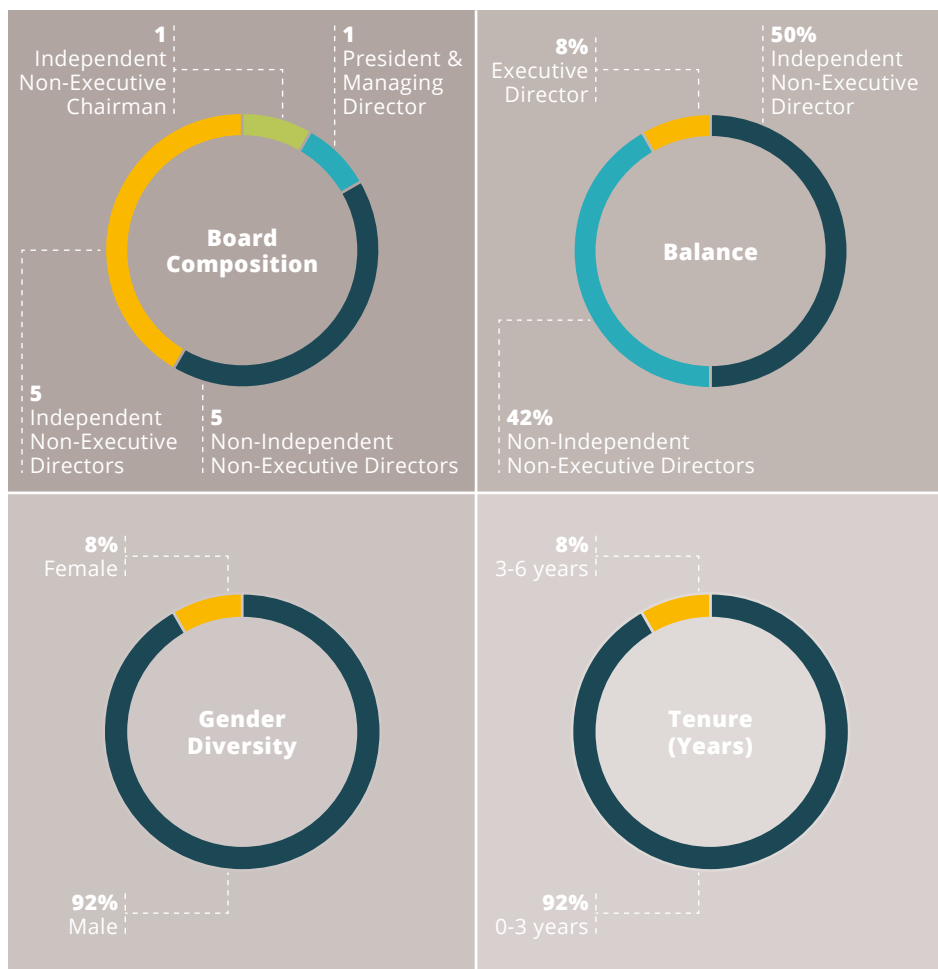
#### 2020 DIRECTORS' TRAINING FOCUS AREAS

##### PROGRAMMES



#### BOARD COMPOSITION

The composition of the Board of Directors is as follows:



## COMMITTED TO STRONG GOVERNANCE

### Corporate Governance Overview

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#### BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES

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 88 to 99** 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 also approved the NRC's recommendation that the Board size be decrease to 12 from 13 directors previously.

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

#### EXPERIENCE AND SKILLS



#### MEETING CALENDAR 2020

Independent Non-Executive Director							
	BOD	ACM	RGC	DPC	NRC	IC	MAC
Dato' Yusli Bin Mohamed Yusoff <sup>(a)</sup>	10/10				2/2		
Christina Foo	10/10	7/7	1/1			6/6	
Datuk Mohd Radzif Bin Mohd Yunus <sup>(b)</sup>	10/10			12/12	6/6	6/6	
Mohamed Ridza Bin Mohamed Abdulla <sup>(c)</sup>	8/8		6/6		6/6	6/6	
Dato' Mohd Redza Shah Bin Abdul Wahid <sup>(d)</sup>	8/8			12/12	5/5	6/6	
Khairuddin Bin Jaflus <sup>(d)</sup>	8/8	5/5	6/6	12/12			
Dato' Dr. Zaki Morad Bin Mohamad Zaher <sup>(e)</sup>	2/2		1/1	1/1			4/4
Tan Sri Datin Paduka Siti Sa'diah Binti Sh Bakir <sup>(f)</sup>	2/2			1/1	1/1		
Dato' Muthanna Bin Abdullah <sup>(f)</sup>	2/2	2/2	1/1		1/1		
Dato' Dr. Bajit Kor A/P Teja Singh <sup>(e)</sup>	2/2	2/2			2/2		4/4

#### Executive Directors

Ahmad Shahizam Bin Mohd Shariff - Managing Director <sup>(h)</sup>	6/6						2/2
Dato' Amiruddin Bin Abdul Satar - Managing Director <sup>(g)</sup>	3/4						2/2
Aminudin Bin Dawam <sup>(e)</sup>	2/2						
Jasimah Binti Hassan <sup>(e)</sup>	2/2		1/1				4/4

#### Non-Independent Non-Executive Directors

Dato' Seri (Dr) Mohamed Azahari Bin Mohamed Kamil <sup>(c)(i)</sup>	6/6		3/3				
Rozaini Bin Mohd Sanji <sup>(d)</sup>	8/8			11/12			
Shamsul Anuar Bin Abdul Majid <sup>(d)</sup>	8/8				5/5	6/6	
Dato' Kamaruzzaman Bin Abu Kassim <sup>(i)</sup>	NA						
Zulkifli Bin Ibrahim <sup>(f)</sup>	2/2			1/1			
Mohd Sahir Bin Rahmat <sup>(f)</sup>	2/2			1/1			
Wan Azman Bin Ismail <sup>(c)(e)</sup>	0/0	0/0	0/0	0/0	0/0	0/0	0/0
Prof. Dato' Dr. Azizi Bin Haji Omar <sup>(k)</sup>	10/10	7/7	1/1	1/1	5/5		4/4
Dato' Dr. Ngun Kok Weng <sup>(k)</sup>	8/8	5/5	6/6				4/4
Dato' Dr. Sivamohan A/L S.Namasivayam <sup>(k)</sup>	8/8		6/6	12/12			4/4
<b>Total number of meetings</b>	<b>10</b>	<b>7</b>	<b>7</b>	<b>12</b>	<b>7</b>	<b>6</b>	<b>4</b>

Chairman

#### Notes :

- (a) Appointment as Chairman w.e.f 18.2.2020
- (b) Appointment as BOD member w.e.f 1.1.2020
- (c) Appointment as BOD member w.e.f 1.4.2020
- (d) Appointment as BOD member w.e.f 7.5.2020
- (e) Resignation as BOD member w.e.f 7.5.2020
- (f) Resignation as BOD member w.e.f 31.3.2020
- (g) Resignation as Managing Director w.e.f 1.7.2020
- (h) Appointment as Managing Director w.e.f 1.7.2020
- (i) Resignation as BOD member w.e.f 8.10.2020
- (j) Resignation as Chairman w.e.f 15.1.2020
- (k) Re-designation to NINED w.e.f 1.12.2020

## Corporate Governance Overview

PRINCIPLE A PRINCIPLE B PRINCIPLE C

### BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES

#### BOARD REMUNERATION 2020

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.

According to the Corporate Governance Monitor 2020 (CG Monitor 2020), under Health Care Sector, KPJ is among the top 5 on board remuneration as listed on the FTSE Bursa Malaysia Top 100 (FBM 100). CG Monitor 2020 presents information available for the financial year ended 2019.

	Salary and Others	Allowance and Fees	Director Fees from subsidiaries	Benefit In-kind	Total
<b>Independent Non-Executive Director</b>					
Dato' Yusli bin Mohamed Yusoff <sup>(a)</sup>	-	233,000	-	25,708	258,708
Christina Foo	-	236,282	-	-	236,282
Datuk Mohd Radzif bin Mohd Yunus <sup>(b)</sup>	-	231,788	-	-	231,788
Mohamed Ridza bin Mohamed Abdulla <sup>(c)</sup>	-	175,788	-	-	175,788
Dato' Mohd Redza Shah Bin Abdul Wahid <sup>(d)</sup>	-	171,788	-	-	171,788
Khairuddin bin Jaflus <sup>(d)</sup>	-	183,809	-	-	183,809
Dato' Dr. Zaki Morad bin Mohamad Zaher <sup>(e)</sup>	-	146,670	-	-	146,670
Tan Sri Datin Paduka Siti Sa'diah binti Sh Bakir <sup>(f)</sup>	-	46,000	12,000	6,150	64,150
Dato' Muthanna bin Abdullah <sup>(f)</sup>	-	60,500	-	-	60,500
Dato' Dr. Bajit Kor A/P Teja Singh <sup>(e)</sup>	-	78,238	-	-	78,238
<b>Executive Directors</b>					
Ahmad Shahizam bin Mohd Shariff <sup>(h)</sup>	750,000	78,000	-	12,846	840,846
Dato' Amiruddin bin Abdul Satar <sup>(g)</sup>	2,520,976	78,000	62,313	15,575	2,676,864
Aminudin bin Dawam <sup>(e)</sup>	315,438	44,000	17,826	13,400	390,664
Jasimah binti Hassan <sup>(e)</sup>	232,000	44,000	17,327	4,400	297,727
<b>Non-Executive Directors</b>					
Dato' Kamaruzzaman bin Abu Kassim <sup>(i)</sup>	-	8,871	-	5,142	14,013
Rozaini bin Mohd Sani <sup>(d)</sup>	-	* 128,766	-	-	128,766
Shamsul Anuar bin Abdul Majid <sup>(d)</sup>	-	* 130,766	-	-	130,766
Prof Dato' Dr. Azizi bin Haji Omar <sup>(k)</sup>	-	244,550	-	-	244,550
Dato' Dr. Ngun Kok Weng <sup>(k)</sup>	-	184,293	-	-	184,293
Dato' Dr. Sivamohan A/L S.Namasivayam <sup>(k)</sup>	-	169,298	-	-	169,298
Mohd Sahir bin Rahmat <sup>(f)</sup>	-	* 165,720	5,716	3,025	174,461
Zulkifli bin Ibrahim <sup>(f)</sup>	-	* 41,750	-	-	41,750
Wan Azman bin Ismail <sup>(c)(e)</sup>	-	* 12,164	-	-	12,164
Dato' Seri (Dr) Mohamed Azahari Bin Mohamed Kamil <sup>(c)(i)</sup>	-	* 89,952	-	-	89,952

\* Included are the Directors Fees and Committee Fees paid to Johor Corporation as Corporate Fees

#### Notes :

- |   |   |
|---|---|
| (a) Appointment as Chairman w.e.f 18.2.2020   | (g) Resignation as Managing Director w.e.f 1.7.2020 |
| (b) Appointment as BOD member w.e.f 1.1.2020  | (h) Appointment as Managing Director w.e.f 1.7.2020 |
| (c) Appointment as BOD member w.e.f 1.4.2020  | (i) Resignation as BOD member w.e.f 8.10.2020       |
| (d) Appointment as BOD member w.e.f 7.5.2020  | (j) Resignation as Chairman w.e.f 15.1.2020         |
| (e) Resignation as BOD member w.e.f 7.5.2020  | (k) Re-designation to NINED w.e.f 1.12.2020         |
| (f) Resignation as BOD member w.e.f 31.3.2020 |   |

## COMMITTED TO STRONG GOVERNANCE

### Corporate Governance Overview

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#### BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES

##### SENIOR MANAGEMENT

Effective 1<sup>st</sup> February 2021, the Board has approved a new Group Senior Management structure, reorganised to establish greater management accountability and enhance empowerment at all levels of management. The ten members of the KPJ Senior Management Team, together with the seven Regional CEOs, will form the newly established KPJ Group Management Committee (KGMC), headed by the President and Managing Director.

The Company is committed to providing competitive total compensation opportunities to attract, retain, motivate and reward our employees. The performances are measured based on the relative performance of the Company and individual employees' achievement to meet business needs and objectives.

The remuneration of the top five Senior Management (including salary, bonus, benefit in kind and other emoluments) for the financial year ended 31 December 2020 ranged as follows:

Name	Designation	Range of Remuneration (RM)
Aminudin Bin Dawam	Senior Vice President	1,050,000 - 1,100,000
Jasimah Binti Hassan <sup>(a)</sup>	Senior Vice President	950,000 - 1,000,000
Mohd Sahir Bin Rahmat	Senior Vice President	600,000 - 650,000
Datin Sabariah Fauziah Binti Jamaluddin <sup>(a)</sup>	Vice President	600,000 - 650,000
Mohd Johar Bin Ismail <sup>(a)</sup>	Vice President	850,000 - 900,000

**Notes :**

(a) Retirement w.e.f 31 Jan 2021

##### BOARD COMMITTEES

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

These Committees have the authority to examine particular issues and report 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 (NRC)

Chairman	Member				
<b>Datuk Mohd Radzif Bin Mohd Yunus</b> Independent Non-Executive Director	<b>Mohamed Ridza Bin Mohamed Abdulla</b> Independent Non-Executive Director	<b>Christina Foo<sup>(a)</sup></b> Independent Non-Executive Director	<b>Prof. Dato' Dr. Azizi Bin Haji Omar</b> Non-Independent Non-Executive Director	<b>Shamsul Anuar Bin Abdul Majid</b> Non-Independent Non-Executive Director	<b>Dato' Mohd Redza Shah Bin Abdul Wahid<sup>(b)</sup></b> Independent Non-Executive Director

**Roles and Responsibilities**

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

**Activities in 2020**

- Reviewed in the size and composition of the BOD to ensure an appropriate balance of skills, experience and diversity and all package meets the need of the Company
- Oversaw the selection and assessment of Directors
- Recommended the appointment of Board Committees Members, Senior Management and other changes
- Evaluated and proposed to the Board engagement of independent consultant to facilitate board evaluation
- Reviewed and recommended the revision of the NRC's Term and References for Board approval

**Priorities In 2021**

- Review of the top management succession planning
- Review routine matters such as performance bonus and increment of Senior Management and all employees

**Notes :**

a) Appointment as Member of NRC w.e.f 4 Jan 2021

b) Resignation as Member of NRC w.e.f 4 Jan 2021

## Corporate Governance Overview

PRINCIPLE A

PRINCIPLE B

PRINCIPLE C

### BOARD LEADERSHIP AND EFFECTIVENESS BOARD'S RESPONSIBILITIES

#### Investment Committee (IC)

Chairman

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

Member

**Christina Foo**  
Independent  
Non-Executive Director

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

**Datuk Mohd Radzif Bin Mohd Yunus**  
Independent  
Non-Executive Director

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

#### Roles and Responsibilities

To review the specific initiative project and potential investment's proposed by management.

#### Activities in 2020

- Reviewed, analyzed and approved KPJ acquisition plan
- Reviewed and approved KPJ Group of hospitals expansion and future development
- Reviewed and approved KPJ Group of hospitals additional capital expenditure plan ie: Equipment
- Deliberated and discussed on KPJ Investment Policy
- Deliberated and approved IC Term of Reference
- Visited proposed sites for new development of KPJ Hospitals

#### Priorities In 2021

- To explore new business opportunities targeting expected returns
- To stimulate a sustainable business growth for the company
- To enhance the Group's brand positioning and reputation
- To preserve initial capital, avoid excessive risks and prevent losses in the investment portfolio

#### Development and Procurement Committee (DPC)

Chairman

**Datuk Mohd Radzif Bin Mohd Yunus**  
Independent  
Non-Executive Director

Member

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

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

**Dato' Dr. Sivamohan A/L S.Namasivayam**  
Non-Independent  
Non-Executive Director

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

#### Roles and Responsibilities

The DPC oversees the timeline and costing of each project undertaken by the Group and to address any issues relating to these projects. DPC also 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 2020

- Deliberating & Facilitating the operations of KPJ Management team through approvals required or further advised
- Review and deliberate to Board on strategic matters of new project, problematic project, and project update dashboard and mitigation plans for delayed project
- Conducted site visits to all hospital development project

#### Priorities In 2021

- Review and improve overall procurement process
- Ensure project to complete on time

## COMMITTED TO STRONG GOVERNANCE

### Corporate Governance Overview

PRINCIPLE A PRINCIPLE B PRINCIPLE C

#### EFFECTIVE AUDIT AND RISK MANAGEMENT

#### AUDIT COMMITTEE (AC)

The AC currently comprises three INED and financially literate.

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

#### Audit Committee (AC)

Chairman	Member			
<b>Christina Foo</b> Independent Non-Executive Director	<b>Datuk Mohd Redza Shah Bin Abdul Wahid<sup>(a)</sup></b> Independent Non-Executive Director	<b>Prof. Dato' Dr. Azizi Bin Haji Omar</b> Non-Independent Non-Executive Director	<b>Dato' Dr. Ngun Kok Weng</b> Non-Independent Non-Executive Director	<b>Khairuddin Bin Jaflus</b> Independent Non-Executive Director

#### Roles and Responsibilities

The Audit Committee (AC) ensures transparency, integrity and accountability in the Group's activities to safeguard the rights and interests of the shareholders. At the same time assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices. The AC is also responsible to improve the Group's business efficiency, the quality of the accounting and audit function as well as strengthen public confidence in the Group's reported financial results. AC also ensures the independence of the External and Internal Audit functions within the Group.

#### Activities in 2020

- Reviewed the quarterly financial results before recommending the same to Board for approval.
- Reviewed the conceptual Framework for Financial Reporting (revised 2018) which enable preparer to develop consistent policies which is effective on 1 January 2020.
- Reviewed the related party transactions and recurrent related party transactions.
- Assessed the impact of COVID-19 global pandemic situation and the consequential effects on the operations and financials of the KPJ Group.
- Assessed the effectiveness of the mitigation action taken for the assessment on the technological risks identified in KPJ's computing environment to support the Hospital's Operation.
- Assessed the effectiveness of the process and adherence to SOP by the Management and staff at all Hospitals/Subsidiaries in order to ensure an efficient and sound control systems.
- Reviewed the performance of Head of Internal Audit Services (IAS) and the department against the Consolidated Strategic Internal Audit Plan for 2020.
- Reviewed the revised Consolidated Strategic Internal Audit Plan for 2020 and Audit Management System as a tool for the Internal Auditors as part of the areas of improvement recommended by the Consultant.
- 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 and recommended the revision of the Audit Committee's Terms of Reference for Board approval.

#### Priorities In 2021

- Assess the preparedness and adequacy of procedures in KPJ Group of Companies in relation to the Corporate Liability Provision as per Section 17A Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).
- Review the identified high risk areas specifically on Project Management, Procurement, IT Governance and Management of Agreement.
- Equip the auditors with the relevant training and professional certification to minimize the knowledge and experience gaps as well as engage new auditors with diverse skills and background.
- Assess the efficiency and effectiveness of the process and adherence to SOP by the Management and staff at all Hospitals/Subsidiaries in order to ensure an efficient and sound control system.

More details of activities done by AC in 2020 can be found in the Audit Committee Report at [pages 132 to 135](#).

#### Notes :

a) Appointment as Member of AC w.e.f 4 Jan 2021

#### Review of The Performance of AC

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

#### RELATIONSHIP WITH EXTERNAL AUDITORS

A dialogue was held between Audit Committee, Internal Audit, Finance and the external auditors to discuss 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.



## Corporate Governance Overview

PRINCIPLE A PRINCIPLE B PRINCIPLE C

### EFFECTIVE AUDIT AND RISK MANAGEMENT

In the year 2020, the External Auditors attended four (4) out of seven (7) meetings which were held on 14 February 2020, 21 August 2020, 19 November 2020 and 17 December 2020 respectively.

Separate private sessions were conducted without Management's presence on three (3) out of four (4) of the meetings.

### 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 the President & Managing Director, the Chairman of the Risk and Governance 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 <https://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.

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.

### Risk and Governance Committee (RGC)

Chairman	Member			
<b>Mohamed Ridza Bin Mohamed Abdulla</b> Independent Non-Executive Director	<b>Dato' Dr. Ngun Kok Weng</b> Non-Independent Non-Executive Director	<b>Dato' Dr. Sivamohan A/L S.Namasivayam</b> Non-Independent Non-Executive Director	<b>Khairuddin Bin Jafus</b> Independent Non-Executive Director	<b>Dato' Seri (Dr) Mohamed Azahari Bin Mohamed Kamil<sup>(a)</sup></b> Non-Independent Non-Executive Director

#### Roles and Responsibilities


The committee changed its name from Risk and Sustainability Committee (RSC) to Risk and Governance Committee (RGC) in May 2020, to enhance its oversight on Governance. The RGC oversees the overall risk exposure and risk management matters relating to any material clinical and nonclinical risk identified. RGC will recommend to the Board for any changes in the policy, framework, standards and procedures where applicable. At the same time, the RGC 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 2020

- Reviewed the effectiveness of the reporting structure for the Group's business activities and risk management functions and the implementation of the appropriate system to manage various types of risks
- Deliberated on the evaluation and control of Strategic Risk, Financial Risk, Operational Risk and Compliance Risk effecting the Group
- Deliberated on the progress and status of Group Technology strategic and operational activities
- Reviewed the 2020 Statement of Risk Management and Internal Control and Corporate Governance Report and recommended the same to the Board
- Monitored the status of implementation of recommendations arising from the KPMG ERM Maturity Assessment Report to improve risk management practices
- Discussed COVID-19 pandemic's impact on Group's operations and performance
- Reviewed and monitored the implementation progress of Anti-Bribery Management System (ABMS)

#### Priorities In 2021

- To enhance the KPJ risk strategy and appetite link to the KPJ's Corporate Strategy
- To promote healthy risk culture and awareness across the Group that keep abreast with new or emerging risks
- To enhance the ERM risk reporting mechanism and monitoring of risk controls and mitigation measures across the Group

 More details are set out in the SORMIC section on **pages 136 to 141**.

#### Notes :

a) Resignation as Member of RGC w.e.f 8 Oct 2020

## COMMITTED TO STRONG GOVERNANCE

### Corporate Governance Overview

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#### EFFECTIVE AUDIT AND RISK MANAGEMENT

##### Group Medical Advisory Committee (MAC)

Chairman	Member			
<b>Dato' Dr. Zaki Morad Bin Mohamad Zaher</b> Chairman	<b>Ahmad Shahizam Bin Mohd Sharif</b> President & Managing Director	<b>Datuk Dr. Hussein Bin Awang</b> Chairman, Medical Directors' Meeting	<b>Dato' Dr. Sivamohan A/L S. Namasivayam</b> Chairman CGPC – NINED	<b>Assoc. Prof. (Clinical) Dr. Ab Razak Samsudin</b> Chairman CGAC
	<b>Dato' Dr. Ngun Kok Weng</b> Chairman CRMC – NINED	<b>Prof. (Clinical) Dato' Dr. Fadzli Cheah</b> Chairman CRERC	<b>Prof. Dato' Dr. Azizi Bin Haji Omar</b> Chairman RQIC – NINED	<b>Dr. Mohd Hafetz Bin Ahmad</b>
	<b>Dato' Dr. Bajit Kor A/P Teja Singh</b>	<b>Jasimah Binti Hassan</b>	<b>Dr. Kok Chin Leong</b>	<b>Dr. S. Balakrishnan</b>

##### Roles and Responsibilities

The MAC 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. To monitor Patient Safety, Quality of Care and Enhancing Clinical Performance.

##### Activities in 2020

- Developed new policies and guidelines as well as reviewing and updating all existing policies/guidelines to ensure evidence based processes are in place. There were eight new policies approved and three policies were updated.
- Reviewed clinical governance and reporting clinical outcomes by consultants
- Reviewed the activities for clinical compliance including accreditation standards and 27 clinical surveys.
- Monitored performance and patient outcomes such as clinical indicators and quality indicators for Accident and Emergency Services (A&E). All five A&E indicators met target.
- Introduced new services in line with new technology in meeting customers' expectations and endeavor to provide a safe healing environment.
- Organizing a training on "Management of COVID-19 patients" on the 20 Jan 2021 for the KPJ Consultants.
- Developed KPJ Guideline on managing COVID-19 patient.

##### Priorities In 2021

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

More details of the activities undertaken by MAC in 2020 *can be found at the Medical Advisory Committee Report on pages 142 to 151.*

##### Tender Evaluation Committee (TEC) Management

Chairman	Alternate Chairman	Member		
<b>Ariesza Noor</b> Chief Corporate Officer	<b>Mohd Sahir Bin Rahmat</b> Head of International Business	<b>Maisarah Binti Omar</b> Regional CEO, CENTRAL II	<b>Roslan Bin Ahmad</b> Regional CEO - Northern	<b>Mohd Firdaus Bin Mohamed Din</b> General Manager, Internal Audit

##### Roles and Responsibilities

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

##### Activities in 2020

- Recommended tender for Hospital Development and IT projects to DPC

##### Priorities In 2021

- To encourage prospective contractors to practice sustainable business
- To review the contractors evaluation process
- Revision of TEC composition to ensure the procurement and tender process is carried out with transparency and adhere with corporate governance best practice.

## Corporate Governance Overview

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**INTEGRITY IN CORPORATE REPORTING and 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 (IR) function. The President and 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:

- Ahmad Shahizam Bin Mohd Shariff – President and Managing Director
- Norhaizam Binti Mohammad – Chief Financial Officer
- Ariesza Noor – Chief Corporate Officer

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

**ANNUAL GENERAL MEETING**

- The first fully virtual meeting was carried out on 9<sup>th</sup> July 2020 for the 27<sup>th</sup> AGM, whereby the meeting was guided by the Securities Commission Malaysia Guidance on the Conduct and General meetings for listed issuers dated 18th April 2020 (SC Guidance).
- Pursuant to the SC Guidance and Section 327 (2) of the Companies Act, 2016, the Chairman shall be present at the main venue of the AGM to chair the AGM at Tricor Business Centre, Bangsar, Kuala Lumpur.
- All shareholders were required to register their attendance to AGM remotely by using Remote Participation and Voting (RPV) at <https://tiah.online>.
- The Administrative Guide of the AGM was circulated 28-days prior to the shareholders with the Notice of AGM.
- Business presentation by President and Managing Director and the Chairman encourage shareholders to post questions to be read and answered during the Q&A session.

- Electronic poll voting on all resolutions and immediate announcement of results during AGM and included in the key matters discussed which uploaded on our website.
- In line with KPJ's EES initiatives which encourage green environment the shareholders will be able to access our Integrated Reports, Sustainability Report and Financial Report online instead of hard copy distribution.
- The report and proxy form can be downloaded at <https://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
- 17 Equity Research coverage on KPJ

## COMMITTED TO STRONG GOVERNANCE

### Corporate Governance Overview

#### INVESTOR RELATIONS ACTIVITIES

Since MCO all of the 25 investor meetings comprising of 232 analysts and fund managers were conducted via tele-conference, including the quarter results briefings that happened on 27 August and 1 December 2020. There was a strong interest shown amongst analysts and fund managers to get the latest updates on the impact of COVID-19 global pandemic. The queries were mainly on progress of hospital network expansion, new revenue stream and financial impact.

**Share Quote** ▼

Market : Main  
Sector : Healthcare

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**Stock** ▼

5878

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**Share Price** ▼

High : RM1.04  
Low : RM0.72  
Close : RM1.00

**Meetings/Tele-conferences in 2020** ▼

	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec
No	8	15	3	6
Number of analysts/ fund managers met	20	92	55	84

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**Investor Conference/Non-Deal Roadshow** ▼

DATE	EVENT
6 January	CGS-CIMB 12 <sup>th</sup> Annual Malaysia Corporate Day, Kuala Lumpur
9 January	DBS Pulse of Asia Conference Singapore
14 January	Alliance Investment Bank Corporate Day, Kuala Lumpur

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**General Meeting** ▼

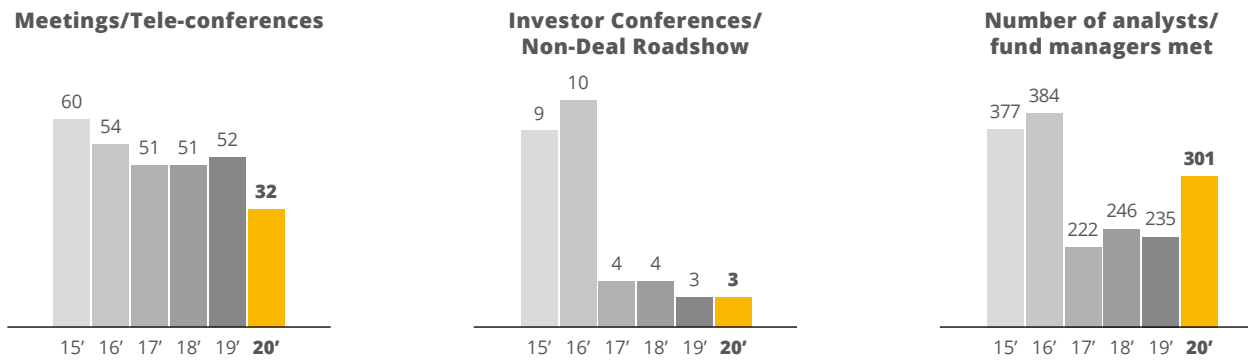
Date	Meetings	Venue	Agenda
9 July	27 <sup>th</sup> Annual General Meeting	Live streaming from broadcast venue, Tricor Business Centre, Kuala Lumpur	Re-election and new appointment of directors and presentation of Company's performance



**FTSE4Good**

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

**Investor Relations Activities** ▼

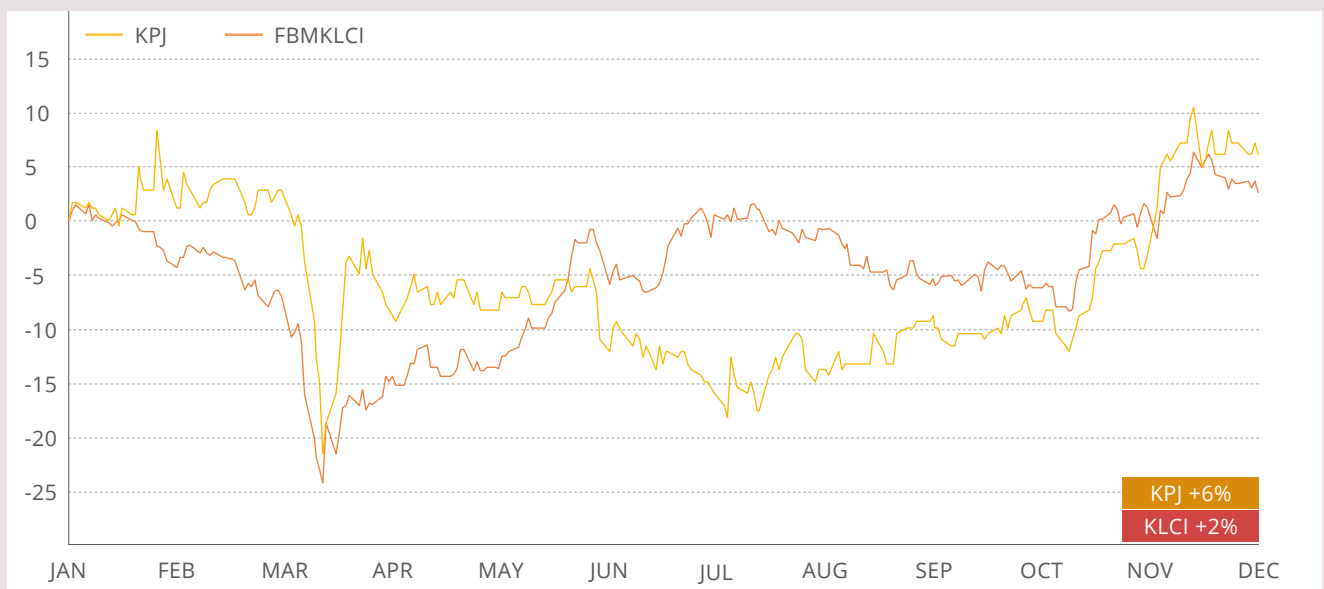


## Corporate Governance Overview

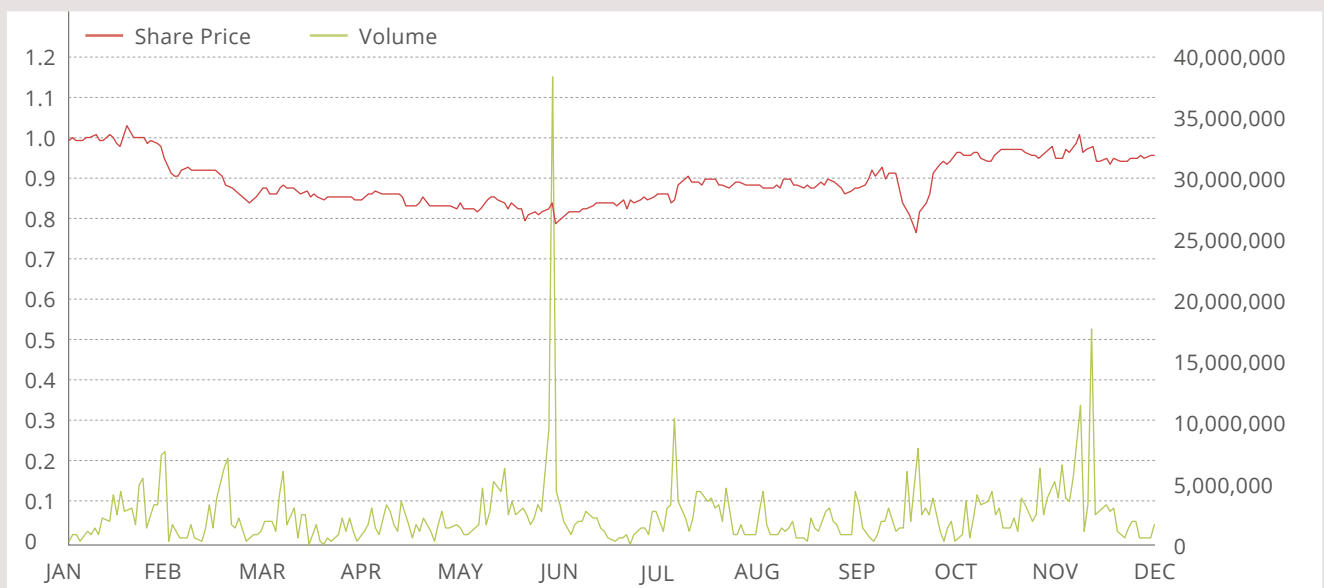
### KPJ SHARE PERFORMANCE

2020 was a challenging and turbulent year due to the pandemic and all stocks' price track the KLCI index lackluster during the first MCO, in the second quarter. KPJ share price performed and recorded above the KLCI index towards the end of 2020 and closed at RM1, represented 6% increase compared to KLCI's performance of 2%.

**KPJ Share Price vs FBMKLCI as at 31 December 2020**



**KPJ Share Price and Volume Traded**



## COMMITTED TO STRONG GOVERNANCE

### Corporate Governance Overview

#### INDIVIDUAL SHAREHOLDER

After the share split in 2017, KPJ has attracted the interest of retail investors. As at 31 December 2020, the number of Individual shareholders decreased by 2% to 6,211 shareholders from 6,312 shareholders previously.

YEAR	SHAREHOLDERS	SHARE
2016	3,346	208,581,404
2017	4,597	233,944,657
2018	5,290	222,683,811
2019	6,312	250,414,418
<b>2020</b>	<b>6,211</b>	<b>232,533,012</b>

#### INDIVIDUAL SHAREHOLDER

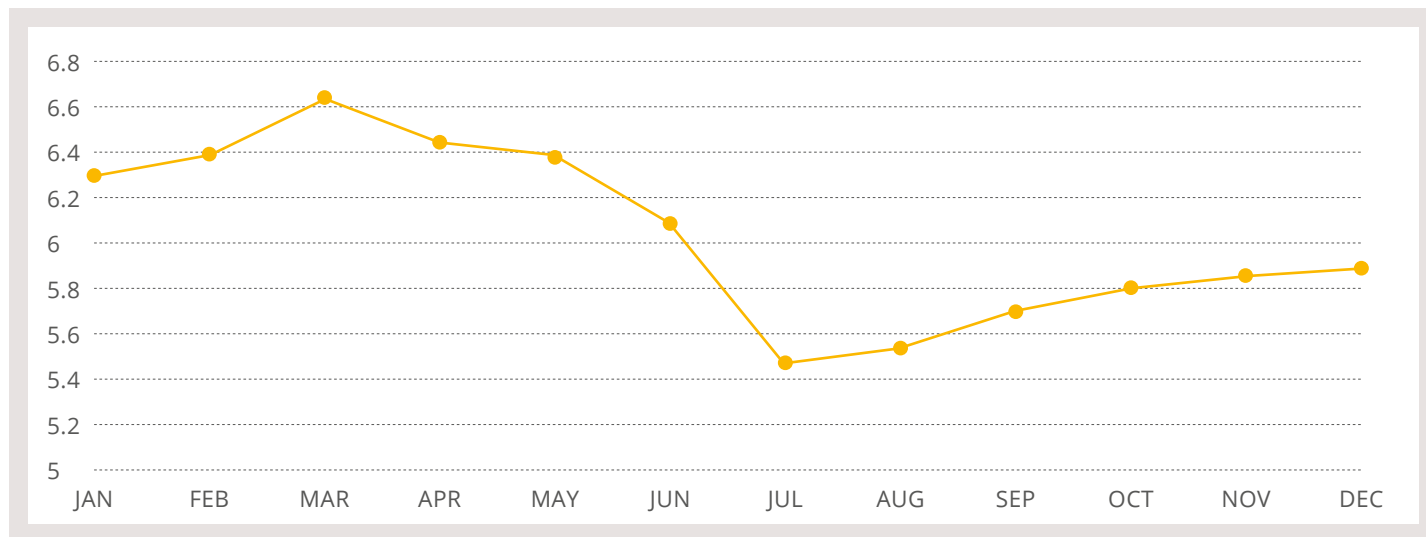
QUARTER	4Q2020	3Q2020	2Q2020	1Q2020
Volume	<b>131,522,500</b>	<b>170,038,700</b>	<b>117,914,400</b>	<b>186,924,700</b>
Daily Average	<b>2,055,039</b>	<b>2,742,560</b>	<b>1,998,549</b>	<b>2,967,058</b>
Closing Price	<b>1.00</b>	<b>0.85</b>	<b>0.84</b>	<b>0.93</b>
Hi	<b>1.04</b>	<b>0.90</b>	<b>0.93</b>	<b>1.04</b>
Low	<b>0.835</b>	<b>0.77</b>	<b>0.81</b>	<b>0.72</b>
Trading	<b>0.21</b>	<b>0.13</b>	<b>0.12</b>	<b>0.32</b>

#### KPJ SHARE PRICE (5 YEARS)

YEAR END	2020	2019	2018	2017	2016
Market Cap RM (billion)	<b>4.4</b>	4.2	4.6	4.2	4.4
Closing Price (RM)	<b>1.00</b>	0.945	1.04	0.97	1.05
High (RM)	<b>1.04</b>	1.10	1.15	1.14	1.1
Low (RM)	<b>0.72</b>	0.87	0.84	0.90	1.02
Foreign Shareholding (Shares)(%)	<b>5.94</b>	6.29	6.67	7.45	8.80

## Corporate Governance Overview

### FOREIGN SHAREHOLDING



### MALAYSIA INVESTOR RELATIONS AWARDS 2020 (IR AWARDS)

The Investor Relations Awards 2020 (IR Awards) is the largest annual event in the Malaysian Investor Relations Association’s (MIRA) 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 2020, KPJ was nominated in the 10<sup>th</sup> Malaysia Investor Relations (IR) Survey and the results were as follows:

**10<sup>th</sup> Malaysia Investor Relations (IR) Survey**

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<div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: left; padding-left: 5px;"> <b>MID CAP</b> 18                             </div> </div> <div style="background-color: #f9f9f9; padding: 5px; margin-top: 5px;"> <b>BEST INVESTOR RELATIONS PROFESSIONAL</b> </div>	<div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: left; padding-left: 5px;"> <b>MID CAP</b> 22                             </div> </div> <div style="background-color: #f9f9f9; padding: 5px; margin-top: 5px;"> <b>BEST INVESTOR RELATIONS WEBSITE</b> </div>	<div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: left; padding-left: 5px;"> <b>MID CAP</b> 37                             </div> </div> <div style="background-color: #f9f9f9; padding: 5px; margin-top: 5px;"> <b>BUSINESS KNOWLEDGE AND INSIGHTS OF IR TEAM</b> </div>
<div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: left; padding-left: 5px;"> <b>MID CAP</b> 12                             </div> </div> <div style="background-color: #f9f9f9; padding: 5px; margin-top: 5px;"> <b>MOST IMPROVED SERVICE FROM IR TEAM</b> </div>	<div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: left; padding-left: 5px;"> <b>MID CAP</b> 29                             </div> </div> <div style="background-color: #f9f9f9; padding: 5px; margin-top: 5px;"> <b>BEST QUALITY OF ANNUAL REPORTS / FORMAL DISCLOSURE</b> </div>	<div style="border: 2px solid orange; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: left; padding-left: 5px;"> <b>MID CAP</b> 12                             </div> </div> <div style="background-color: #f9f9f9; padding: 5px; margin-top: 5px;"> <b>BEST QUALITY OF ONE-ON-ONE MEETINGS</b> </div>

**COMMITTED TO STRONG GOVERNANCE**

# Audit Committee Report

**COMPOSITION AND ATTENDANCE**

**COMPOSITION OF MEMBERS**

The Audit Committee (“AC”) comprises five (5) members, with three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Director, who are also members of the Board of KPJ Healthcare Berhad. This satisfies the requirements of Paragraph 15.09 (1)(a) and (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR).

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

Name of Member	Status of Directorship	No. of Meeting Attended
<b>Christina Foo<sup>(a)</sup></b> Chairman	Independent Non-Executive Director	● ● ● ● ● ● ● ●
<b>Prof Dato’ Dr. Azizi Bin Haji Omar<sup>(b)</sup></b> Member	Non-Independent Non-Executive Director	● ● ● ● ● ● ● ●
<b>Dato’ Dr. Ngun Kok Weng<sup>(b) (c)</sup></b> Member	Non-Independent Non-Executive Director	● ● ● ● ● ●
<b>Khairuddin Bin Jafus<sup>(c)</sup></b> Member	Independent Non-Executive Director	● ● ● ● ● ●
<b>Dato’ Mohd Redza Shah Bin Abdul Wahid<sup>(d)</sup></b> Member	Independent Non-Executive Director	-
<b>Dato’ Muthanna Bin Abdullah<sup>(e)</sup></b> Former Chairman	Independent Non-Executive Director	● ●
<b>Dato’ Dr. Bajit Kor A/P Teja Singh<sup>(f)</sup></b> Former Member	Independent Non-Executive Director	● ●

**Notes:**

- (a) Resignation to Chairman of AC w.e.f 7 May 2020
- (b) Resignation to Non-Independent and Non-Executive Director w.e.f 1 December 2020
- (c) Appointment as Member of AC w.e.f 7 May 2020

- (d) Appointment as Member of AC w.e.f 4 January 2021
- (e) Resignation as Chairman of AC w.e.f 31 March 2020
- (f) Resignation as AC Member w.e.f 7 May 2020

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

Collectively, AC members are qualified individuals having the essential skills and expertise to discharge the AC’s functions and duties. AC’s financial literacy and ability to understand the financial reporting process have contributed to the AC’s discussion in upholding the integrity of the Company’s financial reporting process and financial statements.

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

**ATTENDANCE**

AC meetings for 2020 were pre-arranged in December 2019 and communicated to the members early to ensure their time commitment. A minimum of four (4) meetings a year were planned, although additional meetings were called when required at the Chairman’s discretion.

During the financial year, the quorum for all seven (7) meetings held during financial year 2020 was fulfilled. The meetings were held on 14 February 2020, 23 March 2020, 21 May 2020, 6 July 2020, 21 August 2020, 19 November 2020 and 17 December 2020 respectively.

The Company Secretary act as the AC’s Secretary in all AC meetings. The President and Managing Director, Senior Management together with Head of Internal Audit and External Auditors normally attend the meetings. Other Directors, Executive Directors of the hospitals and employees of the company and/or Group may attend any particular meeting upon invitation where appropriate.



## Audit Committee Report


Minutes of the AC meetings were circulated to all members and extracts of the decisions made were escalated to relevant process owners for action. The Chairman of the AC provides a summary report and highlights significant points on the decisions and recommendations from the AC meeting to the KPJ Board.

### MEETINGS WITH EXTERNAL AUDITORS

In the year 2020, the External Auditors attended four (4) out of seven (7) meetings which were held on 14 February 2020, 21 August 2020, 19 November 2020 and 17 December 2020 respectively.

Separate private sessions were conducted without Management's presence on three (3) out of four (4) of the meetings.

### TERMS OF REFERENCE

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

### FOCUS AND ACTION PLAN

The AC received updates on key governance matters and issues across the Group at each AC meeting. Areas of the AC's focus during the Financial Year include:

- a) Impact of COVID-19 global pandemic situation and the consequential effects on the operations and financials of the KPJ Group.
- b) Corporate Liability Provision as per Section 17A Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), provides that a commercial organization commits an offence if a person associated with the commercial organization commits a corrupt act for the commercial organization. Review the preparedness and adequacy of KPJ Group of Companies in establishing and implementing 'Adequate Procedures' to deter persons associated with the commercial organization from committing corrupt acts of gratification.
- c) The Conceptual Framework for Financial Reporting (Revised 2018) which enable preparer to develop consistent accounting policies which is effective on 1 January 2020.
- d) Recent development in tax laws and regulations.

### SUMMARY OF WORK

During the year 2020, the AC carried out the following principal activities in discharging its responsibilities:

AREA OF FOCUS	MATTERS CONSIDERED
<b>Financial results</b>	i) Reviewed the quarterly unaudited financial result announcements before recommending the same to the Board for approval; ii) Reviewed the Company's compliance, in particular the quarterly and year-end financial statements, with Malaysian Financial Reporting Standards, applicable disclosure provisions in the MMLR, and other relevant legal and regulatory requirements; and iii) Reviewed the impact of changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.
<b>Internal Audit</b>	i) Reviewed and approved the annual audit plan for the year 2021 to ensure adequate resources, competencies as well as comprehensive audit scope and coverage over the significant and high risk audit activities; ii) Deliberated on the Internal Audit Reports that were tabled and appraised the adequacy of Management's responsiveness to the audit findings and recommendations; iii) Evaluated the results of scheduled follow-ups, investigations and special audits performed and confirmed that appropriate actions were taken to correct the weaknesses; iv) Assessed the status of audit activities as compared to the approved annual audit plan; and v) Approved the annual revision of the Audit Charter and recommended to the Board for approval on the annual revision of the AC's TOR.

**COMMITTED TO STRONG GOVERNANCE**

**Audit Committee Report**

AREA OF FOCUS	MATTERS CONSIDERED
<b>External Audit</b>	<ul style="list-style-type: none"> <li>i) Reviewed the audit plan, audit strategy and scope of work for the year;</li> <li>ii) Reviewed the results of the interim and annual audit, audit reports, Management Letter together with Management’s response to their findings;</li> <li>iii) Assessed the independence and objectivity of the External Auditors during the year. The AC also received from the External Auditors their policies and written confirmation regarding their independence and the measures used to control the quality of their work;</li> <li>iv) Deliberated on the updated development in Financial Reporting and Regulatory Environment;</li> <li>v) Assessed the performance of the External Auditors and recommended their appointment and remuneration to the Board of Directors; and</li> <li>vi) Members of AC met with the External Auditors without the presence of Management on 14 February 2020, 21 August 2020 and 19 November 2020.</li> </ul>
<b>Related Party Transactions</b>	Reviewed the related party transactions and recurrent related party transactions entered into by the Group as well as any conflict of interest situation that arises within the Group.
<b>Annual Reporting</b>	Reviewed and recommended the Audit Committee Report for inclusion in the Annual Report to ensure compliance with relevant regulatory reporting requirements, prior to Board approval.
<b>Other Matters</b>	<ul style="list-style-type: none"> <li>i) Deliberated on the progress and status on IT strategic issues;</li> <li>ii) Reviewed and deliberated on the subsidiaries performance; and</li> <li>iii) Deliberated on the status and updates on credit and inventory management of the Group.</li> </ul>
<b>Continuous Professional Development</b>	For the year under review, the relevant AC members have attended various conferences, seminars and training. Details of training attended are reported under the Corporate Governance Report, Practice 2.1 published on KPJ’s website.

**INTERNAL AUDIT FUNCTION**

The in-house Internal Audit Services (IAS) carries out KPJ’s internal audit function in assisting the Board to oversee that Management has in place sound risk management, internal control and governance systems.

The IAS is headed by a new Chief Internal Auditor, Mohd Firdaus Bin Mohamed Din who joined KPJ on 9 March 2020. He is a Certified Credit Professional (Business), Certified Credit Professional – Islamic (Business), Chartered Member of the Chartered Institute of Islamic Finance Professionals Malaysia and associate member of CPA Australia. He holds a Bachelor of Commerce (Accounting) from the Australian National University, Canberra.

The total costs incurred for maintaining the internal audit function of 17 staff for the financial year ended 31 December 2020 is approximately RM 2.4 million, comprising mainly salaries and incidental costs such as travelling, accommodation, training cost and professional fees.

Various physical and virtual in-house training programmes and external courses were provided to staff members in the areas of auditing skills, technical skills, leadership, data analytic, business acumen, strategic management and personal development to enhance the desired competency level.

**ROLES AND FUNCTIONS**

IAS, as the third line of defence, reviews the effectiveness of the internal control structures over the Group activities focusing on high risk areas as determined using a risk-based approach.

All high risk activities in each auditable area are audited annually in accordance with the approved Audit Plan. This is to provide reasonable assurance that such system continues to operate satisfactorily and effectively in the Group.

IAS reports functionally to the AC and administratively to the President and Managing Director.

## Audit Committee Report

### SUMMARY OF WORK BY IAS

The IAS within its terms and reference, undertook the following work for the financial year 2020:-

- i) Reviewed and appraised the adequacy and integrity of the internal financial controls and information system controls so as to ensure that it provides a reasonable but not absolute assurance that assets are properly safeguarded;
- ii) Collaboration with other internal or external assurance providers or consulting services in determining the scope of work to ensure proper audit coverage and minimize duplication effort ; i.e. External Auditors, Risk and Compliance Services and etc;
- iii) Ascertained the level of compliance with Group's plans, policies, procedures and adherence to laws and regulations;
- iv) Appraised the effectiveness of administrative and financial controls applied and the reliability and integrity of data that is produced within the Group;
- v) Performed follow-up reviews of outstanding audit findings to ensure necessary actions have been taken/are being taken to remedy any significant gaps identified in governance, risk management and internal controls.
- vi) Carried out special reviews/investigations requested by the AC and/or Management;
- vii) Witnessed the tender opening and validated the evaluation process for procurement of goods and services to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner;
- viii) Prepared and tabled the annual audit plan including its financial budget and required resources to the AC for review and approval; and
- ix) Prepared the Audit Committee Report for the Company's Annual Report for financial year ended 31 December 2020.

During the financial year ended 31 December 2020, Internal Audit Services accomplished a total of 125 audits comprising scheduled financial and operational audits as well as IT audits at the hospitals, support companies and headquarters. This includes due diligence, investigations, special audits and ad hoc assignments. Reviews on compliance with established procedures, guidelines and statutory obligations were also performed.

The audit reports which provide the results of the audit conducted are submitted to the AC for review and deliberation. Key control issues, significant risks and recommendations are highlighted, along with Management's responses and action plans for improvement and/or rectification, where applicable. This enables the AC to execute its oversight function by reviewing and deliberating the audit issues, audit recommendations as well as Management's responses to these recommendations.

Where appropriate and applicable, the AC directs Management to take cognizance of the issues raised and establish necessary steps to strengthen the system of internal control based on Internal Audit 's recommendations.

All findings resulting from the audits were reported to the AC, Senior Management and relevant Management of operating hospitals and support companies. Management of the operating hospitals and support companies were accountable to ensure proper rectification of the audit findings and implementation of action plans within the timeframe specified.

Follow up by IAS on the actions taken is updated in the subsequent audits. In addition, the IAS played an advisory role in the course of performing its audit activities.

With the global pandemic situation, IAS has faced many challenges in completing the audit plan with the mobility limitation and gathering audit evidences. Nevertheless, the audit procedures were customized to suit the current situation where more virtual or desktop audit approach were executed in order to ensure the safety and minimize the risk of infection to auditors.

### INDEPENDENCE OF IAS

IAS is independent of the activities or operations of other operating units. Internal Audit Services' authority, scope and responsibilities are governed by its revised Audit Charter which was approved by the AC on 21 May 2020 and aligned with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA).

All Internal Audit personnel signed an Independence Statement as well as a declaration on compliance to the Code of Ethics of the IIA in carrying out their duties.

### QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The IAS shall maintain a quality assurance and improvement programme to uphold the conformance of internal audit activities to the International Standards for Professional Practice of Internal Auditing (Standards) issued by IIA.

The said programme includes IAS function's self-assessment and assessment by a qualified independent assessor once in five years.

In preparation for the external Quality Assessment Review (QAR) which is scheduled to be conducted in 2021, IAS has established a new unit namely Strategic, Quality and Development (SQD) Unit within the IAS.

The SQD Unit will be the executing arm for IAS in ensuring and monitor the conformance of the audit activities with the Standards as well as digitalizing the audit process via Audit Management System. This new unit will be working in full force in year 2021.

**COMMITTED TO STRONG GOVERNANCE**

# Statement on Risk Management and Internal Control

(Pursuant to Paragraph 15.26 (b) of the Bursa Malaysia Listing Requirements)



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

**BOARD RESPONSIBILITY**

The Board affirms its overall responsibility for establishing the Group's system of internal controls and risk management framework as well as reviewing its adequacy, integrity and effectiveness. The Board has put in place a sound governance structure, risk management framework and internal control system pursuant to Principle B (II) of the Malaysian Code on Corporate Governance 2017 to ensure effective oversight of controls and risks in the Group.

The Audit Committee (AC) reviews the effectiveness of the internal control structure over the Group activities focusing on high risk areas as determined using a risk based approach through the internal audits. The Risk and Governance Committee (RGC) evaluates and review the assessment of risk identification, the effectiveness of Enterprise Risk management, process of accessing and managing Group's principal risks. Issues raised and actions taken by Management to address these issues were deliberated in the RGC and AC meetings and the minutes of the RGC and AC meetings were then presented to the Board.

**MANAGEMENT RESPONSIBILITY**

The Management is overall responsible for implementing the Board's policies on risks and controls by allocating resources for the design and implementation of policies and procedures on risk management and internal control system to facilitate the identification and evaluation of significant risks faced by the Group and formulating adequate controls to manage these risks, according to the risk appetite set by the Board.

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

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

- effectiveness and efficiency of operations
- reliability of financial reporting
- compliance with applicable laws and regulations

The likelihood of achievement of the Group's objectives is affected by limitations inherent in any internal control systems.

The Management therefore has to consider the cost of implementation of internal controls against the expected benefits to be derived.

**RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE**

**INTEGRITY AND ETHICAL VALUES**

The Group is committed to promote ethical behaviour culture in employees and medical consultants. At the annual townhall meetings, all employees and medical consultants are reminded of the five Core Values adopted by the Group, which are Safety, Courtesy, Integrity, Professionalism and Continuous Improvement. These core values guide all employees to achieve the Group's vision and support the business mission and goals. In 2021, the annual townhall meeting with the President and Managing Director was conducted on 1st and 2nd February with staff of KPJ Group and Subsidiaries.

In line with the implementation of the KPJ Group Anti-Bribery Management System (ABMS), employees are required to annually affirm their commitment to uphold high integrity and ethical values via the Staff Integrity Pledge in the Employee Self Service Portal .

The Group also has in place a comprehensive Policy of Whistle-Blowing that outlines the Group's commitment to promote the highest standards of governance, ethics and integrity in all aspects of business dealings. The Policy covers, inter-alia, 3 tiers of whistle-blowing reporting line, comprising of the Managing Director, the Chairman of the Risk and Governance Committee and the Chairman of the Board, to facilitate whistle-blowing activities according to different possible circumstances. A dedicated whistleblowing channel at [integrity@kpjhealth.com.my](mailto:integrity@kpjhealth.com.my) is available for reporting. In order to encourage a conducive environment for effective whistle-blowing, the Policy also provides assurances on the preservation of identity, confidentiality of information and protection of whistle-blowers from possible retaliation. This policy provides an avenue for employees to raise genuine concerns internally or report any breach or suspected breach of any law or regulation.

The Group is also a signatory to the "Malaysian Corporate Integrity Pledge" since 2011, introduced by the Malaysian Institute of Integrity (MII) in support of the Government efforts to combat corruption and unethical practices.

## Statement on Risk Management and Internal Control

The Group has put in place the “No Gifts and Entertainment” policy and “Annual Asset Declaration” policy applicable to all staff. The purpose of these policies is to uphold ethical and responsible behaviour by all its employees and to avoid conflict of interest situation in any ongoing or potential business dealings in the Group with various suppliers and service providers.

The Group has also established the “Corporate Integrity Agreement” (CIA) for Vendors/Suppliers/Contractors since 2016 to strengthen our integrity practices. The Group requires its Vendors/Suppliers/Contractors to adhere in all of their activities to the laws, rules and regulations. The Group expects the Vendors/Suppliers/Contractors to abide by the integrity agreement when conducting business with or for the Group.

In-line with the National Anti-Corruption Plan 2019 – 2023 launched by the Government in January 2019, four (4) officers from KPJ had been certified as Certified Integrity Officer (CeIO), a programme in collaboration with JCorp and Malaysian Anti-Corruption Commission (MACC) focusing in managing the business integrity and its components.

### KPJ ANTI BRIBERY MANAGEMENT SYSTEM (ABMS)

KPJ formed the Group Integrity Unit (GIU) in February 2020 as part of its preparation to meet the requirements of Section 17A Malaysian Anti-Corruption Commission Act 2009. The GIU’s primary role is to drive and embed integrity as a key factor in governance and ensure all the policies and

procedures are in place. These have been incorporated in KPJ Group Anti-Bribery Management System that have been established according to the provisions of the ISO 37001:2016 Anti-Bribery Management System. In October 2020, KPJ ABMS obtained its ISO certification from SIRIM QAS International Sdn Bhd.

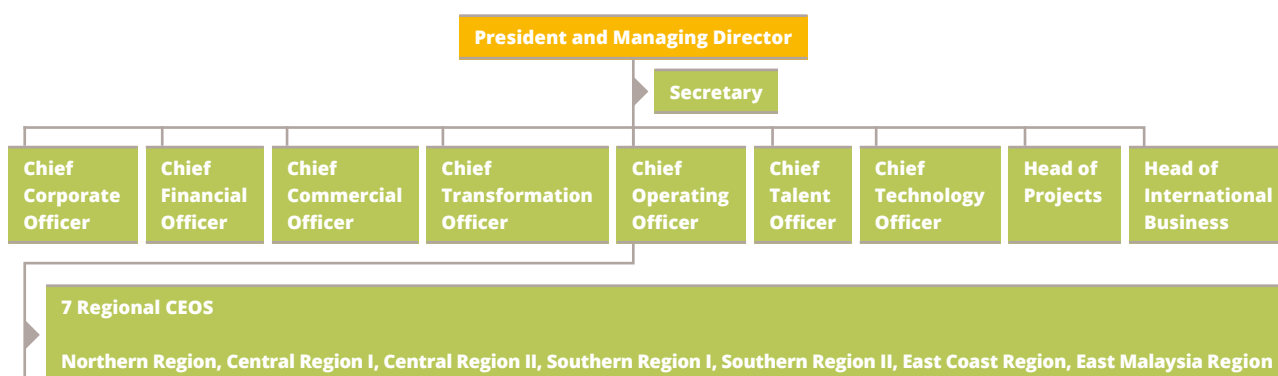
The ABMS objectives are as follows:

- To inculcate and practise ethical virtues;
- To hinder any possibilities that could lead to unethical or untruthful practices;
- To comply with the law, regulations, Anti-Bribery Management System and other requirement;
- To take the necessary action against those contravening the law, regulations, Anti-Bribery Management System and other requirement;
- To cooperate with the relevant agencies to combat threats of bribery and fraud;
- To comply with the Code of Behaviour and Business Ethics and practice good values based on moral and religious principles whilst performing our duties as well as continuous improvement; and
- To provide channel of reporting for any forms of bribery/ corruption risks.

During the year, GIU has conducted briefing sessions on ABMS to employees and companies in the Group. Integrity Ambassadors have also been appointed in all companies in the Group to assist the Management in inculcating and promoting ethical values amongst employees.

### CONTROL STRUCTURE

Effective 1st February 2021, the Board has approved a new structure which are collectively referred to as the KPJ Group Management Committee (formerly known as EXCO). This committee is chaired by the President and Managing Director and the members are as follows:-



## COMMITTED TO STRONG GOVERNANCE

### Statement on Risk Management and Internal Control

With the largest number of healthcare facilities and professionals in the private sector in Malaysia, all the KPJ's 28 hospitals were also re-organized under regional groupings across 7 geographically based regions i.e. Northern Region, Central Region I, Central Region II, Southern Region I, Southern Region II, East Coast Region and East Malaysia Region. Each of these regional groupings is led by a Regional CEO and all the Regional CEOs report to the Chief Operating Officer.

The Regional CEOs supervise the hospitals in their respective regions where the Chief Executive Officers/General Managers of hospitals reported to them. The Medical Directors oversee the clinical operations and governance at the hospitals.

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

#### ASSIGNMENT OF AUTHORITY AND RESPONSIBILITY

The Board has delegated certain responsibilities to Board Committees and Management Committees which function with clearly defined terms of reference. The functions and activities carried out by the Board Committees are set out in the Corporate Governance Overview Section on pages 114 to 131.

The Board also assigns authority and responsibility to the President and Managing Director. The KGMC that is chaired by the President and Managing Director oversees all business operations and executes all strategic initiatives approved by the Board.

Several committees have been formed to identify, evaluate, monitor and manage the significant risks affecting the Group operations:-

#### 1. RISK AND GOVERNANCE COMMITTEE ("RGC")

RGC is a Board Committee chaired by an Independent Non-Executive Director of the Board. RGC is entrusted to evaluate and review the assessment of risk identification, the effectiveness of Enterprise Risk Management, process of assessing and managing Group's Principle risks. The committee also reviews and evaluates the Group level risk exposures and management of significant clinical and non-clinical risks identified.

#### 2. GROUP MEDICAL ADVISORY COMMITTEE ("MAC")

MAC is chaired by the KPJ Medical Advisor appointed by KPJ. MAC is the apex clinical committee that is responsible for the Group's clinical governance framework and guidelines for sound and ethical medical practices.

There are various sub-committees under the MAC; namely Clinical Governance Policy Committee, Clinical Governance Action Committee, Clinical and Ethics Review Committee and Research and Quality Innovation Committee.

MAC reviews the Group's clinical governance, that includes policies, guidelines, standard operating procedures and

clinical compliance framework for the approval of the Board to inculcate a safe, healing, ethical environment and promulgate good clinical governance practices that are consistent with the Board's business direction and risk tolerance.

#### 3. DEVELOPMENT AND PROCUREMENT COMMITTEE ("DPC")

DPC is a Board Committee chaired by an Independent Non-Executive Director of the Board. The DPC (formerly known as Building and Tender Board Committee (BTBC)) oversees the timeline and costing of each project undertaken by the Group and to address any issues relating to these projects. DPC evaluates, deliberates and approves all major procurement contracts within its authority limits set by the Board. DPC also evaluates the recommendations made by the Management on selected contractors for the Board's approval.

#### 4. CLINICAL RISK MANAGEMENT COMMITTEE ("CRMC")

CRMC is a management committee chaired by a Non-Independent Non-Executive Director of the Board. The Chairman is also a member of AC, RGC and GMAC to facilitate the escalation of clinical issues to the respective committees. CRMC is entrusted to review and oversee the effectiveness of the Group clinical governance framework. All major clinical risk incidents related to patient and staff safety are presented to CRMC. All strategic corrective and preventive measures discussed and decided by the CRMC are escalated to the MAC for its notation and endorsement.

#### 5. TENDER EVALUATION COMMITTEE ("TEC")

TEC is a management committee chaired by a member of KGMC. TEC is responsible for evaluation of all tenders for all acquisitions of assets, award of contracts and appointment of project development consultants/advisors for the Group. TEC will make its appropriate recommendation to the DPC.

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

#### COMMITMENT TO CONTINUOUS LEARNING

The Group, being in a service-oriented industry, recognises the importance of sustainable investment in improving the skills and competencies of its management, medical consultants and employees. This is achieved through facilitating various training programs, seminars, workshops and service quality initiatives.

To enhance continuous learning process and staff competency in delivering quality service, the Group spent RM5.7 million in 2020 (2019:RM10.9 million) in conducting staff training and development programs. Given the COVID-19 pandemic situation all staff training and development programs were conducted virtually which allowed greater flexibility for employees to gain knowledge in the 'new-normal' environment. Each employee is encouraged to undergo at least 30 hours of training per year.

## Statement on Risk Management and Internal Control

In 2020, the average training hours was 18 hours/staff (2019 : 34 hours/staff) on work-related areas such as customer service, clinical safety and leadership program, facilitated by the Group's Talent Management Services in collaboration with KPJ Healthcare University College's (KPJUC) teaching professionals as well as external trainers.

To promote continuous learning and upgrading of knowledge, the Group also provides sponsorship as part of KPJ promoting career progression for eligible executives and managers to further their studies in a various post-graduate program in hospital management and clinical disciplines. Since initiation of this initiative in 2005, 101 (as at 2019 : 99) staff have benefited and obtained their Masters degrees from various institutions of higher learning i.e KPJUC and other Malaysian and overseas universities.

All Diploma holder Nurses, who represent around half of the Group's total workforce, are also encouraged to further their studies either for the Degree in Nursing or post-basic courses in OT, ICU, CICU, renal, midwifery and paediatric nursing at KPJUC or at any reputable institutions to enhance their knowledge and skills. This is also part of their career enhancement and development of academic activities at the hospitals.

### RISK MANAGEMENT FRAMEWORK

#### ENTERPRISE RISK MANAGEMENT

The Group has issued the KPJ Risk Management Guidelines to all hospitals which was formulated based on the ISO 31000:2018 Risk Management. These new Guidelines superseded the old guidelines which were based on the Australian/New Zealand Standard 4360:1999 Risk Management and HB228:2001 Guidelines for Managing Risks in Healthcare.

The Group has put in place an Enterprise-Wide Risk Management ("ERM") framework for managing risks associated with its business and operations. The ERM framework features a risk governance structure that comprises of 3 levels of defence with clear lines of responsibilities and accountabilities.

KPMG was appointed to conduct external assurance as part of the effort to enhance the roles and functions of Risk Management. The Enterprise Risk Management (ERM) Maturity Assessment by KPMG was carried out from 13th January 2020 to 7th February 2020. The objectives of the assessment were to assist the Board of Directors of KPJ in respect of the following:-

- i. Asses the risk maturity level and identify possible gaps in KPJ's existing enterprise risk management capability
- ii. Engage with key stakeholders of the enterprise risk management function in the Group
- iii. Make recommendations to improve and enhance the effectiveness of the ERM framework

KPMG issued their report on ERM Maturity in April 2020 which was presented, deliberated in RGC for implementing the recommendations. They have identified 27 areas of improvement opportunities to improve KPJ's risk management practices which are categorized based on implementation priority i.e. Urgent, Medium and Long Term. 85% of recommendations have been implemented.

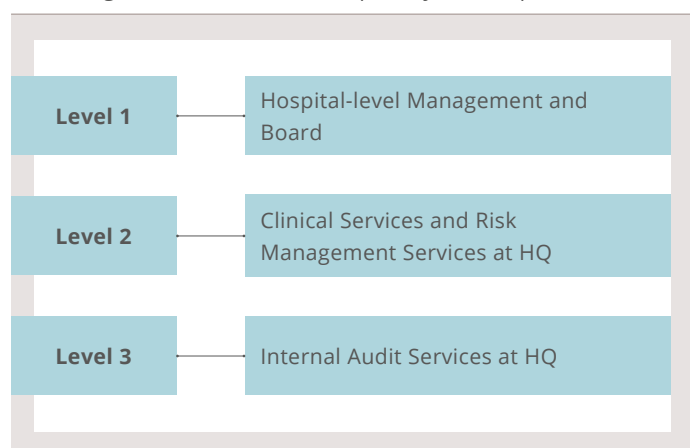
Though each hospital has established a business continuity management process and procedures in the event of an emergency or crisis i.e. Disaster and Emergency Management Plan (DEMP), Emergency Response Team (ERT), it is acknowledged that the Group has yet to establish an enterprise wide business continuity framework. KPJ has developed the KPJ Business Continuity Management (BCM) Framework which facilitates a structured and scalable approach to design and execute Business Continuity Plan (BCP) as well as provides a one -stop reference to understand the BCM concepts, expectations and deliverables.

KPJ BCM Framework were circulated to all KPJ Hospitals and Subsidiaries in April 2021.

To facilitate the risk assessment process and reporting, we are considering usage a Governance, Risk Management and Compliance (GRC) software which would integrate the data coordinated from multiple hospitals and subsidiaries. Currently, we are in the midst of evaluating the GRC requirement with the intention to be used group wide by mid of 2021.

#### GOVERNANCE STRUCTURE

The ERM governance structure adopted by KPJ comprises as follows:-



Risk Officers have been appointed at all hospitals to co-ordinate and monitor the implementation of risk management activities across all operations. All hospitals and subsidiaries are required to identify and mitigate relevant risks that may affect the achievement of the Group's objectives and report all significant risks arising from operations to their respective Boards.

## COMMITTED TO STRONG GOVERNANCE

### Statement on Risk Management and Internal Control

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

As a healthcare service provider, clinical risk forms the biggest risk class the Group faces. Therefore, the Board has entrusted the CRM committee which comprises medical consultants of various disciplines to review and deliberate on all reported risk incidences. The minutes and decisions of this committee are presented to the MAC, which is the apex-committee for all clinical matters of the Group.

Both clinical and non-clinical risk matters are also reported to the Risk and Governance Committee (RGC) which has oversight authority on all risk management and internal control issues of the Group.

#### CONTROL ACTIVITIES

##### POLICIES AND PROCEDURES

Policies and procedures are documented comprehensively, which are reviewed regularly to ensure relevance and compliance with the current and applicable laws and regulations. These policies and procedures help to ensure that appropriate authority limits are in place, business activities are carried out according to set standards and necessary actions are taken to address and minimise risks and ensure the orderliness and continuity of business functions.

##### SEGREGATION OF DUTIES

The delegation of responsibilities by the Board to the Management and Operating Units are clearly defined and authority limits are strictly enforced and reviewed regularly. Different authority limits are set for different categories of managers for the procurement of capital expenditure, donations and approval of general and operational expenses. Similarly, cheque signatories and authority limits are clearly defined and enforced.

##### KEY PERFORMANCE INDICATOR (KPI)

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

## INFORMATION AND COMMUNICATION

### INFORMATION TECHNOLOGY (IT)

Technology (ICT) continue to evolve by entering into Industry 4.0 Revolution through Artificial Intelligence and Digital Production, Internet of Things, Cloud Technology, Robotic Process Automation and Big Data. KPJ's Group Technology Services (GTS) align its ICT strategies with KPJ Business Vision and Objectives for the next 5 years and ensure that KPJ is leveraging the latest technology advancement to achieve its goal of Smart Healthcare Provider, which is the hybrid business model of both physical and virtual care. As part of the strategy, KPJ will be replacing its long serving Hospital Information System (HIS) to the next generation future proof HIS which will be able to deliver Industry 4.0 initiatives and integration necessary to meet KPJ's Business Vision and Goals.

### COMMUNICATION AND INFORMATION SHARING

The Group promotes the culture of effective communication and information sharing amongst the hospitals and key subsidiaries through the holding of functional group meetings and conferences. The objective behind these meetings and conferences is to share and reinforce key business strategies, review performance, discuss current issues and communicate new policies and procedures.

Such meetings and conferences are held either on monthly, quarterly or annual basis, comprising diverse functional groups such as hospital management, chief nursing officers, finance managers, pharmacists and risk officers.

The Group conducted periodic townhall meetings throughout the year whereby management shared change in policies, group structure, financial and operational performance, new strategic direction, balance scorecard and business targets for the new financial year.

### INSURANCE COVERAGE

The Group has in place an adequate insurance coverage to protect its major assets against any mishaps that could result in material loss. The coverage is reviewed yearly taking into account the changes in risk profiles (acquisitions, claims and etc). All the staff in Group are covered by the Group Personal Accident for injuries resulting from incident or accident.

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

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



## Statement on Risk Management and Internal Control

### CONTINUOUS MONITORING AND ASSURANCE

#### ONGOING MONITORING

The main assurance process of the Group is primarily undertaken by the Level 2 and Level 3 defence line functions. The effectiveness of internal control systems implemented throughout the Group is assessed primarily by the Internal Audit Services through the conduct of regular audits on the hospitals and key subsidiaries.

The assurance on the effectiveness of the ERM framework is provided primarily by the Clinical Services and Risk and Compliance Services through on-site and off-site reviews. In 2020, 27 hospitals were surveyed in 13 services areas which was conducted by the clinical audits.

Reports generated by the Level 2 and Level 3 lines of defence mentioned above are presented to the Clinical Risk Management Committee, Risk and Governance Committee and Audit Committee respectively for deliberation.

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

#### INDEPENDENT EVALUATION

All hospitals certified with the MSQH and JCI accreditation have to undergo stringent surveillance audit by the respective surveyors and audit teams to ensure compliance with accreditation standards and requirements before accreditation certification can be renewed, usually every three (3) years.

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

In 2020, MSQH conducted 2 hospital accreditation surveys as part of the accreditation process cycle.

#### REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

This Statement on Risk Management and Internal Control has been reviewed by the External Auditors as required by Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the inclusion in the Annual Report for the year ended 31st December 2020. The limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control of the Group.

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

#### ASSURANCE

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

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

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

COMMITTED TO STRONG GOVERNANCE

# Medical Advisory Committee Report



**Clinical Governance is a framework through which KPJ and its hospitals are accountable for continually improving the quality of their services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish.**



Embodying three key attributes: recognizably high standards of care, transparent responsibility and accountability for those standards, and a constant dynamic of improvement (Figure 1).

In short, it is **doing the right thing, at the right time, by the right person**—the application of the best evidence to a patient’s problem, in the way the patient wishes, by an appropriately trained and resourced individual or team.

Clinical governance is an integrated component of corporate governance of a health service organisation. It ensures that everyone – from frontline clinicians to managers and members of governing bodies, such as boards – is accountable to patients and the community for assuring the delivery of health services that are safe, effective, integrated, high quality and continuously improving.

Individual or team must work within an organisation that is accountable for the actions of its staff, values its staff (appraises and develops them), minimises risks, and learns from good practice, and indeed mistakes.

At the Group level this is the responsibility of the Group Medical Advisory Committee (MAC) with the help of several Central Governance Committees developing policies and guidelines to improve safety and outcomes and monitoring clinical governance activities at the hospitals (Figure 2).

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

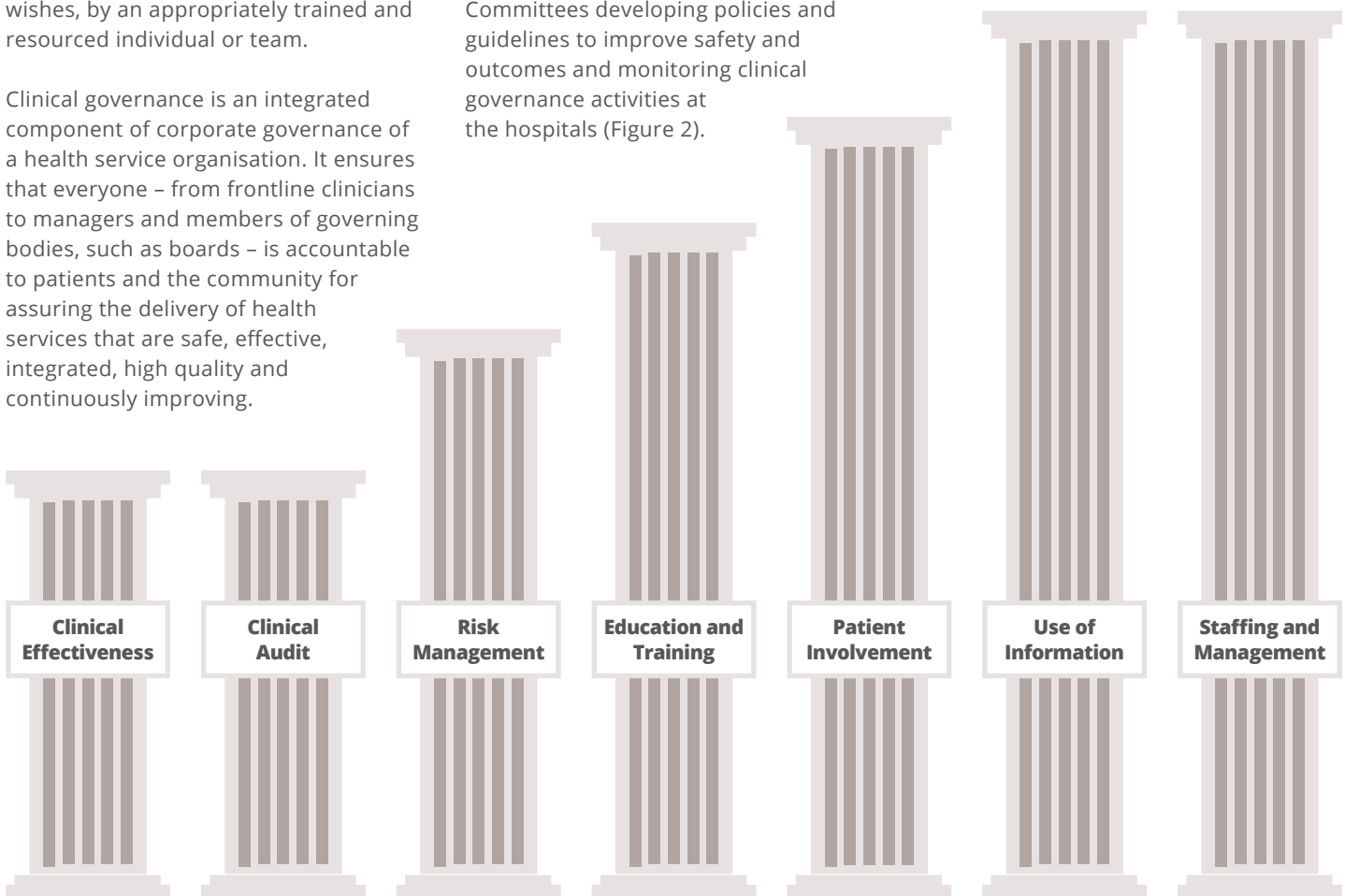


Figure 1: the Seven Pillars of Clinical Governance

## Medical Advisory Committee Report

### ACTIVITIES OF THE GROUP MEDICAL ADVISORY COMMITTEE AND ITS COMMITTEES IN 2020

#### DEVELOPMENT AND REVIEW OF POLICIES AND GUIDELINES

One of the major activities of the clinical governance committees is developing new policies and guidelines as well as reviewing and updating all existing policies/guidelines to ensure evidence based processes are in place.

In year 2020, eight (8) new policies were approved for use and three (3) were updated.

Date of Approval	New Policies
19/02/2020	Guideline On Use of Social Media
19/02/2020	Management of Dengue in A&E
19/02/2020	Policy on Management of Contrast Media
19/02/2020	Guideline on Discharge against Medical Advice
19/02/2020	Duration Limit for Psychotropic Drug Order
19/02/2020	Policy on Prescription of Drugs by Consultants or Medical Practitioners
28/02/2020	Policy on the Practice of Telemedicine Services
28/04/2020	Prescribing Repeat Medication

Date of Approval	Reviewed Policies
19/02/2020	Management of patients and cardiac catheterization facilities in hospitals without cardiac surgery facilities
28/04/2020	KPJ Patient Safety Goals
28/04/2020	Policy on Procedural Sedation for Non - Anaesthesiologist



Figure 2: Management of Clinical Governance - Clinical Governance Committees

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Medical Advisory Committee Report

**ENHANCING CLINICAL GOVERNANCE**

Meetings with the consultants is one way to encourage participation of the consultants in clinical governance activities and to motivate reporting of clinical outcomes. During these meetings suggestions for new products or services as well as difficulty in executing certain policies/guidelines are also discussed.

**SPECIALTY MEETINGS**

Four (4) specialty meetings were held this year



**GROUP MEDICAL DIRECTORS MEETINGS**

Two meetings were held in 2020  
- on 3<sup>rd</sup> April and 26<sup>th</sup> November.

**CLINICAL COMPLIANCE**

Today, many people are concerned about finding the best ways to meet their health care needs. Accreditation means that we have been assessed against internationally recognised standards and operate to the highest levels of quality and service. Accreditation is the process in which certification of competency, authority, or credibility is presented.

Measurement of quality requires a reference standard and in KPJ, the Malaysian Society for Quality in Health (MSQH) and Joint Commission International (JCI) standards are used to benchmark our service reassuring our patients of the outstanding care provided by our consultants and nurses.

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

In 2020, two (2) KPJ hospitals were surveyed with the 5<sup>th</sup> Edition Standards. KPJ Ampang Puteri successfully completed their 7<sup>th</sup> cycle in March whereas KPJ Bandar Maharani successfully completed their 2<sup>nd</sup> cycle accreditation in October.

**Joint Commission International (JCI) Accreditation**

In February 2020, KPJ Johor received JCI recertification (4<sup>th</sup> cycle, 6<sup>th</sup> Edition standards).

**Clinical Survey 2020**

The survey evaluates the compliance to Ministry of Health standards/guidelines, MSQH and JCI standards, Malaysian Medical Council (MMC) Guidelines and KPJ Governing Policies. This is across hospital internal survey conducted by KPJ Clinical Services, hospital nursing managers, dietitians and pharmacists.

In 2020, 27 hospitals were surveyed in 13 service areas, with an average result of 93.5% (Paediatrics Services was removed from the list)

Table 1: Clinical Survey 2020 - Service Areas

Service Areas Surveyed	
1	Prevention and Control of Infection (PCI)
2	Haemodialysis Service (HD)
3	Central Sterilizing Supply Service (CSSS)
4	Accident and Emergency Service (A&E)
5	Endoscope Service
6	Intensive Care/Neonatal/Cardiac Intensive Care Service (ICU/NICU/CICU)
7	Labour Room/Maternity Service
8	Hospital Wide
9	General Ward Service
10	Operating Theatre Service (OT)
11	Pharmacy Service
12	Food and Dietetic Service
13	Medical Record (Case Notes)

## Medical Advisory Committee Report

### PERFORMANCE AND PATIENT OUTCOMES

Measurement of outcomes of disease course and progression, quality of clinical care being provided, success of the procedure/ interventions carried out and actual benefit perceived by the patient can be used to strongly showcase the patients' progress and the success of treatments, the continuous monitoring of outcomes provides an opportunity for both assessing and improving quality of patients' health and care. These are some of the reports being monitored:

#### PERFORMANCE OUTCOMES

The following performance indicators were monitored in the year 2020.

1. Rate of White appendix	15. Percentage of Stroke for cases related to Cath-Lab procedure
2. Mortality rate for GCS >9 coming in with head injury	16. Percentage of Vascular complications related to Cath-Lab procedure
3. Rate of LSCS	17. Percentage of Myocardial Infarction patients receiving thrombolytic therapy within 30 minutes of their presentation at A&E
4. Percentage of complications related to LSCS; Bladder injury	18. Percentage of Myocardial Infarction patients receiving Primary PCI treatment within 90 minutes of presentation at A&E
5. Percentage of complications related to LSCS; Ureteric Injury	19. The occurrence of Adverse Events during the recovery period from Operation Theatre
6. Percentage of complications related to LSCS; uterine atony with hysterectomy	20. Unplanned admission to the ICU from OT
7. Percentage of complications related to LSCS; uterine atony without hysterectomy	21. Number of return to ICU within 24 hours of ICU discharge
8. Percentage of complications related to LSCS; severe hemorrhage	22. Post-operative Cataract surgery cases with BCVA 6/12 or better three months after surgery (OR at the last visit if less than 3 months post-op)
9. Percentage of complications related to LSCS; fetal injury	23. Percentage of ischaemic stroke patients receiving thrombolytic treatment within 4.5 hours of symptoms upon arrival at A&E
10. Percentage of complications related to LSCS; bowel injury	24. Dengue fever fatality rate
11. Rate of maternal mortality	25. Rate of Lap Cholecystectomy discharged more than 48 hours
12. Rate of Vaginal tear (grade 3&4) for normal (including instrumental delivery) deliveries	26. Rate of Lap Cholecystectomy deaths
13. Percentage of death for cases related to Cath-Lab procedure	
14. Percentage of MI for cases related to Cath-Lab procedure	

#### • Clinical Indicators

In 2020, the clinical indicators monitored are similar as above.

### QUALITY INDICATORS FOR ACCIDENT AND EMERGENCY SERVICES

Five (5) indicators monitored internationally have been identified and are being compiled and analysed for the Group (Table 2).

Table 2: Quality Indicators for Accident and Emergency Services Year 2020

A&E Quality Indicators		Targets	Achieved
Q1 1 - Unplanned Re - attendance	Within 24H	< 3% (MSQH target)	0.30%
	Within 3 days	2 - 3% (International)	0.25%
	Within 7 days	< 5% (International)	0.24%
Q2 - Total Time in A&E	Within < 4 hours (%)	95% patients leave within 4 hours (International)	98.71%
Q3 - Left Without Being Seen by a Doctor	Percentage of patient leaving without being seen	< 5% (International)	5.08%
Q1 4 Time to Assessment	Patients assessed by SRN within ≤ 15 min (%)	95% patients assessed by SRN within ≤ 15 min (International)	99.10%
Q1 5 Time to Treatment	ALL patients seen within 60 min	Green zone - assessed within 20 min (%)	96.77%
		Yellow zone - assessed within 30 min (%)	98.98%
		All patients seen assessed within 30 min (%)	99.12%

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**Medical Advisory Committee Report**

**AUTOMATED DISPENSING MEDICATION SYSTEM (ADMS)**

ADMS has been proven to improve the efficiency of drug distribution system and improve nursing and pharmacy staff efficiencies by reducing manual steps and processes. It reduces nurse travelling time to pharmacy to indent the medications as it can be immediately available in the ADMS parked in the wards. It provides secure medication storage on patient care units, along with electronic tracking of the use of drugs. It also helps in eliminating the need for manual-of shift of Psychotropic Drug counts in patient care unit.

KPJ Selangor has installed the ADMS in patient care units and Operation Theatre. It provides an innovation solution to control costs by ensuring efficient rotation of inventory and eliminating excessive ward stock inventories and waste.

The same system is proposed to be installed in ICU and OT of KPJ DSH2.

**ENHANCEMENT OF SERVICE**

Hospitals may need to expand or introduce new services in line with new technology or meeting customers’ expectations and endeavour to provide a safe healing environment. These were some of the new services initiated and in progress:

**CLINICAL PHARMACY SERVICES IN KPJ HOSPITALS**

- The scope of pharmacy services in KPJ Healthcare has progressively shifted towards patient-oriented service.
- Segregation of pharmacist :
  - Specialized Pharmacists – Oncology Pharmacist and Clinical Pharmacist and Nuclear Pharmacist.
  - Other pharmacists - to cover ward, outpatient and in-patient and inventory
- Produced education videos for patient educations – uploaded on hospital video walls and hospital website.
- Clinical pharmacy services for warded patients – taking medication history and conduct appropriateness review to prevent medication interaction, dose optimization and effective use of medications

**Update on Acute Stroke Centre**

- KPJ Damansara has started treating acute ischaemic stroke patients with mechanical thrombectomy since they have acquired the services of Neuro-Interventional Radiologist.
- KPJ Damansara has acquired a 128 slice CT scanner a year ago that does perfusion study.
- Q4 of 2020, KPJ Damansara had a total of 16 thrombotic strokes with one (1) intravenous thrombolysis and one (1) mechanical thrombectomy done. Average time for Door-to-Dr was 3 minutes (within international standards of <10 minutes and a vast improvement from Q3) and the median Door-to-CT time was 26 minutes (international standards <15 minutes and similar to Q3).
- All patients were discharged with a Modified Rankin Scale improvement of 2, 1 score better compared to previous quarters.
- With the success of mechanical thrombectomy, the KPJ Damansara stroke services plan to extend activation times to include patients presenting with symptoms up to 16 hours.

**Future Plan:**

- Identify one hospital in the southern region for Acute Stroke Management Centre.
- To facilitate KPJ Ipoh Specialist Hospital to initiate Management of (Ischaemic) Acute Stroke.

**DEVELOPMENT OF NEW PROJECTS OR SERVICES YR 2020**

**TELEMEDICINE CONSULTATION**

- KPJ Management has developed the process and standard operating procedure for KPJ Group of Hospitals to conduct Telemedicine service to patients in April 2020. Due to the Movement Control order, patients are finding it difficult to attend face to face consultation. Clinicians were also keen to conduct online consultations with their patients during this time.
- The Guidelines on the Practice of Telemedicine by Physician/ Healthcare Practitioner in KPJ Hospitals were sent to all the KPJ Group of hospitals on the 28th April 2020. The guideline included the flow, the consent form the Physician’s responsibility and checklist and the patient’s responsibility when conducting Telemedicine Consultation. Recently , we were given approval for the pharmacists, registered nurses, and the registered Allied Health providers to provide Telemedicine Consultation following their own professional Code of Conduct.

## Medical Advisory Committee Report

### CLINICAL DASHBOARD

A new initiative in data collecting was the implementation of the Clinical Dashboard. Previously clinical data was collected manually using an Excel sheet and this new real time data collection was started since December 2020.

With this dashboard the Person-in-charge and senior hospital management can immediately see areas that need attention or can be improved further.



#### The five indicators collected under the Clinical Dashboard are:

- Clinical Performance Indicator: Door to Balloon time for Primary Coronary Intervention (PCI) in Acute Myocardial Infraction
- Hospital safety indicator: Medication error (Inpatient and outpatient)
- Hospital safety indicator: Patient fall
- Nursing indicator: IV Phlebitis
- A&E Quality indicator: Time to treatment

**A campaign was initiated in all hospitals to kick start the above data collection drive.**

### VASCULAR ACCESS MANAGEMENT (VAM)

Vascular Access Management (VAM) is from insertion to removal of vascular access devices and almost 90% of all patients admitted to a hospital receive vascular access device.

Every vascular access patient's journey is unique and full of variables such as many healthcare professionals across shifts and care settings with varying skill levels and goals.

Intravenous therapy is so common that it may be easy to forget there is potential for harm. Problems may arise when placing a vascular access device, from infections and occlusions, to dislodgement and phlebitis.

Understanding the Challenges of Vascular Access is a program intended to revive & reassess Trained Nurses with information on how to insert, manage, monitor and remove peripheral vascular access devices safely and correctly. KPJ hospitals within Klang Valley have embark into INFUZE program that provides a comprehensive approach for healthcare systems to assess, plan, and implement department-focused standardized solutions to achieve and sustain infusion best practices.

### THE OBJECTIVES

- Assess current infusion therapy practices, process, products and outcomes to create a quantitative and qualitative report.
- Provide practice, process, and product recommendations as a result of the assessment process.
- Establish baseline metrics to periodically evaluate the impact of the recommendations that are implemented.

### EXPECTED BENEFITS

- Reduction in IV catheter related complications
- Improved compliance with policy and consistency of practice
- Improved clinical safety and efficiency
- Improved utilization of IV catheters

**COMMITTED TO STRONG GOVERNANCE**

**Medical Advisory Committee Report**

**MANAGEMENT OF COVID-19**

When the pandemic took the world by storm in early 2020, KPJ responded swiftly to ensure our healthcare business continuity was maintained. As a responsible key player in the private sector, we undertook a series of collaborative updates on COVID-19 briefings and training with the Ministry of Health. Medical Directors, Executive Directors, CEOs, General Managers and the Nursing Management teams were kept abreast of developments and clinical practices via virtual meetings throughout the year.

Several hospitals offered drive-through COVID-19 testing services, which afforded convenience to patients and was well-received.

An innovative initiative for an online repository of clinical information was curated by Group Clinical Services in April 2020. Hospital Management and doctors Group-wide could access this virtual bank of information called the E-Booklet, which covered a vast span of topics from screening at points of entry, personnel protective equipment, management of febrile patients, ARI (acute respiratory infection), SARI (severe acute respiratory infection), and ILI (influenza-like illness), management of patients on dialysis, management of COVID-19 in obstetrics and gynaecology, preparation of patients for emergency

surgery, COVID-19 testing, quarantine, infection control, transport of patients, decontamination, and other related clinical activities.

By the third wave of COVID-19 in early September, the healthcare industry was already at breaking point in general. Public hospitals and staging centres had reached critical bed occupancy. In anticipation of having to treat and manage COVID-19 patients referred from the public hospitals, KPJ prepared by further renovation works and retrofitting.

By October 2020, we had formalized screening questions at Point of Entry for the KPJ Group of Hospitals, which can be accessed by patients and visitors using a bar code. Lessons learnt from the incidental positive cases of COVID-19 patients were distributed to the KPJ Group of Hospitals in that same month.

A year later into the pandemic, training on management of COVID-19 patients by infectious disease specialists and intensivists from Sungai Buloh Hospital was conducted for KPJ hospitals. The Group also appointed Datuk Dr. Christopher Lee (Senior infectious disease consultant and former Deputy Director-General of Health) as advisor on COVID-19 matters.

**GROUP MEDICAL ADVISORY COMMITTEE (GMAC)**

The GMAC was formed in 2002, to initiate as well as to oversee clinical governance activities undertaken by the Group. The Chairman of the GMAC, Dato’ Dr. Zaki Morad Mohamad Zaher, (Consultant Nephrologist at KPJ Ampang Puteri) is also appointed as the KPJ Medical Advisor

The Committee met four (4) times in 2020.

The Committees of GMAC and their roles are as follows:

No	KPJ Medical Advisory Committee	Position in Committee	Attendance for year 2020			
			19.02.2020	28.04.2020	29.7.2020	11.11.2020
1	Dato’ Dr. Zaki Morad Mohamad Zaher	Chairman	√	√	√	√
2	Ahmad Shahizam Mohd Shariff	President & Managing Director	Nil	Nil	√	√
3	Datuk Dr. Hussein Awang	Chairman, Medical Directors’ Meeting	x	x	x	x
4	Dato’ Dr. Sivamohan A/L S. Namasivayam	Chairman, Clinical Governance Policy Committee	√	√	√	√
5	Assoc. Prof. (Clinical) Dr. Ab Razak Samsudin	Chairman, Clinical Governance Action Committee	√	√	√	√
6	Dato’ Dr. Ngun Kok Weng	Chairman, Clinical Risk Management Committee	√	√	√	√
7	Prof. (Clinical) Dato’ Dr. Fadzli Cheah	Chairman, Clinical and Research Ethics Review Committee	√	√	√	√
8	Prof. Dato’ Dr. Azizi Hj Omar	Chairman, Research and Quality Innovation Committee	√	√	√	√
9	Dato’ Dr. Bajit Kor A/P Teja Singh	Consultant Ophthalmologist, KPJ Ampang Puteri	√	√	√	√
10	Dr. Mohd Hafetz Ahmad	Medical Director, KPJ Bandar Dato’ Onn	√	√	√	√
11	Dr. Kok Chin Leong	Consultant Paediatrician, KPJ Puteri	√	√	√	√
12	Dr. S. Balakrishnan	Consultant O&G, KPJ Kajang	√	√	√	√
13	Jasimah Hassan	Vice President, Business Operations and Clinical	√	√	√	√



## Medical Advisory Committee Report

### CLINICAL GOVERNANCE POLICY COMMITTEE (CGPC)

CGPC was formed in 2002 to develop policies relating to clinical practice, patient care, safety and quality improvement. These include:

- Establishment of evidence based practice;
- Assessment of new innovative and emerging technologies; and
- Compliance to national regulatory requirements and adoption of national/international practice guidelines.

It also reviews and advises GMAC on incident reports, clinical indicators, and complaints as well as deals with requests for clarification from Medical Directors, Consultants, Hospital Management, and staff.

The Committee met four (4) times in 2020.

No	Clinical Governance Policy Committee	Position in Committee	Attendance for year 2020			
			30.1.2020	21.4.2020	27.07.2020	21.10.2020
1	Dato' Dr. Sivamohan A/L S. Namasivayam	Chairman	√	√	√	√
2	Dato' Dr. Abdul Wahab Ghani	Member	√	√	√	√
3	Prof. (Clinical) Dr. Wan Hazmy Che Hon	Member	√	√	√	√
4	Dr. Mahayidin Muhammad	Member	√	√	√	√
5	Dr. Mohamed Namazie Ibrahim	Member	√	√	√	√
6	Dr. Chan Kheng Khim	Member	√	√	√	√
7	Dr. Luis Chen Shian Liang	Member	√	√	√	√
8	Dr. Ab Razak Samsudin	Member	√		Tenure ended	
9	Dato' Mohamad Farid Salim	Member	√	√	√	√

### CLINICAL GOVERNANCE ACTION COMMITTEE (CGAC)

CGAC formed in 2002, is the committee that is responsible for monitoring progress of implementation of policies or programs approved by GMAC. The committee also identifies problems that are hindering implementation of the agreed policies or programs. All the agreed policies or programs are analysed, evaluated and monitored in order to ensure quality in clinical care. CGAC oversees the implementation and monitoring of the annual clinical survey, highlighting to the Group lessons learnt from hospital mortality and morbidity review, and monitoring clinical performance indicators among others. CGAC also recommends training and development of hospital clinical staff.

The Committee met four (4) times in 2020.

No	Clinical Governance Action Committee	Position in Committee	Attendance for year 2020			
			6.2.2020	22.04.2020	23.07.2020	22.10.2020
1	Assoc. Prof. Dr. Ab Razak Samsudin	Chairman	√	√	√	√
2	Dato' Dr. Ismail Yaacob	Member	√	√	√	√
3	Dato' Dr. Khaled Mat Hassan	Member	√	√	x	x
4	Prof. (Clinical) Dr. Primuharsa Putra Sabir Husin Athar	Member	√	√	√	√
5	Dr. Rusli Arshad	Member	√	√	√	√
6	Dr. Noor Hisham Mansor	Member	√	x	x	
7	Dr. S. Balakrishnan	Member	√	√	√	√
8	Dato' Dr. Mahmood Awang Kechik	Member	√	√	√	√
9	Dr. Mohd Harris Lu	Member	x	√	√	√
10	Dr. Munirah Khudri	Member	√	√	x	√

## COMMITTED TO STRONG GOVERNANCE

### Medical Advisory Committee Report

#### CLINICAL RISK MANAGEMENT COMMITTEE (CRMC)

The overall objective of CRMC established in 2003, is to promote safety and excellence in patient care. Its responsibilities include:

- Identify, prioritize and manage risk arising from clinical care;
- Ensure effective and efficient use of resources through evidence-based clinical practices; and
- Protect the health and safety of the patients, healthcare providers and visitors.

CRMC aims to reduce the clinical risk to a minimum by improving the quality of care received by patients and to ensure the maintenance of a safe environment for our patients, healthcare providers and visitors.

The Committee met four (4) times in 2020.

No	Clinical Risk Management Committee	Position in Committee	Attendance for year 2020			
			04.02.2020	23.04.2020	24.07.2020	21.10.2020
1	Dato' Dr. Ngun Kok Weng	Chairman	√	√	√	√
2	Dato' Dr. Kamaruzaman Ali	Member	√	√	√	√
3	Dr. Padmanathan Rajoo	Member	√	√	√	√
4	Dr. Muhammad Nazri Aziz	Member	√	√	√	√
5	Dr. Ong Boon Teik	Member	√	√	√	√
6	Dr. Zarin Ikmal Zan Mohd. Zain	Member	√	√	√	√
7	Dr. Rozman Md Idrus	Member	√	√	√	√
8	Dr. Mohd Ali Salleh	Member	x	√	√	√
9	Khairul Annuar Azizi	Member	√	√	√	√
10	Eric Sim	Member	√	x	√	√
11	Maisarah Omar	Member	x	√	√	x

#### CLINICAL AND RESEARCH ETHICS REVIEW COMMITTEE (CRERC)

The Clinical Ethics Committee was formed in 2011 and the objective of CEC is to assist consultants, patients and family as well as hospital staff to resolve clinically related ethical issues such as refusal of treatment, and end-of-life requests.

The committee was renamed in 2019 to Clinical and Research Ethics Review Committee (CRERC) merging the roles of the Research Ethics Review Committee to ensure a more efficient process.

Besides discussing on Clinical Ethics issues, the committee also review all research proposals in the KPJ Group of Hospitals reviewing both the scientific merit and the ethical acceptability of the research proposal. The committee is responsible to safeguard the rights, safety and well-being of the research subjects.

The committee met three (3) times in 2020.

No	Clinical and Ethics Review Committee	Position in Committee	Attendance for year 2020		
			7.2.2020	24.07.2020	16.10.2020
1	Dato' Dr. Fadzli Cheah Abdullah	Chairman	√	√	√
2	Dato' Dr. Wan Nik Ahmad Mustafa Ali	Member	√	√	√
3	Datin Dr. Vasantha Mathews	Member	√	√	√
4	Dr. S. P. Singgaram	Member	x	√	√
5	Dr. Gunasegaran P.T Rajan	Member	√	√	√
6	Prof. Emeritus Dato' Dr. Lokman Saim	Member	√	x	√
7	Dato' Dr. Ashar Abdullah	Member	x	x	√
8	Dr. Tengku Saifudin Tengku Ismail	Member	√	x	√
9	Hj. Mohd Nasir Mohamed	Member	√	x	√
10	Dr. Naharuddin Mohamad Saifi	Member	x	x	x

## Medical Advisory Committee Report

### RESEARCH AND QUALITY INNOVATION COMMITTEE (RQIC)

The committee was established in 2010 to facilitate research within the KPJ Hospitals for Clinicians and KPJ staff who would like to conduct research involving clinical, quality, safety and/or healthcare related matters and to promote the establishment of quality assurance and improvement programmes in the hospitals.

The committee meets (physically or by circulation of papers) only whenever there is a need to review research proposals.

No	Research And Quality Innovation Committee	Position In Committee
1	Prof. Dato' Dr. Azizi Hj Omar	Chairman
2	Dr. Hue Teck Lee	Member
3	Dr. Aminuddin Saim	Member
4	Assoc. Prof. Dr. Syah Irwan Shamsul Bahari	Member
5	Assoc. Prof. Dr. Thajunnisa Hassan	Member
6	Dr. Norman Dublin	Member

In 2020, four (4) papers have been approved by MAC as shown below:

11 Jan 2021	kpj_001/2021	Observational study to evaluate the actual use and effectiveness of Dymista(R) nasal spray in Southeast Asian patients	Dr. Yap Yoke Yeow, ENT KPJ Johor
1 Feb 2021	kpj_002/2021	Extraction of Multiple Physiological Waveform Data from Patient Monitoring System	Dr. Vineya Rai Hakumat Rai, Consultant, KPJ Tawakkal KL/ Dr. Rosmina binti Jaafar, Senior Lecturer UKM
9 March 2021	kpj_003/2021	The Prevalence and Factors causing alarm fatigue among registered nurses in Private Hospitals	Dr. Aini Ahmad, KPJUC
9 March 2021	kpj_004/2021	Medication Adherence and Quality of life Posy Myocardial Infarction patient in Private Hospitals	Mdm Azimah Masri, KPJUC

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# Compliance Information

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

**1. UTILISATION OF SUKUK PROGRAMME**

In year 2015, Point Zone (M) Sdn Bhd has raised RM1,500.00 million to be utilised for refinancing outstanding amount of previous Islamic Commercial Papers/Islamic Medium Term Notes Programme of up to RM500.0 million and to finance the expansion and working capital requirements of the KPJ Groups’ healthcare related businesses.

	<b>Amount up to (RM Million)</b>
At 1 January 2020	<b>1,100.0</b>
Issued during the financial year	<b>200.0</b>
At 31 December 2020	<b>1,300.0</b>

**2. TREASURY SHARES**

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

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

As at 31 December 2020, the Company held a total of 162,306,700 of its 4,442,042,736 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,152 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

**3. OPTIONS, SHARE-BASED PAYMENTS OR CONVERTIBLE SECURITIES**

**SHARE-BASED PAYMENTS**

An Employees’ Share Option Scheme (“ESOS”) was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Company. The ESOS was initially be in-force for a period of 5 years. However, upon approval from KPJ’s Board of Directors on 3 December 2019, it has been resolved that ESOS’s period is extended to another 3 years, whereby no additional options will be granted. The options will expire on 27 February 2023.

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

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

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

**5. IMPOSITIONS OF SANCTIONS/PENALTIES**

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

**6. AUDIT AND NON-AUDIT FEES**

During the financial year, the amount of audit and non-audit fees for services rendered to the Group amounted to RM3,004,501 and RM3,003,181 respectively.

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

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

**8. PROFIT GUARANTEE**

There 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 subsidiaries, involving Directors’ and major shareholders’ interest substituting at the end of the financial year.

## Compliance Information

### 10. RECURRENT RELATED PARTY TRANSACTIONS STATEMENT

At Annual General Meeting (AGM) held on 9 July 2020, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of revenue or trading nature with the following parties:

Party Transacted with	Nature of Transactions	Actual aggregate value from 1 January 2020 to 31 December 2020 RM'000	Frequency of transactions
Johor Corporation (JCorp) and its subsidiaries and associated companies (except for Al-'Aqar Healthcare REIT and Al-Salam REIT)	Secretarial fees and registrar fees	593	Monthly
	Contract management and advisory fees of KPJ projects development	8	Contract basis
	Building management service fees payable for Menara KPJ in Kuala Lumpur	1,713	Monthly
	Insurance coverage payable	4,844	Contract basis
	Fees payable for both project management services for the construction of hospital buildings and maintenance of non-medical equipment such as lifts and firefighting equipment	3,024	Contract basis
	Security services fees payable	5,630	Monthly
Al-'Aqar Healthcare REIT / Al-'Aqar Australia	Rental payable for renting of retirement village building and aged care facility in Australia and lease of hospital together with the land	11,834	Monthly
Al-Salam Real Estate Investment Trust (Al-Salam REIT)	Rental payable for renting Malaysian College of Hospitality and Management	2,041	Monthly
Damansara Realty Berhad (DBhd) and its subsidiaries and associated companies (DBhd Group)	Rental Income for renting of land for car park	2,266	Monthly
	Housekeeping contract fees payable	15,561	Monthly
		<b>47,514</b>	

APPENDIX

# Group Directory & Network

(Source: KPJ Care For Life Magazine)

## MSQH & JCI ACCREDITED HOSPITALS

**KPJ AMPANG PUTERI SPECIALIST HOSPITAL**  
1, Jalan Marnanda 9  
Taman Dato' Ahmad Razali  
68000 Ampang, Selangor  
Tel: 603-4289 5000  
Fax: 603-4270 2443  
Emergency: 603-4270 7000  
Website: www.kpjampang.com  
Email: aosh@kpjampang.com

**KPJ SEREMBAN SPECIALIST HOSPITAL**  
Lot 6219 & 6220, Jalan Taman 1  
Kemayan Square  
70200 Seremban, Negeri Sembilan  
Tel: 606-767 7800  
Fax: 606-767 5800  
Emergency: 606-767 6900  
Website: www.kpjseremban.com  
Email: ssh-pr@sh.kpjhealth.com.my

**KPJ PENANG SPECIALIST HOSPITAL**  
570, Jalan Perda Utama  
Bandar Baru Perda  
14000 Bukit Mertajam  
Seberang Perai, Pulau Pinang  
Tel: 604-548 6666  
Fax: 604-548 6700  
Emergency: 604-548 8750  
Website: www.kjppenang.com  
Email: inquiry@kjppenang.kpjhealth.com.my

**KPJ JOHOR SPECIALIST HOSPITAL**  
30-B, Jalan Abduh Samad, Kolum Ayer  
80100 Johor Bahru, Johor  
Tel: 607-225 3000  
Fax: 607-224 8213  
Emergency: 607-225 3188  
Website: www.kpjohor.com  
Email: jsh@sh.kpjhealth.com.my

## MSQH ACCREDITED HOSPITALS

**KPJ IPOH SPECIALIST HOSPITAL**  
26, Jalan Raja Dahir  
30350 Ipoh, Perak  
Tel: 605-240 8777  
Fax: 605-254 1388  
Emergency: 605-241 8888  
Website: www.kjpiipoh.com  
Email: ish@sh.kpjhealth.com.my

**KPJ DAMANSARA SPECIALIST HOSPITAL**  
119, Jalan SS20/10  
Damansara Utama  
47400 Petaling Jaya, Selangor  
Tel: 603-7718 1000  
Fax: 603-7722 2617  
Emergency: 603-7722 2500  
Website: www.kpjdamansara.com  
Email: info@kjpdamansara.com

**KPJ SELANGOR SPECIALIST HOSPITAL**  
Lot 1, Jalan Singa 20/1, Section 20  
40300 Shah Alam, Selangor  
Tel: 603-5543 1111  
Fax: 603-5543 1722  
Emergency: 603-5540 3381  
Website: www.kpjselangor.com  
Email: kpselangor@kpjselangor.kpjhealth.com.my

**KPJ PERDANA SPECIALIST HOSPITAL**  
Lot PT 37-8-500, Seksyen 14,  
Jalan Bisyam, Bandar Kota Bharu  
15200 Kota Bharu, Kelantan  
Tel: 609-745 8000  
Fax: 609-747 2677  
Emergency: 609-747 5140  
Website: www.kjpperdana.com  
Email: perdana@perdana.kpjhealth.com.my

**KPJ KAJANG SPECIALIST HOSPITAL**  
Jalan Charas  
Kampung Sungai Kantan  
43000 Kajang, Selangor  
Tel: 603-8769 2999  
Fax: 603-8799 2608  
Emergency: 603-8769 2911  
Website: www.kpkajang.com  
Email: kpkajang@kpkajang.kpjhealth.com.my

**KEDAH MEDICAL CENTRE**  
Kampung Pumpang  
05250 Alor Star, Kedah  
Tel: 604-730 8878  
Fax: 604-733 2869  
Emergency: 604-730 8878  
Website: www.kedahmedical.com  
Email: kmoustcare@kedahmedical.com.my  
oustcarekmc@gmail.com

**KPJ TAWAKKAL KL SPECIALIST HOSPITAL**  
1, Jalan Pahang Barat  
53000 Kuala Lumpur  
Tel: 603-4026 7777  
Fax: 603-4023 8063  
Emergency: 603-4026 7777  
Website: www.kpjtaawakkal.com  
Email: tawakkal@kpjtaawakkal.com

**KPJ PUTERI SPECIALIST HOSPITAL**  
33, Jalan Tun Abdul Razak (Susur 2)  
Larkin Jaya  
80350 Johor Bahru, Johor  
Tel: 607-225 3222  
Fax: 607-223 8833  
Emergency: 607-225 3200  
Website: www.kjpputeri.com  
Email: psh@sh.kpjhealth.com.my

**KPJ SENTOSA KL SPECIALIST HOSPITAL**  
Kompleks Damai, 36, Jalan Cemur  
50400 Kuala Lumpur  
Tel: 603-4043 7166  
Fax: 603-4043 7361  
Emergency: 603-4043 7166  
Website: www.kjpsentosa.com  
Email: kpsentosa@kjpsentosa.com

**KPJ KLANG SPECIALIST HOSPITAL**  
102, Persiaran Rajawali/KU1  
Bandar Baru Klang  
41150 Klang, Selangor  
Tel: 603-3377 7885  
Fax: 603-3377 7500  
Emergency: 603-3377 7500  
Website: www.kpjklang.com  
Email: customer@kpjklang.com

**KPJ PASIR GUDANG SPECIALIST HOSPITAL**  
Lot PTD 204871, Jalan Persiaran Dahlia 2  
Taman Bukit Dahlia  
81700 Pasir Gudang, Johor  
Tel: 607-257 3999  
Fax: 607-257 3974  
Emergency: 607-257 3900  
Website: www.kjppasir.com  
Email: psh@sh.kpjhealth.com

**KPJ BANDAR MAHARANI SPECIALIST HOSPITAL**  
73-1 Jalan Stadium  
Kampung Baharu  
84000 Muar, Johor  
Tel: 606-856 4500  
Fax: 606-856 4555  
Emergency: 606-856 4500  
Website: www.kjpmaharani.com  
Email: maharani@kjpmaharani.com

**KPJ RAWANG SPECIALIST HOSPITAL**  
Jalan Rawang, Bandar Baru Rawang  
49000 Rawang, Selangor  
Tel: 603-6098 8999  
Fax: 603-6098 8927  
Emergency: 603-6098 8999  
Website: www.kpjrawang.com  
Email: customerservice@kpjrawang.com



**KPJ SABAH SPECIALIST HOSPITAL**  
Lot No. 2, Off Jalan Darna, Luyang  
88300 Kota Kinabalu, Sabah  
Tel: 6088-211 333  
Fax: 6088-272 622  
Emergency: 6088-522 189  
Website: www.kjpsabah.com  
Email: onsenckk@smckk.kpjhealth.com.my

**KPJ PAHANG SPECIALIST HOSPITAL**  
Lot 109703 (P180065)  
Jalan Tanjung Lumpur  
26060 Kuantan, Pahang  
Tel: 609-511 2692  
Fax: 609-511 2600  
Emergency: 609-511 3009  
Website: www.kjppahang.com  
Email: kpjphg@kpjpahang.com

## MOVING TOWARDS ACCREDITATION

**TAIPING MEDICAL CENTRE**  
45-49, Jalan Medan Taiping 2  
Medan Taiping, 34000 Taiping, Perak  
Tel: 605-807 1069  
Fax: 605-808 3713  
Emergency: 605-807 1069  
Website: www.kjptaping.com  
Email: tmc@trmc.kpjhealth.com.my

**KPJ KUCHING SPECIALIST HOSPITAL**  
Lot 18807, Block 11  
Muaru Tebas Land District  
Jalan Stasjon, 93350 Kuching Sarawak  
Tel: 6082-365 777  
Fax: 6082-364 666  
Emergency: 6082-365 031  
Website: www.kpjkuiching.com  
Email: ksh@ksh.kpjhealth.com.my

**KPJ SIBU SPECIALIST MEDICAL CENTRE**  
52A-G, Persiaran Brooke  
96000 Sibu, Sarawak  
Tel: 6084-329 500  
Fax: 6084-327 700  
Emergency: 6084-329 600  
Website: www.kjpsibu.com  
Email: enquiry@kpsibu.com

**KPJ KLUANG SPECIALIST HOSPITAL**  
PTD 91374, Jalan Saujana Utama  
Taman Saujana, 86000 Kluang, Johor  
Tel: 607-771 8098  
Fax: 607-772 8969  
Emergency: 607-771 8999  
Website: www.kjpkluang.com  
Email: ksh@ksh.kpjhealth.com.my

**KPJ SRI MANJUNG SPECIALIST HOSPITAL**  
Lot 14777, Jalan Lumut  
32000 Sitiawan, Perak  
Tel: 605-691 8153  
Fax: 605-691 5368  
Emergency: 605-691 8153  
Email: kppmscpmd@gmail.com

**KPJ BANDAR DATO' ONN SPECIALIST HOSPITAL**  
Dato' Onn Utama  
81100 Johor Bahru, Johor  
Tel: 607-301 1000  
Fax: 607-301 1103  
Email: bdo@kpjbdos.com

**KPJ PERLIS SPECIALIST HOSPITAL**  
No. 77, Jalan Dato Wan Ahmad  
01000 Kangar, Perlis  
Tel: 604-970 7777  
Fax: 604-970 7768  
Website: www.kjpperlis.com

**KPJ BATU PAHAT SPECIALIST HOSPITAL**  
No. 1, Jalan Mutiara Gading Utama 1  
Taman Mutiara Gading  
83000 Sri Gading Johor  
Tel: 607-459 1000  
Fax: 607-459 1010  
Website: www.kjpbatapahat.com  
Email: bsh@kpjbatupahat.com

**KPJ MIRI SPECIALIST HOSPITAL**  
Lot 8836, Block 11, KBLD,  
Bandar Baru Pengerang  
Tel: 6065-649 999  
Fax: 6065-649 888  
Email: inquiry.miri@kpjmiri.com

## CARE AND WELLNESS CENTRES

**KPJ DAMAI CARE & WELLNESS CENTRE**  
Lorong Pokok Tapus 1  
Off Jalan Darna  
88300 Kota Kinabalu, Sabah  
Tel: 6088-222 922  
Fax: 6088-243 540  
Emergency: 6088-250 060  
Website: www.kjpdamai.com  
Email: dco@dco.kpjhealth.com.my

Group Directory & Network



**BANGLADESH**

**THAILAND**

**INDONESIA**

**KPJ INTERNATIONAL NETWORK**

**RUMAH SAKIT PERMATA HIJAU**  
 Jl. Raya Kebayoran Lama No. 64  
 RT.6/RW.8, Sukabumi Sel.  
 Kebon Jeruk, Kota Jakarta Barat  
 Daerah Khusus Iukota  
 Jakarta 11560, Indonesia  
 Tel: 62021-534 7411  
 Fax: 62021-530 5291  
 Emergency: 62021-530 9259  
 Website: www.rsmph.co.id  
 Email: rsmph-mkt@rad.net.id

**RUMAH SAKIT MEDKA BUMI SERPONG DAMAI**  
 Jl Letnan Soetopo, No. 7, BSD Serpong  
 Kayling Komplek DA, Lengkong Wetan  
 Tangerang, Kec. Serpong  
 Kota Tangerang Selatan  
 Banten 15310, Indonesia  
 Tel: 62021-637 2296  
 Fax: 62021-538 2296  
 Emergency: 62021 630 8000  
 Website: rs-medkabsd.co.id  
 Email: marketing@rs-medkabsd.co.id

**VEJTHANI HOSPITAL**  
 1 Soi Lat Phrao 111  
 Khlong Chan, Bang Kapi District  
 Bangkok 10240, Thailand  
 Tel: 662-734 0000  
 Fax: 662-734 0044  
 Emergency: 662-2734 0001  
 Website: www.vejthani.com  
 Email: service@vejthani.com

**(SHEIKH) FAZILATUNNESSA MUJIB MEMORIAL KPJ-SPECIALIZED HOSPITAL & NURSING COLLEGE**  
 C/12, Nabinagar - Chandra Road  
 Near Depot Tetukbari, Kasimpur Bangladesh  
 Tel: 088-017 0378 8561  
 Fax: 088-017 0378 8562  
 Website: www.sfmekpjst.com  
 Email: info@sfmekpjst.com

**KPJ KUANTAN CARE & WELLNESS CENTRE**  
 Jalan Tanjung Lumpur  
 26060 Kuantan, Pahang  
 Tel: 609-567 8588  
 Fax: 609-511 2600

**JETA GARDENS**  
 Retirement and Aged Care Resort  
 27 Clarendon Ave Bethania  
 4205, Queensland, Australia  
 Free call: 1300 227 518  
 Tel: 61-7-3200 7188  
 Fax: 61-7-3200 7100  
 Website: www.jetagardens.com  
 Email: enquiry@jetagardens.com

**TAWAKKAL HEALTH CENTRE**  
 202A, Jalan Pahang  
 53000 Kuala Lumpur  
 Tel: 603-4023 3599  
 Fax: 603-4023-8063  
 Emergency: 03-4023 3298  
 Website: www.kpjhealthcentre.com  
 Email: info@kpjhealthcentre.com

**LOVE CARE CENTRE**  
 No 52 G-14 Brooke Drive  
 96000 Sibu, Sarawak  
 Tel: 608-433 7845

**LAB SERVICES**

**LABLINK (M) SDN BHD**  
 141129, Jalan Pahang Barat  
 53000 Kuala Lumpur  
 Tel: 603-4023 4588  
 Fax: 603-4023 4296  
 Website: www.kpjlablink.com  
 Email: enquiry@kpjlablink.com

**KPJ HEALTHCARE EDUCATION**

**KPJ HEALTHCARE UNIVERSITY COLLEGE (KPUUC)**  
 Website: www.kpuuc.edu.my  
 Email: info@kpuuc.edu.my

**Main Campus (Nilai, Negeri Sembilan)**  
 Lot PT 17010, Persebaran Seremban,  
 Kota Seremban, 71000 Nilai  
 Negeri Sembilan  
 Tel: 1300 69 5756  
 Fax: 608-794 2699

**Branch Campus (Johor Bahru, Johor)**  
 Level 24, Metropolis Tower  
 Jalan Dato' Abdulrahman Tahir  
 80250 Johor Bahru, Johor  
 Tel: 607-335 2692  
 Fax: 607-330 6392

**Branch Campus (Penang)**  
 565, Jalan Sg. Rambai  
 Seberang Perai  
 14000 Bukit Mertajam  
 Pulau Pinang  
 Tel: 604-538 2692  
 Fax: 604-530 8895

**MALAYSIAN COLLEGE OF HOSPITALITY AND MANAGEMENT**  
 No 1, Jalan Dato' Onn 1  
 Bandar Dato' Onn  
 81100 Johor Bahru, Johor  
 Tel: 607-360 1800  
 Website: mchm.edu.my  
 Email: info@mchm.edu.my

**EYE SPECIALIST CENTRE**

**KPJ PUSAT PAKAR MATA CENTRE FOR SIGHT**  
 1-1, Jalan SS23/15, Taman SEA  
 47400 Petaling Jaya, Selangor  
 Tel: 603-7804 4051  
 Fax: 603-7804 6052  
 Email: info@kpjchs.com

**Rawang Branch**  
 88, Jalan Bandar Rawang 1  
 Pusat Bandar Rawang  
 48000 Rawang, Selangor  
 Tel: 603-6093 1051  
 Fax: 603-6093 1052  
 Website: www.kpjchs.com  
 Email: info@kpjchs.com

**Kuala Lumpur Branch**  
 Lot 100-102, Level 4  
 KPJ Tawakkal Health Centre  
 202-A, Jalan Pahang  
 53000 Kuala Lumpur  
 Tel: 603-4022 8222  
 Fax: 603-4021 1409  
 Email: info@kpjchs.com

**APPENDIX**

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Twenty-Eighth (28<sup>th</sup>) Annual General Meeting (“**AGM**”) of KPJ Healthcare Berhad (“**KPJ**” or the “**Company**”) will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01 Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8 Jalan Kerinchi, 59200 Kuala Lumpur (“**Broadcast Venue**”) on Tuesday, 22 June 2021 at 11.00 a.m. to transact the following businesses:

**AGENDA**

**ORDINARY BUSINESS**

- |   |   |                                |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
|---|---|--------------------------------|--------------------------------|---------------------------------------|--------------|--------------------------------|--------------------------------------|--------------|--------------------------------|--|--------------|--------------------------------|-------------------------------------|-----------|--------------------------------|---------------------------------------|
| <p>1. To receive the Audited Financial Statements for the year ended 31 December 2020 and the Reports of the Directors and Auditors thereon.</p>  | <p><b>Please refer to Note (i) of the Explanatory Notes</b></p> |                                |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| <p>2. To re-elect the following Directors of the Company who will retire in accordance with the Constitution of the Company:-</p> <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 20px;">(i) Christina Foo</td> <td style="padding-right: 20px;">- Rule 95(i)</td> <td style="vertical-align: top; text-align: right;"><b>(Ordinary Resolution 1)</b></td> </tr> <tr> <td>(ii) Datuk Mohd Radzif Bin Mohd Yunus</td> <td>- Rule 95(i)</td> <td style="vertical-align: top; text-align: right;"><b>(Ordinary Resolution 2)</b></td> </tr> <tr> <td>(iii) Dato’ Yusli Bin Mohamed Yusoff</td> <td>- Rule 95(i)</td> <td style="vertical-align: top; text-align: right;"><b>(Ordinary Resolution 3)</b></td> </tr> <tr> <td>(iv) Mohamed Ridza Bin Mohamed Abdulla</td> <td>- Rule 95(i)</td> <td style="vertical-align: top; text-align: right;"><b>(Ordinary Resolution 4)</b></td> </tr> <tr> <td>(v) Ahmad Shahizam Bin Mohd Shariff</td> <td>- Rule 96</td> <td style="vertical-align: top; text-align: right;"><b>(Ordinary Resolution 5)</b></td> </tr> </table> | (i) Christina Foo   | - Rule 95(i)                   | <b>(Ordinary Resolution 1)</b> | (ii) Datuk Mohd Radzif Bin Mohd Yunus | - Rule 95(i) | <b>(Ordinary Resolution 2)</b> | (iii) Dato’ Yusli Bin Mohamed Yusoff | - Rule 95(i) | <b>(Ordinary Resolution 3)</b> | (iv) Mohamed Ridza Bin Mohamed Abdulla | - Rule 95(i) | <b>(Ordinary Resolution 4)</b> | (v) Ahmad Shahizam Bin Mohd Shariff | - Rule 96 | <b>(Ordinary Resolution 5)</b> | <p><b>(Ordinary Resolution 6)</b></p> |
| (i) Christina Foo   | - Rule 95(i)  | <b>(Ordinary Resolution 1)</b> |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| (ii) Datuk Mohd Radzif Bin Mohd Yunus   | - Rule 95(i)  | <b>(Ordinary Resolution 2)</b> |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| (iii) Dato’ Yusli Bin Mohamed Yusoff  | - Rule 95(i)  | <b>(Ordinary Resolution 3)</b> |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| (iv) Mohamed Ridza Bin Mohamed Abdulla  | - Rule 95(i)  | <b>(Ordinary Resolution 4)</b> |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| (v) Ahmad Shahizam Bin Mohd Shariff   | - Rule 96   | <b>(Ordinary Resolution 5)</b> |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| <p>3. To approve the Proposed Directors’ fees of RM1,600,000 (“<b>Proposed Directors’ Fees</b>”) for the financial year ending 31 December 2021 (2020: RM1,540,000) (Note (15)(ii))</p>   | <p><b>(Ordinary Resolution 7)</b></p>                           |                                |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| <p>4. To approve the payment of Directors’ Remuneration (excluding Proposed Directors’ Fees) to Non-Executive Directors (“<b>NED</b>”) for the period from 23 June 2021 until the conclusion of the next AGM of the Company (“<b>Relevant Period</b>”) (Note (15)(ii))</p>  | <p><b>(Ordinary Resolution 8)</b></p>                           |                                |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |
| <p>5. To re-appoint Messrs Ernst &amp; Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.</p>   | <p><b>(Ordinary Resolution 9)</b></p>                           |                                |                                |                                       |              |                                |                                      |              |                                |  |              |                                |                                     |           |                                |                                       |

**SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolutions:

- |   |                                       |
|---|---------------------------------------|
| <p>6. <b>AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016</b></p> | <p><b>(Ordinary Resolution 9)</b></p> |
|---|---------------------------------------|

“**THAT** pursuant to Section 75 and 76 of the Companies Act, 2016 (“**Act**”), and approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, from time to time, 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 percent (10%) of the total number of issued shares 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 Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company. (See Note 16(i))



## Notice of Annual General Meeting

**7. 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")** **(Ordinary Resolution 10)**

**"THAT** subject always to the provisions of the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or other regulatory authorities, approval be and is hereby given to 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 ("Circular") with the Related Parties as described in the Circular, provided that such transactions are:-

- (a) recurrent transactions of a revenue or trading nature;
- (b) necessary for the day-to-day operations of the Group;
- (c) carried out in the ordinary course of business of the Group, made on 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
- (d) not detrimental to the minority shareholders of the Company;

**THAT** such authority shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date that is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interest of KPJ with full power to assent to any conditions, variations, modifications, arrangements and/or amendments in any manner as may be required or permitted under the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Shareholders' Mandate contemplated and/or authorised by this ordinary resolution." (Note 16(ii))

**BY ORDER OF THE BOARD,  
KPJ HEALTHCARE BERHAD**

**HANA BINTI AB RAHIM @ ALI, ACIS** (MAICSA 7064336)  
Secretary

Kuala Lumpur  
Dated: 21 May 2021

## APPENDIX

# Notice of Annual General Meeting

### NOTES:

#### 1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Shareholders WILL NOT BE ALLOWED to attend the 28<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 28<sup>th</sup> AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Guide on 28<sup>th</sup> AGM and take note of Notes (2) to (14) below in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 15 June 2021. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the Procedures for RPV in the Administrative Guide on 28<sup>th</sup> AGM.
10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic form  
The proxy form can be electronically lodged with the Poll Administrator of the Company via TIIH Online at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is Monday, 21 June 2021 at 11.00 a.m..

## Notice of Annual General Meeting

13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

### 15. EXPLANATORY NOTES ON ORDINARY BUSINESSES:

- (i) **Agenda 1 – Audited Financial Statements**  
The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders’ approval and hence, will not be put for voting.
- (ii) **Agenda 3 and Agenda 4**  
Pursuant to Section 230(1) of the Companies Act 2016 (“Act”), the fees and benefits payable to the Directors of the Company (“Directors’ Remuneration”) will have to

be approved by the shareholders of the Company at a general meeting. In this respect, the Board of Directors of the Company hereby agree that the shareholders’ approval shall be sought at the Twenty Eighth (28th) AGM commencing 23 June 2021 until the conclusion of the next AGM of the Company in 2022.

The proposed Resolution 7, if passed will allow the payment of the Directors’ Remuneration (excluding Directors’ fees) to the NED of the Company on a monthly basis and/or when incurred within the Relevant Period.

The Board is of the view that it is just and equitable for the NED to be paid the Directors’ Remuneration on a monthly/quarterly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

In the event that the Directors’ Remuneration (excluding Proposed Directors’ Fees) proposed is insufficient (e.g. due to more meetings or enlarged Board size) approval of the shareholders of the Company will be sought at the next AGM for the additional remuneration to meet the shortfall. The estimated amount of RM1,430,000.00 for the Relevant Period is derived from a total of RM710,000.00 for FY2021 and a total of RM720,000.00 for the period from 1 January 2022 until the next AGM in 2022.

Details of the estimated Directors’ Remuneration for NEDs for the Relevant Period are as below:-

#### (a) Directors’ Fees

	2021	2020
Non-Executive Chairman	RM220,000 per annum	RM220,000 per annum
NED	RM120,000 per annum	RM120,000 per annum

#### NOTE:

- i. *The payment of the Directors’ fees for nominee directors representing Johor Corporation will be paid to Johor Corporation as Corporate Fee.*

#### (b) Directors’ Remuneration (excluding Directors’ fees)

##### (1) Other benefits

Description	Chairman
Other benefits	Medical benefits and company car and driver

**APPENDIX**

Notice of Annual General Meeting

(2) Committee Fees

Committee Fees	Chairman	NED
Audit Committee	RM35,000 per annum	RM25,000 per annum
Medical Advisory Committee	RM20,000 per annum	15,000 per annum
Nomination and Remuneration Committee	RM20,000 per annum	15,000 per annum
Development and Procurement Committee	RM20,000 per annum	15,000 per annum
Risk and Governance Committee	RM20,000 per annum	15,000 per annum
Investment Committee	RM20,000 per annum	15,000 per annum

NOTE:

- i. *The payment of the Committee Fee for nominee directors representing Johor Corporation will be paid to Johor Corporation as Corporate Fee.*
- ii. *The payment of the Committee Fee are extended to all Directors in the Committees except for the Managing Director of the Company.*

(3) Meeting Allowance

Meeting Allowance (per meeting)	Chairman	NED
Board of KPJ	RM4,000	RM3,000
Audit Committee	RM4,000	RM3,000
Medical Advisory Committee	RM4,000	RM3,000
Nomination and Remuneration Committee	RM3,000	RM2,000
Development and Procurement Committee	RM3,000	RM2,000
Risk and Governance Committee	RM3,000	RM2,000
Investment Committee	RM3,000	RM2,000

NOTE:

- i. *The payment of the Meeting Allowances are extended to all Directors except for the Managing Director of the Company*

16. **EXPLANATORY NOTES ON SPECIAL BUSINESS:**

(i) **Agenda 6 – Authority to Issue Shares Pursuant to Section 75 and 76 of the Act**

The proposed Ordinary Resolution 9 if passed is primarily to give flexibility to the Directors of the Company to issue up to maximum amount not exceeding in total ten percent (10%) of the total number of issued shares in the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within the next AGM required by law to be held, whichever is earlier.

- a) The mandate sought under proposed Ordinary Resolution 9 is a renewal of an existing mandate particularly on the exercising of KPJ ESOS into ordinary shares at the price of RM0.91 per ordinary share.
- b) The proceeds raised from the previous mandate were RM2,589,461.00
- c) The proceeds were utilized for working capital purposes.
- d) The authority will provide flexibility to the Company for any possible fundraising activities, including but not limited to placement of shares, for the purpose of funding future investment(s), project(s), working capital and/or acquisitions.

(ii) **Agenda 7 – 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”)**

The proposed Ordinary Resolution 10 if passed, is primarily to authorise the Company and/its subsidiaries (“Group”) to enter into arrangements or transactions with Related Parties, particulars of which are set out in the Circular to Shareholders dated 21 May 2021 (“Circular”) circulated together with this Annual Report, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made to the public.

The procurement of the Proposed Shareholders’ Mandate would reduce substantially administrative time, effort and expenses associated with the convening of separate general meetings to seek shareholders’ approval as and when potential Recurrent Related Party Transactions arise.

(iii) **For the Proposed Shareholders’ Mandate, please refer the details in the Circular to Shareholders dated 21 May 2021.**

# Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Listing Requirements of the Bursa Malaysia:-

1. The Directors who are retiring pursuant to Rule 95(i) of the Company's Constitution are as follows:-
  - a. Christina Foo
  - b. Datuk Mohd Radzif Bin Mohd Yunus
  - c. Dato' Yusli Bin Mohamed Yusoff
  - d. Mohamed Ridza Bin Abdulla
  
2. The Directors who are retiring pursuant to Article 96 of the Company's Constitution are as follows:-
  - a. Ahmad Shahizam Bin Mohd Shariff
  
3. Particulars of Directors seeking re-election at the Annual General Meeting are set out in Directors' Profile appearing in pages 88 to 99 of the Annual Report.

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# Proxy Form



**KPJ HEALTHCARE BERHAD**  
199201015575 (247079-M)

CDS Account No.	No. of shares held

I/We \_\_\_\_\_ Tel: \_\_\_\_\_  
[Full name in block and as per NRIC/passport, NRIC/Passport/Company No.]

of \_\_\_\_\_  
[Full address]

being member(s) of KPJ Healthcare Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or\* (\*delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairperson of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company which will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8 Jalan Kerinchi, 59200 Kuala Lumpur ("the Broadcast Venue") on Tuesday, 22 June 2021 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:

Description	Resolution	For	Against
<b>To Re-elect Directors:</b>			
1. Christina Foo	Ordinary Resolution 1		
2. Datuk Mohd Radzif Bin Mohd Yunus	Ordinary Resolution 2		
3. Dato' Yusli Bin Mohamed Yusoff	Ordinary Resolution 3		
4. Mohamed Ridza Bin Mohamed Abdulla	Ordinary Resolution 4		
5. Ahmad Shahizam Bin Mohd Shariff	Ordinary Resolution 5		
6. To Approve Directors' Fee	Ordinary Resolution 6		
7. To Approve Payment of Directors' Remuneration	Ordinary Resolution 7		
8. To Appoint Auditors	Ordinary Resolution 8		
Any other Business			
9. Authority to Issue Shares	Ordinary Resolution 9		
10. Proposed Shareholders' Mandate	Ordinary Resolution 10		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature\*

**NOTES:**

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders WILL NOT BE ALLOWED to attend the 28<sup>th</sup> Annual General Meeting in person at the Broadcast Venue on the day of the meeting. Shareholders are to attend, participate (including posing questions to the Board) and vote remotely at the 28th Annual General Meeting via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiah.online>.
2. For the purpose of determining who shall be entitled to attend this Annual General Meeting via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 15 June 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend, participate, speak and vote in this Annual General Meeting via RPV.
3. A member who is entitled to attend, participate, speak and vote at this Annual General Meeting via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company. In view that this is a fully virtual Annual General Meeting, we strongly advise the members who are unable to attend, participate, speak and vote in this Annual General Meeting via RPV to appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the proxy form.
4. (Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at TIH Online website at <https://tiah.online>
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the Annual General Meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic form  
The proxy form can be electronically lodged with the Poll Administrator of the Company via TIH Online at <https://tiah.online> (applicable to individual shareholders only). Kindly refer to the Annexure to the proxy form – Electronic Submission of Proxy Form via TIH Online for General Meeting.
8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Last date and time for lodging the proxy form is Monday, 21 June 2021 at 11.00 a.m.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty- four (24) hours before the time appointed for holding the Annual General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed. To attend, participate and vote remotely, the attorney should refer to the Administrative Guide on 28th Annual General Meeting for further details.

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Affix  
stamp

**TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**

UNIT 32.01, LEVEL 32, TOWER A  
VERTICAL BUSINESS SUITE, AVENUE 3  
NO 8 JALAN KERINCHI  
59200 KUALA LUMPUR

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[WWW.KPJHEALTH.COM.MY](http://WWW.KPJHEALTH.COM.MY)

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