WHO GOVERS US

DATO’ KAMARUZZAMAN BIN ABU KASSIM

CHAIRMAN,
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

Length of Service
(as at 28 February 2019):
8 years 1 month

Duration of
Previous Appointment as
Non-Independent
Non-Executive Director:
1 August 2006 - 1 January 2009
(2 years 5 months)

Date of Last Re-election:
19 May 2016

Academic/Professional
Qualification/Membership(s):
• Bachelor of Commerce
  (Accountancy), University of
  Wollongong, New South Wales,
  Australia

Present Directorship(s):
Listed Entity:
• E. A. Technique (M) Berhad
• Damansara REIT Managers Sdn
  Berhad, the manager for 2 listed
  funds: Al-‘Aqar Healthcare REIT
  and Al-Salām Real Estate
  Investment Trust
Other Public Companies:
• Kulim (Malaysia) Berhad
• Johor Land Berhad
• Waqaf An-Nur Corporation
  Berhad
• QSR Brands (M) Holdings Berhad

Present Appointment(s):
Johor Corporation
• President & Chief Executive
  KPJ Healthcare Berhad
• Chairman of Nomination &
  Remuneration Committee
• Chairman of ESOS Committee

Other Appointment(s):
Malaysian Sailing Association
• President
Johor Sailing Association
• President
National Sports Council
(MSN)
• Board Member
• Disciplinary Committee Member
Johor Clay Target Shooting
Association
• Patron
Johor Football Association
• Vice President II
Malaysian-American
Commission on Educational
Exchange (MACEE)
• Administrative Board Member

International Institute of
Public Policy & Management
(INPUMA),
University of Malaya
• Professor of Adjunct

Past Directorship(s) and/or
Appointment(s):
Johor Corporation
• Senior Vice President, Corporate
  Services & Finance (2009-2010)
• Chief Operating Officer (2006-
  2009)

DATE OF APPOINTMENT:
12 January 2011

AGE:
55

GENDER:
Male

NATIONALITY:
Malaysian
WHO GOVERSNS US

DATO’ AMIRUDDIN BIN ABDUL SATAR

PRESIDENT AND MANAGING DIRECTOR

DATE OF APPOINTMENT:
1 January 2013

AGE:
55

GENDER:
Male

NATIONALITY:
Malaysian

Length of Service
(as at 28 February 2019):
6 years 1 month

Duration of
Previous Appointment as
Executive Director:
1 July 2011 - 31 December 2012
(1 year 6 months)

Date of Last Re-election:
20 April 2017

Academic/Professional Qualification/Membership(s):
• Member of Association of Chartered Certified Accountants
• Master of Business Administration, Henley Business School, University of Reading, UK

Present Directorship(s):
Listed Entity:
• Damansara REIT Managers Sdn Berhad, the manager for the 2 listed funds: Al-Aqar Healthcare REIT and Al-Salam Real Estate Investment Trust

Other Public Companies:
• Nil

Present Appointment(s):
KPJ Healthcare Berhad
• Chairman of:
  - Ampang Puteri Specialist Hospital Sdn Bhd
  - Rawang Specialist Hospital Sdn Bhd
  - SMC Healthcare Sdn Bhd
  - Johor Specialist Hospital Sdn Bhd
  - Ipoh Specialist Hospital Sdn Bhd
  - KPJ Healthcare University College Sdn Bhd
  - KPJ Education (M) Sdn Bhd
  - Lablink (M) Sdn Bhd
  - Selangor Specialist Hospital Sdn Bhd
  - Tawakal Holdings Sdn Bhd

• Deputy Chairman of:
  - Kedah Medical Centre Sdn Bhd

• Member of Medical Advisory Committee

Past Directorship(s) and/or Appointment(s):
• Chief Operating Officer (2010-2012)

Association of Chartered Certified Accountants
• Member of Malaysia Advisory Committee

Association of Private Hospitals of Malaysia (APHM)
• Vice President

2018 TOTAL MEETINGS ATTENDED
5/5

DATE OF APPOINTMENT:
1 January 2013

AGE:
55

GENDER:
Male

NATIONALITY:
Malaysian
WHO GOVERNS US

AMINUDIN BIN DAWAM

EXECUTIVE DIRECTOR

Length of Service (as at 28 February 2019): 3 years 10 months

Duration of Previous Appointment as Non Independent Non-Executive Director:
1 January 2014 - 30 April 2015 (1 year 4 months)

Date of Last Re-election:
20 April 2017

Academic/Professional Qualification/Membership(s):
- Bachelor of Business Administration (Finance) from Sam Houston State University, Huntsville, Texas, USA
- Post-Graduate Diploma in Health Sciences & Hospital Management at South Bank University, London, UK

Present Directorship(s):
Listed Entity:
- Nil
Other Public Companies:
- Nil

Present Appointment(s):
Johor Corporation
- Chairman of Audit & Risk Management Committee
- Member of Group Investment Committee

KPJ Healthcare Berhad
- Chairman of Tender Evaluation Committee
- Chairman of:-
  - Pasir Gudang Specialist Hospital Sdn Bhd
  - Maharani Specialist Hospital Sdn Bhd
  - Perdana Specialist Hospital Sdn Bhd
  - Kluang Utama Specialist Hospital Sdn Bhd
  - Bandar Dato’ Onn Specialist Hospital Sdn Bhd
  - Massive Hybrid Sdn Bhd (KPJ Melaka)
  - Fabricare Laundry Sdn Bhd
  - Advanced Healthcare Solutions Sdn Bhd
  - UTM KPJ Specialist Hospital Sdn Bhd
  - KPJ Healthshoppe Sdn Bhd
  - KPJ Medik TV Sdn Bhd
  - Skop Yakin (M) Sdn Bhd

Past Directorship(s) and/or Appointment(s):
Johor Corporation
- Senior Vice President, Business Development Division (2013-2016)
- Executive & EXCO Secretary (1988-1991)

Pantai Holding Berhad
- Chief Operating Officer (2011-2013)

KPJ Healthcare Berhad
- Group General Manager (2004-2011)
- General Manager (1998-2011)
WHO GOVERNS US

JASIMAH BINTI HASSAN

EXECUTIVE DIRECTOR

Length of Service (as at 28 February 2019):
10 months

Academic/Professional Qualification/Membership(s):
• Master of Business Administration (Finance), North Texas University, Texas, USA
• Bachelor of Science in Mathematical Sciences, Indiana University Bloomington, Indiana, USA
• Honorary Treasurer for the Asian Society for Quality in Health (ASQUA)
• Board Member of the Association of Private Hospital Malaysia (APHM)

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Present Appointment(s):
• Member of Risk & Sustainability Committee
• Member of Medical Advisory Committee

Past Directorship(s) and/or Appointment(s):
• Nil

Awards/Recognition/Past experience:
• Vice President (1), Business Operations, Clinical and Technology Services (2017-2018)
• Vice President (1), Business Operations, Quality & Clinical Services (2013-2017)

Hospitals and Support Companies at KPJ Healthcare Berhad
• Managing various hospitals and companies in the KPJ Healthcare Berhad Group as Executive Director, Director, Deputy Chairman (1997-present)

KPJ Tawakkal Specialist Hospital
• Hospital Administrator (1993-1996)

Joined the banking industry upon graduation (1986 - 1993)
WHO GOVERNS US

TAN SRI DATIN PADUKA SITI SA’DIAH BINTI SH BAKIR

INDEPENDENT NON-EXECUTIVE DIRECTOR

2018 TOTAL MEETINGS ATTENDED
5/5

DATE OF APPOINTMENT:
1 May 2015

AGE:
66

GENDER:
Female

NATIONALITY:
Malaysian

Length of Service (as at 28 February 2019):
3 years 10 months

Duration of Previous Appointment as Non-Independent Non-Executive Director:
1 January 2013-1 May 2015 (2 years 4 months)

Date of Last Re-election:
23 April 2018

Academic/Professional Qualification/Membership(s):
• Master of Business Administration, Henley Business School, University of Reading, UK
• Bachelor in Economics, University Malaya

Present Directorship(s):
Listed Entity:
• CCM Duopharma Biotech Berhad (Chairman)

• Nationwide Holdings Berhad (Chairman)
• OSK Holding Berhad
• Lotte Chemical Titan Holdings Berhad

Other Public Companies:
• Awqaf Holdings Berhad (Chairman)

Present Appointment(s):
KPJ Healthcare Berhad
• Chairman of Building & Tender Board Committee
• Member of Nomination & Remuneration Committee
• Member of ESOS Committee

KPJ Healthcare University College
• Chancellor

Razak School of Government (RSOG)
• Member of Leadership

Universiti Teknologi Malaysia (UTM)
• Pro-Chancellor

Past Directorship(s) and/or Appointment(s):
Bursa Malaysia
• Independent Non-Executive Director (2004-2012)

Chemical Company Malaysia Berhad
• Independent Non-Executive Director (2014-2017)

Kulim Malaysia Berhad
• Independent Non-Executive Director (2005-2016)

KFC Holdings Berhad
• Independent Non-Executive Director (2010-2013)

KPJ Healthcare Berhad
• Corporate Advisor (2013-2014)
• Managing Director (1993-2012)
• Chief Executive (1989-1993)

MATRADE
• Board Member (1999-2010)

Universiti Utara Malaysia
• Chairman (2016-2018)

KPJ Healthcare University College
• Chairman and Pro-Chancellor (2011-2018)

MSQH
• President (1998-2018)

Awards / Recognition / Past experience:
• CEO of The Year 2009, News Straits Times Press and the American Express
• Launched biography “Siti Sa’diah: Driven by Vision, Mission and Passion” penned by Rokiah Talib, Penerbitan Universiti Kebangsaan Malaysia
• Honorary Doctor of Letters from University of Reading, UK
ZULKIFLI BIN IBRAHIM

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

2018 TOTAL MEETINGS ATTENDED
5/5

DATE OF APPOINTMENT:
1 January 2014

AGE:
61

GENDER:
Male

NATIONALITY:
Malaysian

Length of Service (as at 28 February 2019):
5 years 2 months

Date of Last Re-election:
20 April 2017

Academic/Professional Qualification/Membership(s):
• Fellow of the Association of Certified Chartered Accountants, UK

Present Directorship(s):
Listed Entity:
• Nil

Other Public Companies:
• Kulim (Malaysia) Berhad
• Johor Land Berhad
• QSR Brands (M) Holding Berhad

Present Appointment(s):
Johor Corporation
• Senior Vice President/Chief Executive, Industrial Development Division of Johor Corporation
• Member of Group Top Management (Teraju)
• Deputy Chairman of Teraju Korporat Committee

KPJ Healthcare Berhad
• Member of Building & Tender Board Committee

TPM Technopark Sdn Bhd
• Managing Director

Past Directorship(s) and/or Appointment(s):
Kulim (Malaysia) Berhad
• Chief Operating Officer (2003-2012)

PJB Pacific Capital Group

Antara Steel Mills Sdn Bhd
• Managing Director (1996-2000)

Sindora Berhad
• Financial Controller (1990-1996)
WHO GOVERNS US

PROF DATO’ DR. AZIZI BIN HAJI OMAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Length of Service (as at 28 February 2019): 3 years 1 month

Date of Last Re-election: 23 April 2018

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 of Audit Committee, Risk and Sustainability Committee, Building & Tender Board Committee
  - Head of KPJ Research and Quality Innovation Committee and editor of KPJ Medical Journal
  - Member of 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 of 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 & Association of Private Hospital (2000 - 2004)
  - Member, Paediatric Conjoint Board (1995 - 2000)
  - Member, Clinical Practice Guidelines Committee, Academy of Medicine of Malaysia
  - Chairman, Clinical Practice Guidelines on Paediatric Asthma (1996)
  - Member, Clinical Practice Guidelines on Tuberculosis (1996)
  - Member, Committee of Malaysian Thoracic Society of Malaysia (1997 - 1998)

- Listed Entity
  - 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 Faculties of Medicine (2009 - 2010)
        - Universiti Tunku Abdul Rahman (UTAR)
          - Adjunct Professor of Paediatrics at Faculties of Medicine (2013)
  - Awards / Recognition / Past experience:
    - Established the Respiratory Paediatrics as a Paediatric subspecialty in Malaysia
    - Pioneered research in paediatric asthma and respiratory illnesses in Malaysian children
    - Published substantially in international and local journals
MOHD SAHIR BIN RAHMAT

WHO GOVERNS US

Length of Service (as at 28 February 2019): 1 year 8 months

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

Present Directorship(s):
- Listed Entity: Nil
- Other Public Companies: Johor Land Berhad

Present Appointment(s):
- Johor Corporation
  - Member Executive Committee
  - Vice President, Business Development
- KPJ Healthcare Berhad
  - Member of Building and Tender Board Committee

Past Directorship(s) and/or Appointment(s):
- KPJ Healthcare Berhad
  - Vice President of Corporate and Financial Services (2013-2017)
  - Group Chief Financial Officer (2011-2013)
  - Director and Chairman to several hospitals and companies

2018 TOTAL MEETINGS ATTENDED 5/5

DATE OF APPOINTMENT: 3 July 2017

AGE: 55

GENDER: Male

NATIONALITY: Malaysian
WHO GOVERNS US

DATO’ DR. ZAKI MORAD BIN MOHAMAD ZAHER
INDEPENDENT NON-EXECUTIVE DIRECTOR

Length of Service (as at 28 February 2019):
1 year 8 months

Academic/Professional Qualification/Membership(s):
• Bachelor of Medicine and Bachelor of Surgery (MBBS), Universiti Malaya
• Postgraduate training in Nephrology - Royal Hallamshire Hospital, Sheffield, UK - General Hospital Kuala Lumpur
• Member of the Royal College of Physicians of United Kingdom
• Fellow of the Academy of Medicine of Malaysia

Present Directorship(s):
Listed Entity: Nil
Other Public Companies: Nil

Present Appointment(s):
KPJ Healthcare Berhad
• Chairman of Medical Advisory Committee
• Member of Building & Tender Board Committee
• Consultant Nephrologist at KPJ Ampang Puteri Specialist Hospital
• Member of Risk & Sustainability Committee
National Kidney Foundation of Malaysia
• Chairman

Malaysian Medical Council
• Board Member
• Chairman of its Medical Education Committee and its Fitness to Practice Committee

Past Directorship(s) and/or Appointment(s):
International Medical University
• Professor of Medicine (2006-2008)

Ministry of Health
• Head of Ministry’s Clinical Research Centre (CRC) (2000-2006)
• Head Nephrology Services (1987-2006)

General Hospital Kuala Lumpur
• Head Department of Nephrology (1987-2006)

Awards/Recognition/Past experience:
Malaysian Society of Nephrology
• President (1990-1992)

Asian Society of Transplantation
• President (2001-2003)

Asian Pacific Society of Nephrology
• Secretary
• General (2004-2006)

International Society of Nephrology Pioneer Award for at the World Congress of Nephrology 2015, Cape Town South Africa.

Established the National Renal Registry in 1992
Introduced the Malaysian Organ Sharing System (Renal) waitlist system for allocation of cadaveric organs
WHO GOVERSNS US

DATO’ MUTHANNA BIN ABDULLAH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Length of Service (as at 28 February 2019):
10 months

Academic/Professional Qualification/Membership(s):
- Advocate & Solicitor, High Court of Malaya
- Barrister-At-Law, Middle Temple, England
- LL.B (Hons), University of Buckingham, England

Present Directorship(s):
Listed Entity:
- Sapura Resources Berhad

Other Public Companies:
- Malaysian Rating Corporation Berhad
- Malaysian Life Reinsurance Group Berhad
- MSIG Insurance (Malaysia) Berhad

Present Appointment(s):
KPJ Healthcare Berhad
- Chairman of Audit Committee
- Member of Nomination & Remuneration Committee
- Member of Risk & Sustainability Committee
- Member of ESOS Committee

Sapura Resources Berhad
- Independent Non-Executive Director
- Chairman - Audit Committee

Malaysian Rating Corporation Berhad
- Independent Non-Executive Director
- Chairman - Audit Committee
- Member of Remuneration Committee

Malaysian Life Reinsurance Group Berhad
- Independent Non-Executive Director
- Chairman of Nominations & Remuneration Committee
- Member of Audit, and Compliance & Risk Management Committees

Honorary Consul to Kuala Lumpur of the Republic of San Marino
- Trustee

Yayasan Siti Sapura Husin
- Avocat au Confiance to the Swiss Embassy in Malaysia
- Legal Advisor to the Swiss Malaysian Business Association

Awards/Recognition/Past experience:
Abdullah Chan & Co
- Consultant (2018–present)
- Partner (2012-2017)
- Managing Partner (2001-2012)

Abdullah A. Rahman & Co
- Partner (1985-2001)

DATE OF APPOINTMENT:
24 April 2018

AGE:
59

GENDER:
Male

NATIONALITY:
Malaysian

2018 TOTAL MEETINGS ATTENDED
3/5

Malaysia Aerospace Industry Association
- Board Member

British Malaysian Chamber of Commerce
- Board Member

Past Directorship(s) and/or Appointment(s):
Nil
WHO GOVERS US

DATO’ DR. BAJIT KOR A/P TEJA SINGH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Length of Service
(as at 28 February 2019):
10 months

Academic/Professional Qualification/Membership(s):  
• Masters in Surgery (Ophthalmology) University Kebangsaan Malaysia - Very first graduand of this postgraduate ophthalmic programme
• Bachelor of Medicine and Bachelor of Surgery (MBBS), University of Mysore, India
• Fellow of Royal College of Surgeons (Ophthalmology) Edinburgh, UK
• Fellow of Royal College of Ophthalmologists, UK
• Member of College of Ophthalmologists, Academy of Medicine, Malaysia
• Member of Malaysian Society of Ophthalmology
• Member of Malaysia Medical Association

Subspecialty:
Fellowship in Paediatric Ophthalmology
• Hospital for Sick Children, Great Ormond Street, London
• Institute of Child Health, London
• Moorfields Eye Hospital, London
• Refractive Eye Surgery

Present Directorship(s):
Listed Entity:
Nil
Other Public Companies:
Nil

Present Appointment(s):
KPJ Healthcare Berhad
• Member of Audit Committee
• Member of Nomination & Remuneration Committee
• Member of Medical Advisory Committee
KPJ Ampang Puteri Specialist Sdn Bhd
• Senior Consultant Ophthalmologist, (since 1995)
• Head of Ophthalmology
• Member of Clinical Governance Committee (Credentialing and Privileging)
• Member of Risk, Safety and Quality Committee (RSQ)

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

Awards/Recognition/Past experience:
• British Council Award for Paediatric Ophthalmology Course, London
• Commonwealth Medical Fellowship Award for Paediatric Ophthalmology, UK
• Official Delegate WHO Meeting in Bangkok (SEA) on Prevention of Blindness
• Honorary Lecturer for Postgraduate Medical Education (Ophthalmology) to  
  - National University of Singapore (1991 - 1993)
  - National University of Malaysia (1991 - 1995)
CHRISTINA FOO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Length of Service
(as at 28 February 2019):
10 months

Academic/Professional Qualification/Membership(s):
• Bachelor of Business Studies (Accounting), Deakin University, Australia
• Fellow, CPA Australia
• Chartered Accountant, Malaysian Institute of Accountants
• Fellow, Malaysian Institute of Management
• Fellow, Institute of Corporate Directors Malaysia
• Member, ASEAN Chartered Professional Accountant

Present Directorship(s):
Listed Entity:
UEM Sunrise Berhad

Other Public Companies:
Nil

Present Appointment(s):
KPJ Healthcare Berhad
• Chairman of Risk & Sustainability Committee
• Member of Audit Committee

Malaysian Technology Development Corporation
• Board Member

Sunway University
• Senior Practice Fellow at Sunway University Business School

Past Directorship(s) and/or Appointment(s):
EY Malaysia & EY LLP
More than 16 years
Malaysian Institute of Accountants
• Vice President
CPA Australia Ltd
• Board Member
Confederation of Asian And Pacific Accountants
• Board Member

Notes:
None of the Directors have:
• Any family relationship with any Director and/or major shareholder of KPJ.
• Any conflict of interest with KPJ.
• Any conviction for offences within the past five years (other than traffic offences).
• Any sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2018.
WHO LEADS US

DATO’ AMIRUDDIN BIN ABDUL SATAR

Present Directorship(s):
Listed Entity:
• Damansara REIT Managers Sdn Berhad, the manager for 2 listed funds: Al-‘Aqar Healthcare REIT and Al-Salām Real Estate Investment Trust

Other Public Companies:
• Nil

Date of Appointment:
1 January 2013

Academic/Professional Qualification/Membership(s):
• Member of Association of Chartered Certified Accountants
• Master of Business Administration, Henley Business School, University of Reading, UK

AMINUDIN BIN DAWAM

Present Directorship(s):
Listed Entity:
• Nil

Other Public Companies:
• Nil

Date of Appointment:
1 May 2015

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 & Hospital Management at South Bank University, London, UK
WHO LEADS US

JASIMAH BINTI HASSAN

AGE 58 // MALAYSIAN // FEMALE
EXECUTIVE DIRECTOR

Present Directorship(s):
Listed Entity:  
• Nil
Other Public Companies:  
• Nil

Date of Appointment:
24 April 2018

Academic/Professional Qualification/Membership(s):
• Master of Business Administration, North Texas State University, Texas, USA
• Bachelor of Science in Mathematical Sciences, Indiana University, Bloomington, Indiana, USA
• Honorary Treasurer for the Asian Society for Quality in Health (ASQUA)
• Member of the Board of the Association of Private Hospital Malaysia (APHM)

DATIN SABARIAH FAUZIAH BINTI JAMALUDDIN

AGE 57 // MALAYSIAN // FEMALE
VICE PRESIDENT (II) GROUP MARKETING & STRATEGIC COMMUNICATION

Present Directorship(s):
Listed Entity:  
• Nil
Other Public Companies:  
• Nil

Working Experience:
Joined KPJ in 1994 and has held various positions in companies and hospitals within the KPJ Group. Currently she sits as a Chairman of a hospital, as well as several companies in the Group. In addition she is the Executive Director of KPJ’s education companies and a Director of 3 companies in the Group.

Prior to joining KPJ, she was in the banking industry for seven years.
WHO LEADS US

MOHD JOHAR BIN ISMAIL

Age 55 // MALAYSIAN // MALE
VICE PRESIDENT (II)
NEW BUSINESS SERVICES
(AMBULATORY CARE CENTRE (ACC) & RETAIL PHARMACY)

Working Experience:
Joined KPJ in June 1993 and has held various positions in the KPJ Group. Currently he is the Chairman of six hospitals, as well as the Executive Director of KPJ Dhaka. He is also a Board member of five hospitals and several support companies in the Group. Prior to joining KPJ he was with Perbadanan Kemajuan Ekonomi Negeri Johor (PKENJ) as an Internal Auditor in 1988 and was seconded to the Johor State Economy Development Corporation (JSEDC) (1988-1993). Previous to his current position, he serves as the Senior General Manager of Business Operations back in January 2014 before being promoted to VP (II) of Project Management, Biomedical & International Operation Services (PMBIOS) in September 2015. Currently he still oversees PMBIOS.

Date of Appointment:
1 July 2015

Academic/Professional Qualification/Membership(s):
• Bachelor of Accountancy (Hons), Universiti Kebangsaan Malaysia
• Post Graduate Diploma in Health Management, South Bank University, UK

Present Directorship(s):
Listed Entity:
• Nil
Other Public Companies:
• Nil

NORHAIZAM BINTI MOHAMMAD

Age 46 // MALAYSIAN // FEMALE
VICE PRESIDENT (II)
GROUP FINANCE SERVICES

• President of MSQH (Malaysian Society for Quality in Health), a national accreditation body for public and private healthcare in Malaysia

Present Directorship(s):
Listed Entity:
• Nil
Other Public Companies:
• Nil

Working Experience:
Joined KPJ in 2008 and has held various positions in companies and hospitals within the KPJ Group. Currently she is a member of Board of Directors (BOD) of two hospitals and four support services companies within the Group. Prior to joining KPJ she was with Utusan Melayu (M) Berhad (1996-1997) and then served as a Manager of Audit and Business Assurance at PricewaterhouseCoopers (1997-2007).

Date of Appointment:
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
WHO LEADS US

MOHD NASIR BIN MOHAMED

Date of Appointment: 1 March 2013

Academic/Professional Qualification/Membership(s):
- Bachelor of of Accountancy, University of Abertay, Dundee, Scotland
- 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:
Joined KPJ in 1993 and has held various positions in companies and hospitals within the KPJ Group. Currently he is the Executive Director of six hospitals. He also the Chairman and Board member of several support companies in the Group.

AHMAD NASIRRUDDIN BIN HARUN

Date of Appointment: 1 July 2011

Academic/Professional Qualification/Membership(s):
- Master of Business Administration (MBA), Henley Business School, University of Reading, UK
- Degree of Accountancy, Universiti Teknologi MARA (UiTM)
- Post Graduate Diploma in Health Services and Hospital Management, Southbank University, UK
- Fellow of Malaysian Society for Quality in Health (MSQH)
- Fellow of Malaysian Institute of Accountants (MIA)

Present Directorship(s):
- Listed Entity: Nil
- Other Public Companies: Nil

Working Experience:
Joined KPJ in September 1995 and has held various positions in companies and hospitals within the KPJ Group. Currently he is the Chairman of three hospitals, Executive Director for two hospitals in Indonesia and 5 support companies. He also serves as Board member of several hospital and a Aged Care retirement home named Jeta Garden in Brisbane Australia.

In recognition to his healthcare professional and sports contributions to the state of Perak, he was awarded the Ahli Mahkota Perak (A.M.P) by his Royal Highness Sultan Dr Nazrin Muizzuddin Shah, Sultan of Perak in November 2016.
WHO LEADS US

ROSLAN BIN AHMAD

Date of Appointment: 1 January 2016

Academic/Professional Qualification/Membership(s):
- Master in Business Administration, Miami University, USA
- Bachelor of Accountancy, 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:
Joined KPJ in 1996. Prior to joining KPJ, he was with the Malaysian Pineapple Industry Board in 1988 and served its London office until 1995. Currently he is the Executive Director of five hospitals and a Board member of several support companies in the Group.

ERIC SIM KAM SENG

Date of Appointment: 1 March 2016

Academic/Professional Qualification/Membership(s):
- Master of Business Administration & Project Management, Asia e-University
- Degree of Business Management, Bolton University, UK
- Degree of Computer Science, NCC & University of Portsmouth, UK
- Financial Management, Institute of Financial Accountants, UK
- Electrical Engineering, City Guilds, UK

Present Directorship(s):
- Listed Entity: Nil
- Other Public Companies: Nil

Working Experience:
10 years of working experience in KPJ Healthcare from head of software development in clinical information system to overall governance.

CIO develop the IT Strategic as blueprint for the next 5-10 years for KPJ Healthcare and its group of companies and hospitals as KPJ embark into the digital transformation.

The challenges to be innovative and value creation to bring KPJ Healthcare to the new era align with Industry 4.0 Revolution using technology innovation to drive business needs and sustainability.

Several project initiative progress by looking into lowering operational costs and future growth. Cloud and Cloud Computing as the platform to provide shared and managed service delivery model. Other big challenges ahead like Information Security and Cybersecurity to minimize IT Risk to the entire organisation.
WHO LEADS US

DATO’ MOHAMAD FARID BIN SALIM

AGE 54 // MALAYSIAN // MALE

SENIOR GENERAL MANAGER BUSINESS OPERATIONS, TECHNOLOGY & CLINICAL SERVICES

Present Directorship(s):
Listed Entity:
• Nil
Other Public Companies:
• Nil

Working Experience:
Joined KPJ in 1994 and has held various positions in companies and hospitals within the KPJ Group. Currently he is the Executive Director of six hospitals and a Board member of several support companies in the Group.

Date of Appointment:
1 June 2018

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 in 2018
• Post Graduate Diploma in Healthcare Management from South Bank University, London in 1997
• Leadership Development Program at Henley Business School, University of Reading, United Kingdom in 2011.

RAZMAN BIN RADZI

AGE 55 // MALAYSIAN // MALE

SENIOR GENERAL MANAGER GROUP TALENT MANAGEMENT

Present Directorship(s):
Listed Entity:
• Nil
Other Public Companies:
• Nil

Working Experience:
29 years of experience in Human Resources spanning numerous industries such as manufacturing, oil and gas, banking, property development, plantation, engineering and investment holding. Prior to his appointment in KPJ Healthcare Berhad, he had served in Johor Corporation since 2013. He sits on the Board of five companies in Johor Corporation and currently serves as a member of the Advisory Panel of the Malaysian Institute of Human Resource Management. In the past, he had also served as a panel member of the Industrial Court.

Date of Appointment:
1 October 2018

Academic/Professional Qualification/Membership(s):
• Bachelor of Business Administration, International Islamic University, Malaysia
• Diploma in Personnel Management (post-graduate), Malaysian Institute of Personnel Management.
• Certified Human Resource Director, Malaysian Institute of Human Resource Management.
• Certified Balanced Scorecard Professional, George Washington University College for Professional Studies and Balanced Scorecard Institute.
WHO LEADS US

YAP CHEE WAI

AGE 52 // MALAYSIAN // MALE
CHIEF TECHNOLOGY OFFICER (CTO), INFORMATION TECHNOLOGY SERVICES

Working Experience:
• Joined KPJ in Feb 2019. Prior to joining KPJ, he was in the Information Technology (IT), Telecommunication, Mobile and Digital Services, Ports and Logistics industry with 27 years of experiences.

Date of Appointment:
11 February 2019

Academic/Professional Qualification/Membership(s):
• Bachelor of Engineering with Honours (Major-Electronics & Computer Engineering), Monash University, Australia
• Bachelor of Science (Major-Computer Science) , Monash University, Australia

Present Directorship(s):
Listed Entity:
• Nil
Other Public Companies:
• Nil

Notes: None of the Executive Committee Members have:
• Any family relationship with any Director and/or major shareholder of KPJ.
• Any conflict of interest with KPJ.
• Any conviction for offences within the past five years (other than traffic offences).
• Any sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2018.

WHO SUPPORTS US

HANA BINTI AB RAHIM @ ALI, ADIS
COMPANY SECRETARY
(MAICSA 7064336)

Haslinda >> BINTI MD NOR @ MOHD NOAH
COMPANY SECRETARY
w.e.f. 1 July 2018
(LOS 0005697)
CORPORATE GOVERNANCE OVERVIEW

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

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

This Statement is supplemented with a Corporate Governance Report (CG Report) pursuant to paragraph 15.25 of the Main Market Listing Requirements (MMLR) by Bursa Malaysia Securities Berhad (Bursa Securities). The CG Report is available on the Company’s website http://kpj.listedcompany.com/cg_report.html as well as on the website of Bursa Securities.

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

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

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

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

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

• Practice 7.3 Step-up
  Companies are encouraged to fully disclose the detailed remuneration of each of senior management on a named basis.
• Practice 12.3
  Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate:-
  • Voting in absentia; and
  • Remote shareholders’ participation at General Meetings

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

CORPORATE GOVERNANCE MODEL

Assurance
- Internal Audit Function
- External Audit Function
- Risk Management Function
- Clinical and Quality Audit
- Accreditation Audit by MSQH and JCI

Governance Structure
Shareholders

BOARD OF DIRECTORS
- Clinical Committee
  - Group Medical Advisory Committee (GMAC)
- Non-Clinical Committee
  - Audit Committee (AC)
  - Nomination and Remuneration Committee (NRC)
  - Building & Tender Board Committee (BTB)
  - Employees’ Share Option Scheme Committee (ESOSC)
- Group Internal Audit (GIA)
- Risk & Sustainability Committee (RSC)

MANAGEMENT EXECUTIVE COMMITTEE
- Clinical and Quality
- Risk and Compliance
- Tender Evaluation Committee

KPJ HEALTHCARE BERHAD

Compliance
- Laws and Regulations (eg.PHFSA 1998)
- Main Market Listing Requirements
- MCCG 2017
- KPJ Clinical Governance Framework
- KPJ Policies and Procedures
KPJ HEALTHCARE BERHAD ORGANISATION CHART

PRESIDENT & MANAGING DIRECTOR

Group Internal Audit

Executive Director - Business Operation, Clinical & Technology Services

Vice President (II) - Group Finance Services

Senior GM - Group Talent Management

Chief Technology Officer (Senior GM)

Senior GM - Group Operation (Executive Director)

Senior GM - Group Operation (Executive Director)

Senior GM - Group Operation (Executive Director)

Senior GM - Group Legal Advisory Services

Senior GM - Strategic Support Services

General Manager - HITS

General Manager - KCIS

General Manager - Group Operation (Executive Director)

General Manager - Clinical Services

General Manager - Commissioning, Procurement & Bio Medical

General Manager - Risk, Compliance & IR
CORPORATE GOVERNANCE OVERVIEW

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

BOARD’S RESPONSIBILITIES

Structural Changes to Board Composition

New appointments: INED
Date: 24 April 2018
• Dato’ Muthanna bin Abdullah
• Christina Foo
• Dato’ Dr. Bajit Kor A/P Teja Singh

New appointment: ED
Date: 24 April 2018
• Jasimah binti Hassan

Retirement of Directors: INED
Date: 23 April 2018 during the 25th AGM
• Zainah binti Mustafa
• Datuk Azzat bin Kamaludin
• Dr. Kok Chin Leong

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

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

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

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

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

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

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

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

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

- Approval of corporate plans and programmes
- Approval of budgets, including major capital commitments
- Approval of new ventures
- Approval of material acquisitions and disposals of undertakings and properties
- Changes to the management and control structure within the Company and its subsidiaries, including key policies, delegated authority limit
## BOARD OF DIRECTORS

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

### ACTIVITIES IN 2018
- The Board deliberated on the Group’s strategic plans and embedded integrated thinking that requires output of the business and quality of the outcomes
- On quarterly basis, the KPI’s performance was reviewed and the Board oversaw the execution of the approved initiatives of every indicators such as financial and operational performance
- Managed risks and opportunities of the Group’s material matters as well as other value drivers that may have a direct and indirect impact to Our Six Capitals

### PRIORITIES IN 2019
- To develop strategy and managing risks and opportunities of the Group’s material matters as well as other value drivers that may have a direct impact to the Our Six Capitals

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

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

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

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

2018 DIRECTORS’ TRAINING FOCUS AREAS

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Governance</td>
<td>22%</td>
</tr>
<tr>
<td>Industry (Healthcare)</td>
<td>17%</td>
</tr>
<tr>
<td>Leadership, Legal and Business Management</td>
<td>51%</td>
</tr>
<tr>
<td>Technology</td>
<td>2%</td>
</tr>
<tr>
<td>Financial and Capital Markets</td>
<td>8%</td>
</tr>
</tbody>
</table>

BOARD COMPOSITION

The composition of the Board of Directors is as follows:
- One Non-Independent Non-Executive Chairman;
- Two Non-Independent Non-Executive Directors;
- Six Independent Non-Executive Directors;  
- One President & Managing Director; and
- Two Executive Directors.

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

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

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

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

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

BALANCE

<table>
<thead>
<tr>
<th>Total Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>NINED 25% 3</td>
</tr>
<tr>
<td>INED 50% 6</td>
</tr>
<tr>
<td>ED 25% 3</td>
</tr>
</tbody>
</table>

2017: 11

GENDER DIVERSITY

<table>
<thead>
<tr>
<th>Total Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male 67% 8</td>
</tr>
<tr>
<td>Female 33% 4</td>
</tr>
</tbody>
</table>

TENURE

<table>
<thead>
<tr>
<th>Total Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 58% 7</td>
</tr>
<tr>
<td>3-6 33% 4</td>
</tr>
<tr>
<td>6-9 9% 1</td>
</tr>
</tbody>
</table>
CORPORATE GOVERNANCE OVERVIEW

EXPERIENCE AND SKILLS

<table>
<thead>
<tr>
<th>Experience and Skills</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting/Financial Management/Audit</td>
<td>21%</td>
<td>8</td>
</tr>
<tr>
<td>Business Development Advisory</td>
<td>8%</td>
<td>3</td>
</tr>
<tr>
<td>Mathematics/Statistics/Economics</td>
<td>5%</td>
<td>2</td>
</tr>
<tr>
<td>Legal/Regulatory/Risk/Corporate Governance</td>
<td>16%</td>
<td>6</td>
</tr>
<tr>
<td>Specialist Consultants</td>
<td>8%</td>
<td>3</td>
</tr>
<tr>
<td>Healthcare (Operations)</td>
<td>11%</td>
<td>4</td>
</tr>
<tr>
<td>Corporate CEO/Managing Director</td>
<td>18%</td>
<td>7</td>
</tr>
<tr>
<td>Education</td>
<td>8%</td>
<td>3</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>5%</td>
<td>2</td>
</tr>
</tbody>
</table>

2018 MEETING CALENDAR

<table>
<thead>
<tr>
<th>Non Independent Non-Executive Director</th>
<th>BOD</th>
<th>ACM</th>
<th>RSC</th>
<th>BC[c]</th>
<th>TBC[d]</th>
<th>BTB[d]</th>
<th>NRC</th>
<th>MAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dato’ Kamaruzzaman bin Abu Kassim</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td>3/3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zulkifli bin Ibrahim</td>
<td>5/5</td>
<td></td>
<td></td>
<td>2/2</td>
<td>1/2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mohd Sahir bin Rahmat</td>
<td>5/5</td>
<td></td>
<td></td>
<td>2/2</td>
<td>1/2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Non-Executive Director</th>
<th>BOD</th>
<th>ACM</th>
<th>RSC</th>
<th>BC[c]</th>
<th>TBC[d]</th>
<th>BTB[d]</th>
<th>NRC</th>
<th>MAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Datin Paduka Siti Sa’diah binti Sh Bakir</td>
<td>5/5</td>
<td>2/2</td>
<td>2/2</td>
<td>2/2</td>
<td>2/3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof Dato’ Dr. Azizi bin Haji Omar</td>
<td>4/5</td>
<td>4/5</td>
<td>4/5</td>
<td>2/2</td>
<td>2/2</td>
<td>4/4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Zaki Morad bin Mohamad Zaher</td>
<td>5/5</td>
<td>3/5</td>
<td>2/2</td>
<td>1/2</td>
<td></td>
<td>4/4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dato’ Muthanna bin Abdullah[a]</td>
<td>3/3</td>
<td>5/5</td>
<td>5/5</td>
<td>2/2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christina Foo[a]</td>
<td>3/3</td>
<td>5/5</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dato’ Dr. Bajit Kor A/P Teja Singh[b]</td>
<td>3/3</td>
<td>5/5</td>
<td></td>
<td>2/2</td>
<td>1/1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Datuk Azzat bin Kamaludin[a]</td>
<td>2/2</td>
<td>1/2</td>
<td>1/2</td>
<td>1/1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr. Kok Chin Leong[a]</td>
<td>2/2</td>
<td>1/2</td>
<td></td>
<td></td>
<td>1/1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zainah binti Mustafa[a]</td>
<td>2/2</td>
<td>2/2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive/Managing Director</th>
<th>BOD</th>
<th>ACM</th>
<th>RSC</th>
<th>BC[c]</th>
<th>TBC[d]</th>
<th>BTB[d]</th>
<th>NRC</th>
<th>MAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dato’ Amiruddin bin Abdul Satar</td>
<td>5/5</td>
<td>1/1</td>
<td>2/2</td>
<td>2/2</td>
<td>4/4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aminudin bin Dawam</td>
<td>5/5</td>
<td></td>
<td>2/2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jasimah binti Hassan[b]</td>
<td>3/3</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/1</td>
</tr>
</tbody>
</table>

Total number of meetings: 5 7 5 2 2 2 3 4

Chairman
(a) Retired as INED w.e.f. on 23 April 2018
(b) Appointed as INED w.e.f. on 24 April 2018
(c) Building Committee and Tender Board Committee merged into one committee in July 2018
### BUILDING & TENDER BOARD COMMITTEE

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAN SRI DATIN PADUKA SITI SA’DIAH BINTI SH BAKIR (CHAIRMAN)</td>
<td>INED</td>
</tr>
<tr>
<td>ZULKIFLI BIN IBRAHIM</td>
<td>NED</td>
</tr>
<tr>
<td>DATO’ AMIRUDDIN BIN ABDUL SATAR</td>
<td>PMD</td>
</tr>
<tr>
<td>PROF DATO’ DR. AZIZI BIN HAJI OMAR</td>
<td>INED</td>
</tr>
<tr>
<td>DATO’ DR. ZAKI MORAD BIN MOHAMAD ZAHER</td>
<td>INED</td>
</tr>
</tbody>
</table>

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

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

#### PRIORITIES IN 2019
- To focus on the new hospitals development’s completion within the stipulated time
CORPORATE GOVERNANCE OVERVIEW

BOARD REMUNERATION
The Board has in place a Board Remuneration Policy governing the remuneration of directors and believes that the levels of remuneration offered by the Group are sufficient to attract directors of calibre with sufficient experience and talent to contribute to the performance of the Group. The Non-Executive Directors are remunerated based on fixed annual director’s fees and fixed meeting allowances. The current Board Remuneration Policy was approved by the shareholders of the Company at the 25th AGM held in April 2018.

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

ACTIVITIES IN 2018

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

PRIORITIES IN 2019

• To review Top Management succession plan
CORPORATE GOVERNANCE OVERVIEW

PRINCIPLE B
EFFECTIVE AUDIT AND RISK MANAGEMENT

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

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

AUDIT COMMITTEE (AC)

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

Roles and Responsibilities

• The AC reviews the adequacy and effectiveness of internal control system and governance process to safeguard the rights and interests of the shareholders
• Effective 24 April 2018, the duties and responsibilities of the AC on Risk Management was transfered to RSC

ACTIVITIES IN 2018

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

PRIORITIES IN 2019

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

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

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

RELATIONSHIP WITH EXTERNAL AUDITORS
A dialogue was held between AC, IA, Finance and the external auditors to discuss on the External Auditors audit plan, report, internal controls issues and procedures. The performance of external auditors was assessed and the AC recommended their appointment and remuneration to the Board.
POLICY ON WHISTLE-BLOWING
The Group has a Policy on Whistle-Blowing that enables employees, stakeholders (i.e. shareholders / suppliers / customers) and any other parties to report genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements without fear of reprisal should they act in good faith when reporting such concerns.

The Policy covers, inter-alia, three (3) tiers of whistle-blowing reporting line, comprising of the President & Managing Director, the Chairman of the Audit Committee and the Chairman of the Board, to facilitate whistle-blowing activities according to different possible circumstances.

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

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

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

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

GROUP MEDICAL ADVISORY COMMITTEE (GMAC)

**DATO’ DR. ZAKI MORAD BIN MOHAMAD ZAHER (CHAIRMAN GMAC) - INED**

**DATO’ AMIRUDDIN BIN ABDUL SATAR - PMD**

**DATUK DR. HUSSEIN BIN AWANG (CHAIRMAN, MEDICAL DIRECTORS’ MEETING)**

**DATO’ DR. S SIVAMOHAN (CHAIRMAN CGPC)**

**PROF. (C) DATO’ DR. SHAHRUDIN BIN MOHD DUN (CHAIRMAN CGAC)**

**DATO’ DR. NGUN KOK WENG (CHAIRMAN CRMC)**

**DATO’ DR. FADZLI CHEAH (CHAIRMAN CEC)**

**PROF. DATO’ DR. AZIZI HAJI OMAR (CHAIRMAN RQIC) - INED**

**DR. MOHD HAFETZ BIN AHMAD (CHAIRMAN RERC)**

**DATO’ DR. BAJIT KOR A/P TEJA SINGH - INED**

**JASIMAH BINTI HASSAN - ED**

**GUNAVATHY KALEE (GENERAL MANAGER, KPJ CLINICAL SERVICES KPJHB)**

Roles and Responsibilities

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

ACTIVITIES IN 2018

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

PRIORITIES IN 2019

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

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

TENDER EVALUATION COMMITTEE (TEC) MANAGEMENT

**AMINUDIN BIN DAWAM (CHAIRMAN) - ED**

**JASIMAH BINTI HASSAN - ED**

**ROSLAN BIN AHMAD - SENIOR GENERAL MANAGER**

**AMHAD NASIRRUDIN BIN HARUN - SENIOR GENERAL MANAGER**

**UTHAYA KUMAR - SENIOR GENERAL MANAGER**

Roles and Responsibilities

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

ACTIVITIES IN 2018

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

PRIORITIES IN 2019

- To encourage prospective contractors to practice sustainable business
- To review the contractors evaluation process
PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

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

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

The Senior Management personnel involved in Investor Relations activities are:
- Dato’ Amiruddin bin Abdul Satar - President & Managing Director
- Aminudin bin Dawam - Executive Director
- Norhaizam binti Mohammad - Vice President (II) - Group Finance Services
- Khairul Annuar bin Azizi - General Manager – Risk, Compliance & Investor Relations

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

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

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

**COMMUNICATION VIA MASS MEDIA**
- Media Interview on Corporate Developments
- Social Media established on most popular social media platform at Group level and subsidiaries

**ENGAGEMENT WITH ANALYSTS AND INVESTORS**
- Analyst/Investor Meetings
- IR Roadshow
- Quarterly Results and Audited Annual Financial Statement
- 16 Equity Research coverage on KPJ
- Hospital Visits by Analysts/Fund Managers and Shareholders – meeting hospital’s management and touring the facilities, to get a better understanding about hospital’s operations
INVESTOR RELATIONS INFORMATION

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

SHARE QUOTE

<table>
<thead>
<tr>
<th>Share Quote</th>
<th>Market : Main</th>
<th>Sector : Healthcare</th>
<th>Stock Code : 5878</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Price</td>
<td>High : RM1.17</td>
<td>Low : RM0.84</td>
<td>Close : RM1.04</td>
</tr>
</tbody>
</table>

**LARGE GROUP MEETINGS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 February</td>
<td>Kuala Lumpur, Maybank Investment</td>
<td>Kuala Lumpur, Menara KPJ President and Managing Director and Vice President - Group Finance (II) met analysts and fund managers</td>
</tr>
<tr>
<td>5 March</td>
<td>Kuala Lumpur, Menara KPJ</td>
<td>President and Managing Director and Executive Director met analysts and fund managers</td>
</tr>
<tr>
<td>4 June</td>
<td>Kuala Lumpur, Menara KPJ</td>
<td>President and Managing Director and Executive Director met analysts and fund managers</td>
</tr>
<tr>
<td>12 July</td>
<td>Kuala Lumpur</td>
<td>BIMB Luncheon Talk</td>
</tr>
</tbody>
</table>

**ONE-ON-ONE MEETINGS/INVESTOR CONFERENCES**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-27 June</td>
<td>Singapore</td>
<td>Citi ASEAN C-Suite Investor Conference 2018</td>
</tr>
<tr>
<td>26 July</td>
<td>Kuala Lumpur</td>
<td>UOB Kay Hian - Industry 4.0 Conference</td>
</tr>
<tr>
<td>7 November</td>
<td>Kuala Lumpur</td>
<td>Affin Hwang Capital Corporate Day</td>
</tr>
<tr>
<td>FY 2018</td>
<td></td>
<td>One-on-one meetings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 January</td>
<td>Bangkok, Vejthani Hospital</td>
<td>Meeting with hospital’s CFO and management team</td>
</tr>
<tr>
<td>19 September</td>
<td>Kuala Lumpur, KPJ Rawang, Selangor</td>
<td>Meeting with hospital’s ED and management team</td>
</tr>
<tr>
<td>7 October</td>
<td>Penang, KPJ Penang</td>
<td>Meeting with hospital’s ED and management team</td>
</tr>
<tr>
<td>7 November</td>
<td>Jakarta, Rumah Sakit Permata Hijau, Rumah Sakit Bumi Serpong Damai</td>
<td>Meeting with hospital’s ED and management team</td>
</tr>
</tbody>
</table>

**HOSPITAL VISITS BY ANALYSTS AND SHAREHOLDERS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 January</td>
<td>Bangkok, Vejthani Hospital</td>
<td>Meeting with hospital’s CFO and management team</td>
</tr>
<tr>
<td>19 September</td>
<td>Kuala Lumpur, KPJ Rawang, Selangor</td>
<td>Meeting with hospital’s ED and management team</td>
</tr>
<tr>
<td>7 October</td>
<td>Penang, KPJ Penang</td>
<td>Meeting with hospital’s ED and management team</td>
</tr>
<tr>
<td>7 November</td>
<td>Jakarta, Rumah Sakit Permata Hijau, Rumah Sakit Bumi Serpong Damai</td>
<td>Meeting with hospital’s ED and management team</td>
</tr>
</tbody>
</table>

**SUMMARY OF ACTIVITIES**

<table>
<thead>
<tr>
<th></th>
<th>Meetings/Tele-conferences</th>
<th>Investor Conferences</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>45</td>
<td>4</td>
</tr>
<tr>
<td>2017</td>
<td>51</td>
<td>4</td>
</tr>
</tbody>
</table>

**GENERAL MEETING**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meetings</th>
<th>Venue</th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 April</td>
<td>25th Annual General Meetings</td>
<td>Persada Johor International Convention Centre Johor Bahru</td>
<td>Re-election and new appointment of directors and presentation of Company’s Performance</td>
</tr>
</tbody>
</table>

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

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

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

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

KPJ Price and Volume Traded
Year-on-year, the closing price for 2018 of RM1.04 represented an increase of 7 sen or 7% compared to 2017 closing price of RM0.97.
CORPORATE GOVERNANCE OVERVIEW

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

<table>
<thead>
<tr>
<th>AS AT 31 DEC</th>
<th>SHAREHOLDERS</th>
<th>SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,503</td>
<td>202,859,600</td>
</tr>
<tr>
<td>2015</td>
<td>3,485</td>
<td>222,987,676</td>
</tr>
<tr>
<td>2016</td>
<td>3,346</td>
<td>208,581,404</td>
</tr>
<tr>
<td>2017</td>
<td>4,597</td>
<td>233,944,657</td>
</tr>
<tr>
<td>2018</td>
<td>5,290</td>
<td>222,683,811</td>
</tr>
</tbody>
</table>

KPJ Share Price (Quarter)

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

KPJ Share Price (5 years)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Cap RM (billion)</td>
<td>4.5</td>
<td>4.1</td>
<td>4.4</td>
<td>4.4</td>
<td>3.8</td>
<td>3.8</td>
</tr>
<tr>
<td>Closing Price (RM)</td>
<td>1.04</td>
<td>0.97</td>
<td>1.05</td>
<td>1.06</td>
<td>0.93</td>
<td>0.97</td>
</tr>
<tr>
<td>High (RM)</td>
<td>1.17</td>
<td>1.14</td>
<td>1.1</td>
<td>1.11</td>
<td>0.96</td>
<td>1.01</td>
</tr>
<tr>
<td>Low (RM)</td>
<td>0.84</td>
<td>0.90</td>
<td>1.02</td>
<td>0.90</td>
<td>0.89</td>
<td>0.96</td>
</tr>
<tr>
<td>Foreign Shareholding (Shares) (%)</td>
<td>6.67</td>
<td>7.45</td>
<td>8.80</td>
<td>8.94</td>
<td>9.87</td>
<td>12.95</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

MALAYSIA INVESTOR RELATIONS AWARDS 2018 (IR AWARDS)
The Investor Relations Awards 2018 (IR Awards) is the largest annual event in the Malaysian Investor Relations Association’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 2018, KPJ was nominated in the 8th Malaysia Investor Relations (IR) Survey and the results were as follows:

Best Company for IR
34 / 97
(Mid Cap)

Best IR Website
20 / 97
(Mid Cap)

Business Knowledge & Insight of IR Team
35 / 920 (All Malaysian Listed Companies)

Quality of One-on-One Meetings
65 / 920
(All Malaysian Listed Companies)

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

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

COMPOSITION AND ATTENDANCE

Composition
The Audit Committee (AC) comprises of four members, all of whom are Independent Non-Executive Directors, and also members of the Board of KPJ Healthcare Berhad; which satisfy the requirements of Paragraph 15.09 (1)(a) and (b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR).

All members were appointed as new members of the AC on 24 April 2018 whilst all the former members had retired on 23 April 2018. The Chairman of AC, Dato’ Muthanna bin Abdullah was appointed by the Board and is not the Chairman of the Board.

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

A member of the Committee, Christina Foo is a Chartered Accountant of the Malaysian Institute of Accountants. This meets the requirement of Paragraph 15.09 (1)(c) of the MMLR which stipulates at least one of the Committee members fulfils the financial expertise requisite.

Collectively, AC members are qualified individuals having the essential skills and expertise to discharge the Committee’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 Audit Committee, 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 2018 were pre-arranged in December 2017 and communicated to the members early to ensure their time commitment. A minimum of four (4) meetings a year shall be planned, although additional meetings may be called at any time at the Chairman’s discretion.

The quorum for all seven (7) meetings held during financial year 2018 was fulfilled. The meetings were held on 8 February 2018, 19 February 2018, 11 May 2018, 3 August 2018, 14 November 2018, 7 December 2018 and 18 December 2018 respectively.

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

In year 2018, the External Auditors attended four (4) out of seven (7) meetings which were held on 8 February 2018, 19 February 2018, 3 August 2018 and 14 November 2018 respectively. Separate private sessions were also conducted without Management’s presence on 8 February 2018, 3 August 2018 and 14 November 2018.

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 AC meeting provides a report and highlights significant points on the decisions and recommendations of AC to the KPJ Board.

<table>
<thead>
<tr>
<th>NAME OF MEMBER</th>
<th>STATUS OF DIRECTORSHIP</th>
<th>NO. OF MEETING ATTENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zainah binti Mustafa*</td>
<td>Independent Non-Executive Director</td>
<td>2/2</td>
</tr>
<tr>
<td>Datuk Azzat bin Kamaludin*</td>
<td>Independent Non-Executive Director</td>
<td>1/2</td>
</tr>
<tr>
<td>Dr. Kok Chin Leong*</td>
<td>Independent Non-Executive Director</td>
<td>1/2</td>
</tr>
<tr>
<td>Dato’ Muthanna bin Abdullah*</td>
<td>Independent Non-Executive Director</td>
<td>5/5</td>
</tr>
<tr>
<td>Prof Dato’ Dr. Azizi bin Haji Omar*</td>
<td>Independent Non-Executive Director</td>
<td>4/5</td>
</tr>
<tr>
<td>Dato’ Dr. Bajit Kor A/P Teja Singh*</td>
<td>Independent Non-Executive Director</td>
<td>5/5</td>
</tr>
<tr>
<td>Christina Foo*</td>
<td>Independent Non-Executive Director</td>
<td>5/5</td>
</tr>
<tr>
<td>Total Number of Meetings</td>
<td></td>
<td>7</td>
</tr>
</tbody>
</table>

* Retired as AC Member w.e.f on 23 April 2018
TERMS OF REFERENCE

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

The TOR has excluded the duties and responsibilities on Risk Management as this function was transferred to the newly established Risk and Sustainability Committee (RSC) effective 23 April 2018.

FOCUS AND ACTION PLAN

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

  The preliminary financial impact of the first adoption of new MFRS has been assessed accordingly as the effects of the adoption are required to be applied retrospectively.
- Reduction of Goods and Services Tax (GST) rate to zero percent and implementation of Sales & Services Tax (SST).
- Revised Tax Audit Framework released by the Inland Revenue Board (IRB) on 1 April 2018 with key changes on audit notification and deadlines for document submission and audit settlement period.
- Recent development in tax laws and regulations.

SUMMARY OF WORK

During the year 2018, the Committee carried out the following work:

- **Financial results**
  - Reviewed the quarterly unaudited financial result announcements before recommending the same to the Board for approval;
  - 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
  - Reviewed the impacts of any changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.

- **Risk Management**
  - Reviewed the system in place to identify, assess, mitigate and monitor Group-Wide Risk Assessment to promote and improve risk management awareness and processes; and
  - Reviewed the risk profile of the Group and major initiatives having significant impact on the business.

  Effective 23 April 2018, the above function was no longer carried out by the AC as Risk and Sustainability Committee has assumed this role.

- **Internal Audit**
  - Reviewed and approved the annual audit plan for the year 2017/2018 to ensure adequate resources, competencies as well as comprehensive audit scope and coverage over the significant and high risk audit activities;
  - Deliberated on the Internal Audit Reports that were tabled and appraised the adequacy of Management’s responsiveness to the audit findings and recommendations;
  - Evaluated the results of scheduled follow-ups, investigations and special audits performed and confirmed the appropriate actions were taken to correct the weaknesses;
  - Assessed the status of audit activities as compared to the approved annual audit plan; and
  - Revised the Audit Charter to include the updates on the requirement of International Professional Practice Framework (IPPF) from the Institute of Internal Auditor (IIA).

- **External Audit**
  - Reviewed the audit plan, audit strategy and scope of work for the year;
  - Reviewed the results of the interim and annual audit, audit reports, Management Letter together with Management’s response to their findings and “Key Audit Matters”;
  - Assessed the independence and objectivity of the external auditors during the year and prior to appointment of the external auditors for adhoc non-audit services. The Committee 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;
  - Deliberated on the updated development in Financial
AUDIT COMMITTEE REPORT

- Reporting and Regulatory Environment;
  - Assessed the performance of the External Auditors and recommended their appointment and remuneration to the Board of Directors; and
  - Members of AC met with the External Auditors without the presence of Management on 8 February 2018, 3 August 2018 and 14 November 2018 respectively.

- Related Party Transactions
  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.

- Annual Reporting
  Reviewed and recommended the Audit Committee Report for Integrated Report to ensure compliance with relevant regulatory reporting requirements, prior to Board approval.

- Other Matters
  - Deliberated on the progress and status on IT strategic issues;
  - Reviewed and deliberated on the subsidiaries performance; and
  - Deliberated on the status and updates on credit and inventory management of the Group.

- Continuous Professional Development
  For the year under review, the relevant Committee members have attended various conferences, seminars and trainings and the details of the 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 carries out KPJ’s internal audit function in assisting the Board to oversee that Management has in place a sound risk management, internal control and governance systems. The Internal Audit Services is headed by Khairol Badariah Basiron, a Certified Internal Auditor and a Professional Member of the Institute of Internal Auditors Malaysia. She holds a Bachelor of Accounting from Universiti Teknologi MARA.

Internal Audit Services, as the third line of defense, 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. Internal Audit Services also carries out investigative audits where there are improper, illegal and dishonest acts reported.

Internal Audit Services reports functionally to the Audit Committee and administratively to President & Managing Director, and is independent of the activities or operations of other operating units. Internal Audit Services’s authority, scope and responsibilities are governed by its revised Audit Charter which is approved by Audit Committee on 14 November 2018 and aligned with the International Standards for Professional Practice of Internal Auditing issued by 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.

The Internal Audit Services shall maintain a quality assurance and improvement programme to evaluate the conformance of internal audit activities to the International Standards for Professional Practice of Internal Auditing issued by IIA. The said programme includes Internal Audit Services function’s self-assessment and assessment by a qualified independent assessor once in five years.

The audit reports which provide the results of the audit conducted are submitted to the Committee 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 directed 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.

The total costs incurred for maintaining the internal audit function of 16 staff for the financial year ended 31 December 2018 is approximately RM2.4 million, comprising mainly salaries and incidental costs such as travelling, accommodation and training cost. Various in-house training programmes and external courses were provided to staff members in the areas of auditing skills, technical skills, business acumen, strategic management and personal development to enhance the desired competency level.
The Internal Audit Services within its terms and reference had the following work undertaken for the financial year 2018:-

- 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;
- Ascertained the effectiveness of Management in identifying principal risks and managed such risks through the Risk Management Framework set-up by the Group;
- Ascertained the level of compliance with Group’s plans, policies, procedures and adherence to laws and regulations;
- Appraised the effectiveness of administrative and financial controls applied and the reliability and integrity of data that is produced within the Group;
- Performed follow-up reviews of previous audit reports to ensure appropriate actions are implemented to address control weaknesses highlighted;
- Carried out investigations and special reviews requested by the Committee and/or Management;
- Witnessed the tender opening process for project. The witnessing process is to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner; and
- Prepared the Audit Committee Report for the Company’s Integrated Report for financial year ended 31 December 2018.

During the financial year ended 31 December 2018, Internal Audit Services accomplished a total of 89 audits comprising scheduled financial and operational audits as well as IT audits at the hospitals and support companies. This also includes due diligence, special audits and ad hoc assignments. Reviews on compliance with the established procedures, guidelines and statutory obligations are also performed.

In line with the system improvements in revamping the client-server hospital information system, the upgrading of Hospital Information System (HITS) and KPJ Clinical Information System (KCIS) starting in 2018 to second generation cloud computing products of HITS2 and KCIS2 is part of the auditable areas. This is to assure that the expected controls as per process requirements are embedded in the system in order to ensure segregation of duties, data accuracy, integrity and reliability throughout the Group.

Investigations were also carried out at the request of the AC and Management on specific areas of concern to follow up in relation to high risk areas identified in the regular reports. These investigations provided additional assurance on the integrity and robustness of the internal control systems.

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 issues and implementation of action plans within the timeframe specified. Follow up by Internal Audit Services on the actions taken is updated in the subsequent audits. In addition, the Internal Audit Services played an advisory role in the course of performing its audit activities.
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL  
(PURSUANT TO PARAGRAPH 15.26 (B) OF THE BURSA MALAYSIA LISTING REQUIREMENTS)
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 staff assembly called “Pedoman” (Perhimpunan, Dialog dan Amanat), 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.

Employees are expected to be transparent in their conduct to promote high ethical values and reaffirm their commitment to the Group through the Staff Integrity Pledge ceremony.

In addition, the Group also encourages employees to report directly to the President & Managing Director of any misconduct or unethical behaviour committed by any staff of the Group through the annual Borang Peradaban declaration.

To complement this expectation, 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, three (3) tiers of whistle-blowing reporting line, comprising of the President & Managing Director, the Chairman of the Audit Committee and the Chairman of the Board, to facilitate whistle-blowing activities according to different possible circumstances. 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.

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 Integrity Plan (NIP), in 2018, the Group has enrolled in the Certified Integrity Officer (CIO) Programme in collaboration with JCorp and Malaysian Anti-Corruption Commission (MACC). Four (4) officers attended this up-skilling programme with the focus in managing the business integrity and its components.

Moving forward, with the aspiration and objectives of NIP, KPJ will develop “KPJ Corporate Integrity Plan 2019 – 2023”. The objective of KPJ Integrity Plan are:-

- To inculcate the noble values and enhance the culture of professionalism and integrity within KPJ Group of Companies
- To enhance the governance, core competency and efficiency of service delivery
- To strengthen the resilience and productivity of KPJ Group of Companies staff in handling challenges ahead
- To ensure KPJ Group of Companies integrity and transparency is sustained in daily practices through elements of honesty, efficiency and trustworthiness

Control Structure

The Group adopts the COSO Internal Control Framework (COSO Internal Control Framework which was updated in 2017 - Enterprise Risk Management Integrating with Strategy and Performance) as a guide to ensure an appropriate and sound system of internal controls are in place, which encompasses five inter-related components i.e. the Control Environment, Risk Assessment Framework, Control Activities, Information and Communication and Continuous Monitoring process.

In 2019, KPJ is moving towards ISO 31000:2018 Risk Management Guidelines and will be adopting ISO 31000:2018 standard by June 2019, to be in line with KPJ’s ISO Certification Programme.

The Group’s operations is headed by the President & Managing Director, who is assisted by two (2) Executive Directors and three (3) Vice Presidents for the following functions:

- Group Finance Services
- Project Management, Biomedical & International Operation Services
- Group Marketing & Strategic Communication Services

All the hospitals within the Group are headed by an executive director who will oversee and control all the hospitals’ operations.

At the hospital level, the Executive Directors and the Chief Executive Officers are assisted by the Medical Directors who oversee all clinical governance in the hospitals.
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

Assignment of Authority and Responsibility
The Board has delegated certain responsibilities to Board 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 Report which is available at http://kpj.listedcompany.com/cg_report.html

The Board also assigns authority and responsibility mainly to the EXCO which is headed by the President/Managing Director, to manage operations as well as discuss strategic issues pertaining to the delivery of services and business operations of the Group.

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

- **Risk and Sustainability Committee (RSC)**
  RSC 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 evaluate the Group level risk exposures and management of significant clinical and non-clinical risks identified.

- **Medical Advisory Committee (MAC)**
  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 Ethics Committee and Research & Development Committee.

- **Clinical Risk Management Committee (CRMC)**
  CRMC is entrusted to review and oversee the effectiveness of the clinical ERM framework. All major clinical risk incidents related to patient and staff safety are presented to CRMC.

- **Tender Evaluation Committee (TEC)**
  TEC is responsible for evaluating all tenders for purchases, acquisitions or disposals of assets, award of contracts and appointment of project development consultants/advisors for the Group. TEC will make appropriate recommendation to the Building and Tender Board Committee.

  Note: The Term of Reference (TOR) is available at 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 improve staff competency in delivering quality service, the Group spent RM11.1 million in 2018 (2017: RM12.2 million) on conducting staff training and development programs. Each employee is mandated to undergo at least 30 hours of training per year 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 or external trainers.

To promote continuous learning and upgrading of knowledge, the Group has a sponsorship program for eligible executives to further their studies in various post-graduate program in hospital management and clinical disciplines. Since this program was started in 2005, 95 staff have benefited and obtained their Masters degrees from various universities such as Universiti Teknologi Malaysia, Asia E-University, University of East London and KPJ University College.
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.

Currently, 19 hospitals in the Group have received their accreditation certifications from the Malaysian Society for Quality in Health (MSQH), out of which four (4) hospitals namely KPJ Johor, KPJ Seremban, KPJ Ampang Puteri and KPJ Penang, 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.

RISK MANAGEMENT FRAMEWORK

Group-Wide Objectives
The Board has established an organizational structure with clearly defined lines of accountability and responsibility to support the ideal control environment. The Risk & Sustainability Committee’s responsibilities have been expanded to include the assessment of risks that the Group faces in its operations.

The Group adopts to the “Australian/New Zealand Standard 4360:1999 Risk Management” to guide its risk management activities and adopted the “Australian/New Zealand Standard HB228:2001 Guidelines for Managing Risk in Healthcare” as its base framework in managing its business risks, comprising as follows:-

<table>
<thead>
<tr>
<th>Patient Care</th>
<th>Clinical Staff</th>
<th>Employees</th>
<th>Property</th>
<th>Financial</th>
<th>Corporate Governance</th>
<th>Others</th>
</tr>
</thead>
</table>

However, in 2019, KPJ is moving towards ISO 31000:2018 Risk Management Guidelines and will be adopting the ISO 31000:2018 standard by June 2019, to be in line with KPJ’s ISO Certification Programme.

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 three (3) levels of defence with clear lines of responsibilities and accountabilities as follows:-

**KPJ ERM Framework for Risk Governance**

ERM Framework featuring KPJ risk governance structure with three (3) levels of defence as follows:

- **Level 1**: Hospital-level Management and Board
- **Level 2**: Clinical Services & Risk Management Services at HQ
- **Level 3**: Group Internal Audit at HQ

Risk Coordinators are appointed at each hospital to co-ordinate and monitor the implementation of risk management activities across all aspects of 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.

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 has been rolled-out to all Peninsular Malaysia hospitals since June 2017. Currently, all hospitals (West Malaysia and East Malaysia) 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 of 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 Sustainability (RSC) Committee which has oversight authority on all risk management 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)
Information and Communication 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 and its Corporate IT division align its ICT strategies moving ahead for the next 5 years. Hospital Information System delivering 2nd Generation product being, HITS2 and KCIS2 as cloud computing solutions and replace its 20 years old client server application solutions for 26 hospitals in 2018. Cloud Computing solutions reduce information and security risk while benefiting from Industry 4.0 initiative for collaboration and integration to improve operational efficiency.

Systems and processes are more integrated and provide 3rd party integration, for instance, IBM Watson, Cognitive Machine Learning and Artificial Intelligence. Greater possibility available now to integrate with insurance companies’ systems to improve approval and payment clearance with further possibility of improving other payment methods through payment gateways. KPJ also has further plan in using AI Robotics and AI Imaging to improve services and greater integration between hospitals. Other technologies focus on wearable devices and integrate to HIS to improve wellness and care.

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 of diverse functional groups such as hospital management, chief nursing officers, finance managers, pharmacists and risk coordinators.

The Group conducts the Pedoman annual staff gathering at the beginning of every year, whereby achievements and challenges faced during the previous financial year are shared with staff, new strategic initiatives, corporate KPI and business targets for the new financial year are also presented.

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 are covered by the Liability Insurance (Medical Malpractice Policy and Directors & 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.
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 Group Internal Audit 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 Group Clinical Services and Risk & Compliance Services through on-site and off-site reviews. In 2018, 24 clinical audits and 5 risk & compliance reviews were conducted by these departments respectively.

Reports generated by the Level 2 and Level 3 lines of defence mentioned above are presented to the Clinical Risk Management Committee and Risk and Sustainability 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.

In 2018, MSQH conducted two (2) hospital accreditation surveys and JCI conducted one (1) hospital survey 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 15.23 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the inclusion in the Integrated Report for the year ended 31st December 2018. 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 & Managing Director and Vice President (II) – Group Finance Services, 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 Integrated 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 Integrated 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 Issuers.
MEDICAL ADVISORY COMMITTEE REPORT

CLINICAL GOVERNANCE IS THE CENTRAL PILLAR OF ANY HEALTHCARE ORGANISATION WHICH AIMS TO PROVIDE QUALITY PATIENT CARE.

Within its framework are policies and processes that ensure patient safety, continuous improvement in quality of care and clinical effectiveness leading to a better patient experience and outcome. In the KPJ group, responsibility for clinical governance lies with Group Medical Advisory Committee (GMAC) while at the individual hospital it is with the hospital’s Medical and Dental Advisory Committee (MDAC). The establishment of the hospital MDAC is mandated by the Private Healthcare Facilities and Services Act and by our own By-Laws. Decisions of the hospital’s MDAC are discussed at the hospital meetings including at the Hospital Board.

The Group MAC functions in an advisory capacity and it has a few committees to look at different aspects of clinical governance. These committees report to the GMAC which in turn reports to the Board of Directors.

Management of Clinical Governance - Clinical Governance Committees

**THESE ARE THE COMMITTEES OF GMAC:**

1. Clinical Governance Policy Committee (CGPC)
2. Clinical Governance Action Committee (CGAC)
3. Clinical Risk Management Committee (CRMC)
4. Clinical Ethics Committee (CEC)
5. Research & Quality Innovation Committee (RQIC)
6. Research Ethics Review Committee (RERC)

**KPJ BOARD**

- Group Medical Advisory Committee (GMAC)
- Hospital Board
- Hospital Board Of Management
- Hospital Medical And Dental Advisory Committee
- Clinical Committees
  - 1. Credentialing & Privileging, Peer Review, Ethics, Education & Audit
  - 2. Hospital Infection & Antibiotic Control
  - 3. Health Information Management
  - 4. Mortality & Morbidity Review
  - 5. Pharmacy & Therapeutics
  - 6. Surgical & Medical Intervention
  - 7. Risk, Quality & Safety
- Hospital Committees
  - 1. Patient Complaints & Resolution
  - 2. Consultant-Management Meeting

139
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 is an Independent Non-Executive Director as well as the KPJ Medical Advisor, Dato Dr Zaki Morad Mohamad Zaher, Consultant Nephrologist at KPJ Ampang Puteri.

We would also like to welcome two (2) new members, Dato’ Dr. Bajit Kor A/P Teja Singh Consultant Ophthalmologist of KPJ Ampang Puteri who is also a member of KPJ Board of Directors and Dato’ Dr N. Sivamohan, Consultant Obstetrician and Gynaecologist and also the Medical Director of KPJ Klang as well as Chairman of the Clinical Governance Policy Committee.

The Committee meets four (4) times a year.

<table>
<thead>
<tr>
<th>NO.</th>
<th>MAC MEMBERS</th>
<th>MEETING ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>8th Feb</td>
</tr>
<tr>
<td>1.</td>
<td>Dato’ Dr. Zaki Morad bin Mohamad Zaher Chairman</td>
<td>√</td>
</tr>
<tr>
<td>2.</td>
<td>Dato’ Amiruddin bin Abdul Satar President &amp; Managing Director</td>
<td>√</td>
</tr>
<tr>
<td>3.</td>
<td>Datuk Dr. Hussein bin Awang Chairman, Medical Directors’ Meeting</td>
<td>√</td>
</tr>
<tr>
<td>4.</td>
<td>Dr. Kok Chin Leong(a) Chairman, CGPC</td>
<td>√</td>
</tr>
<tr>
<td>5.</td>
<td>Dato’ Dr S Sivamohan N(b) Chairman, CGPC</td>
<td>N/A</td>
</tr>
<tr>
<td>6.</td>
<td>Prof. (C) Dato’ Dr. Shahrudin bin Mohd Dun Chairman, CGAC</td>
<td>√</td>
</tr>
<tr>
<td>7.</td>
<td>Dato’ Dr. Ngun Kok Weng Chairman, CRMC</td>
<td>√</td>
</tr>
<tr>
<td>8.</td>
<td>Dato’ Dr. Fadzli Cheah Chairman, CEC</td>
<td>√</td>
</tr>
<tr>
<td>9.</td>
<td>Prof Dato’ Dr. Azizi bin Haji Omar Chairman, RQIC Independent Non-Executive Director</td>
<td>√</td>
</tr>
<tr>
<td>10.</td>
<td>Dr. Mohd Hafetz bin Ahmad Chairman of RERC</td>
<td>√</td>
</tr>
<tr>
<td>11.</td>
<td>Dato’ Dr. Bajit Kor A/P Teja Singh(c) Independent Non-Executive Director (w.e.f 1st September 2018)</td>
<td>N/A</td>
</tr>
<tr>
<td>12.</td>
<td>Jasimah binti Hassan Executive Director, Business Operation, Technology and Clinical Services</td>
<td>√</td>
</tr>
<tr>
<td>13.</td>
<td>Ms Gunavathy Kalee General Manager, KPJ Clinical Services KPJHB</td>
<td>√</td>
</tr>
</tbody>
</table>

(a) Resigned as Chairman, CGPC w.e.f on 1 September 2018  
(b) Appointed as Chairman, CGPC w.e.f on 1 September 2018  
(c) Appointed as GMAC member w.e.f on 1 September 2018
The Committees of GMAC and their roles are as follows:

**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.

**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.

**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.

**Clinical Ethics Committee (CEC)**

The 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 outcome should lead to the best interest of the patient. The committee also developed guidelines on ethical issues relating to patient care.

**Research & 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. Initially, the committee was known as Research and Development Committee and was renamed in February 2018 to promote the establishment of quality assurance and improvement programmes in the hospitals. The committee also oversees the process of research governance.

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

In 2018, the Committee received proposals for four (4) research projects and three (3) were approved by GMAC as shown below:

- Perception of Consultant on IV-to-Oral Switch in Antibiotic among Private Healthcare Practitioners; and
- Retrospective Comparison Study Between Vancomycin Individualized Pharmacokinetic Dosing versus Conventional Dosing Among Patients in Malaysian Private Hospital.

**Research Ethics Review Committee (RERC)**

The RERC was set up in 2011 to review all proposals that are submitted to the Research and Development Committee (R&D) to conduct research in the KPJ Group of Hospitals. The RERC shall review 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 only meets when a review is required otherwise discussions and approval are by circular resolution.
ACTIVITIES OF THE GROUP MEDICAL ADVISORY COMMITTEE AND ITS COMMITTEES IN 2018

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 2018, ten (10) new policies were approved for use and seven (7) were updated.

<table>
<thead>
<tr>
<th>NEW POLICIES</th>
<th>REVIEWED POLICIES AND GUIDELINES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Nutrition Guidelines</td>
<td>• Policy on Assessing Fitness for Practice of Doctors After Retirement Age (AFPDAR)</td>
</tr>
<tr>
<td>• Policy on Infertility Services</td>
<td>• Policy on Obtaining Consent</td>
</tr>
<tr>
<td>• Process when introducing New Policies or Forms</td>
<td>• Patient Consent on Animal Origin Related Medicines</td>
</tr>
<tr>
<td>• Use of Pethidine/Opiates for Management of Pain</td>
<td>• Professional Calling cards and Letterhead</td>
</tr>
<tr>
<td>• Guideline on Disposal of Medical Record</td>
<td>• Managing Locums and Surgeon’s Assistants</td>
</tr>
<tr>
<td>• Student Access to Medical Record during Clinical Attachment</td>
<td>• Prevention and Control of Infection policies were reviewed based on Joint Commission International (JCI) standards and Centre for Disease Control and Prevention (CDC) guidelines</td>
</tr>
<tr>
<td>• Guideline on Consent for Release of Patient’s Medical Information or Medical Report</td>
<td>• International Patient Safety Goals policies</td>
</tr>
<tr>
<td>• Guideline on Advertising Using Social Media</td>
<td></td>
</tr>
<tr>
<td>• Ethical issues of the Medical Pharmaceutical Relationship</td>
<td></td>
</tr>
<tr>
<td>• Policy on Audio/Video recording</td>
<td></td>
</tr>
</tbody>
</table>

Enhancing Clinical Governance
Meetings with the doctors are one way to encourage participation of the doctors 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
Five (5) specialty meetings were held this year; Nephrology, Neurology, Ophthalmology, Orthopaedic and Neurosurgery. Meetings of the rest of the specialties will be completed by middle of year 2019.

• Group Medical Directors meetings
Two meetings were held in 2018 on 25 June and 14 December 2018.

• Regional Medical Directors’ Meeting
Two (2) regional Medical Directors meetings of the Southern and Central regions were held in 2018 and meetings with the Eastern and Northern regions were held in January 2019.

• KPJ Healthcare Conference 2018
The annual KPJ Conference themed “Innovation in Healthcare Delivery” was held at Hotel Royale Chulan Damansara from 19th till 21st October 2018 was very well received. There were 502 registered participants, 60% were KPJ doctors, 28% were KPJ staff and the others included KPJ University College and non-KPJ participants. We also received an overwhelming response from our exhibitors who sponsored 40 booths for our event.

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 doctors and nurses.

• Accreditation by Malaysian Society for Quality in Health (MSQH)
In 2018, two (2) hospitals, KPJ Tawakkal (3rd cycle, 5th Edition standards) and KPJ Klang (2nd cycle, 5th Edition standards) were surveyed and have been accredited for a four (4) year term.
• **Joint Commission International (JCI) Accreditation**
  In 2018, KPJ Ampang Puteri (3rd cycle, 6th Edition standards) received JCI re-certification for a further three years.

• **Clinical Survey 2018**
  The survey evaluates the compliance to Ministry of Health standards/guidelines, MSQH and JCI standards, Malaysian Medical Council (MMC) Guidelines and KPJ Governing Policies.

  In 2018, 24 KPJ hospitals (19 accredited and five (5) non-accredited) were surveyed in 14 service areas, with an average result of 92%.

<table>
<thead>
<tr>
<th>NO.</th>
<th>SERVICE AREAS SURVEYED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Prevention and Control of Infection (PCI)</td>
</tr>
<tr>
<td>2.</td>
<td>Haemodialysis Service (HD)</td>
</tr>
<tr>
<td>3.</td>
<td>Central Sterilizing Supply Service (CSSS)</td>
</tr>
<tr>
<td>4.</td>
<td>Paediatric/Nursery Service</td>
</tr>
<tr>
<td>5.</td>
<td>Accident and Emergency Service (A&amp;E)</td>
</tr>
<tr>
<td>6.</td>
<td>Endoscopic Service</td>
</tr>
<tr>
<td>7.</td>
<td>Intensive Care/Neonatal/Cardiac Intensive Care Service (ICU/NICU/CICU)</td>
</tr>
<tr>
<td>8.</td>
<td>Labour Room/Maternity Service</td>
</tr>
<tr>
<td>9.</td>
<td>Hospital Wide</td>
</tr>
<tr>
<td>10.</td>
<td>General Ward Service</td>
</tr>
<tr>
<td>11.</td>
<td>Operating Theatre Service (OT)</td>
</tr>
<tr>
<td>12.</td>
<td>Pharmacy Service</td>
</tr>
<tr>
<td>13.</td>
<td>Food and Dietetic Service</td>
</tr>
<tr>
<td>14.</td>
<td>Medical Records</td>
</tr>
</tbody>
</table>

**Average Percentage: 92%**

• **Survey on Management of Intravenous (IV) Therapy**
  Intravenous therapy is treatment that infuses intravenous solutions, medications, blood, or blood products directly into a vein. Approximately 80% of all patients in the hospital setting will receive intravenous therapy.

  KPJ Nursing Service acknowledges the increasing importance of use of evidence in nursing care standards for patients receiving infusion therapies to enable sustainable improvements in quality and safety of patient care.

  Based on third party audit findings that was conducted among several KPJ Hospitals, IV Care Bundle guideline was developed, IV monitoring tools were standardised and the option of using vein viewers were discussed.

• **Asia Pacific Hand Hygiene Excellence Award**
  In 2016 KPJ Tawakkal, KPJ Selangor and KPJ Kajang attempted to achieve the Asia Pacific Hand Hygiene Excellence Award (APHHEA) and KPJ Tawakkal was shortlisted as a finalist. The survey findings showed that KPJ Hospitals already adhere to Ministry of Health and World Health Organisation (WHO) standards and guidelines. From the survey standards some best practices were identified for implementation at KPJ Hospitals.

  These have been implemented at various levels at the hospitals in 2018:
  - Using hand rub product from one supplier to prevent chemical interaction, gel form are preferred as it has moisturizing properties and prevent splashes;
  - Use of apps for hand hygiene audit using smart phone;
  - Enhance effective hand hygiene audit by giving infection control link nurses “protected time” and hand hygiene audit is announced before commencement of the audit;
  - Involve patient in hand hygiene activities to ensure healthcare providers compliance by displaying information to educate patients to question healthcare providers whether hand hygiene was done prior to patient engagement; and
  - Ensuring the WHO guideline is accessible to the staff.

**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**
    Two (2) outcomes indicators that are Interventional Cardiology Procedures and Caesarean Section are being monitored this year. Next year in 2019, Nephrology, Ophthalmology and Neurology will be monitored.
  • **Clinical Indicators**
    The clinical indicators were reviewed and in 2018 and nine (9) indicators are being monitored.
Quality Indicators for Accident and Emergency Services

Five (5) indicators have been identified and are being compiled and analysed.

<table>
<thead>
<tr>
<th>A&amp;E QUALITY INDICATORS</th>
<th>TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 1 - Unplanned Re-attendance</td>
<td>Within 24H</td>
</tr>
<tr>
<td></td>
<td>Within 3 days</td>
</tr>
<tr>
<td></td>
<td>Within 7 days</td>
</tr>
<tr>
<td>Q2 - Total Time in A&amp;E</td>
<td>Within &lt; 4 hours (%)</td>
</tr>
<tr>
<td>Q3 - Left Without Being Seen by a Doctor</td>
<td>Percentage of patient leaving without being seen</td>
</tr>
<tr>
<td>Q1 4 - Time to Assessment</td>
<td>Patients assessed by SRN within ≤ 15 min (%)</td>
</tr>
<tr>
<td>Q1 5 - Time to Treatment</td>
<td>Green Zone - Patients seen by doctor within ≤ 20 min (%)</td>
</tr>
<tr>
<td></td>
<td>Yellow Zone - Patients seen by doctor within ≤ 30 min (%)</td>
</tr>
<tr>
<td></td>
<td>ALL patients seen within 60 min</td>
</tr>
</tbody>
</table>

Clinical Protocols for Accident and Emergency Services

Three protocols (Acute Myocardial Infract, Stroke and Dengue) have been developed and compliance will be monitored from 2019.

Early Warning Signs (EWS)

EWS are tools used by hospital care teams to recognize the early signs of clinical deterioration in order to initiate early intervention and management, such as increasing nursing attention, informing the provider, or activating a rapid response or medical emergency team.

Awareness among the care givers, identifying the tools to trigger EWS and formation of the Rapid Response Team (RRT) was the primary focus in 2018.

New Services

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 in progress:

Acute Stroke Centre

KPJ is developing a new Acute Stroke Service that will initially start in one of the KPJ Klang Valley Hospitals. This centre will include comprehensive care of the stroke patient involving specialist doctors, interventional radiologists, physiotherapists, occupational therapists, dieticians and others.

Currently several of our hospitals are able to provide thrombolytic therapy for the ischemic stroke patients. In 2019 the provision of ‘Neuro-interventional Mechanical Thrombectomy’ is anticipated. Once successful, it can be extended to other KPJ Hospitals in the Group having the required resources and capability to support the service.

Remote Digital Health Monitoring System (RDHMS)

The Remote Digital Health Monitoring System is a mobile “point of care” diagnostic coupled with monitoring application platform. It allows remote diagnostics with accuracy and the ability to assess multiple diseases and storing of data over a secure medical cloud. The target is to monitor Non-Communicable Disease and the Risk factors; blood pressure, sugar, following Malaysian Clinical Practice Guidelines.

The six (6) month pilot study was completed in December 2018. The pilot project involved three (3) KPJ Hospitals, KPJ Damansara, KPJ Kajang and KPJ Puteri and involving 10 doctors and 59 patients.

The doctors found that the patients were more regular with their medication and monitoring. One patient showed remarkable improvement in his HbA1C (a parameter used for blood glucose monitoring) after enrolment in the trial.

mQuit Smoking Cessation Program

mQuit Smoking Cessation Program is a Public-Private Partnership Program to provide actionable support to potentially 4.8 million smokers in Malaysia to help them quit smoking. It provides three levels of support for smokers, namely; professional advice, materials to help quit smoking and enlisting the smoker’s own willpower.

In 2018, seven (7) KPJ hospitals have been accredited as mQuit Training Centres by the Ministry of Health namely KPJ Ampang Puteri, KPJ Damansara, KPJ Selangor, KPJ Johor, KPJ Puteri, KPJ Sabah and Kuching Specialist Hospital.