The first state hospital to be built in Brunei was the Pekan Brunei Hospital, also referred to as "Hospital Kajang" by the locals. This hospital was built 17 years after the idea of a state hospital was suggested by Howard Chevalier, the acting British Resident in 1911.

The hospital was built in the centre of Pekan Brunei (now Bandar Seri Begawan) located on the lot now in front of the Sultan Omar Ali Saifuddien Mosque and Brunei National Library. Construction began in November of 1928 and commonly available materials that included local timber and leaves from local plants were used. It was officially opened in September of 1929 by His Majesty Sultan Ahmad Tajuddin Akhazul Khairi Wadin Ibni Al-Marhum Sultan Muhamad Jamalul Alam, the 27th Sultan of Brunei Darussalam.

The design of the Hospital was believed to have followed the design of the Bubungan Dua Belas– the Twelve Roofed Mansion, then the Official British Residence of Brunei. The slanting double pitched roofs were made of thatched palm leaves to allow rapid run of rain water and the holes between the two roofs allowed natural ventilation to keep the interior cool. The walls were made of thatched or woven nipah (Kajang in Malay) leaves, hence 'Hospital Kajang'.

This hospital included a ward with 18 beds, an operating theatre, dispensary, laboratory and an out-patient clinic. The hospital also had three isolation rooms for infectious diseases which was also used for patients with mental illnesses. With the completion of this hospital, the first State Medical Officer or Resident Medical Officer was officially appointed in February of 1929.

As the number of patients requiring treatment increased, the hospital was later expanded and the bed capacity was increased to 30 beds and later 48 beds. These included a male and female second-class wards, a dedicated delivery ward and a ward for children. Small houses made of similar materials (Rumah Kajang) within the hospital complex were also used as wards for in-patients. Unfortunately, Hospital Kajang was destroyed in 1944 by Allied bombing during the Japanese occupation in the Second World War.