



**KPJ HEALTHCARE BERHAD**  
(Company No. 247079-M)

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty Fourth (24th) Annual General Meeting (“AGM”) of KPJ Healthcare Berhad (“KPJ” or the “Company”) will be held at the Permata Ballroom, Level B2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor, on Thursday, 20 April 2017 at 11.00 a.m for the following purposes:-

### AGENDA

#### ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the year ended 31 December 2016 and the Reports of the Directors and Auditors thereon.	<b>Please refer to Note f.</b>
2.	To re-elect the following Directors of the Company who will retire in accordance with the Articles of Association of the Company:- (i) Dato' Amiruddin Bin Abdul Satar – Article 96 (ii) Aminudin Bin Dawam – Article 96 (iii) Zulkifli Bin Ibrahim – Article 96 (iv) Dr Kok Chin Leong – Article 96	<b>(Resolution 1)</b> <b>(Resolution 2)</b> <b>(Resolution 3)</b> <b>(Resolution 4)</b>
3.	To approve the following payment to Directors :- (i) Fees of RM918,750 paid in the financial year ended 31 December 2016 and proposed fees of RM925,000 for the financial year ending 31 December 2017. (ii) Remuneration (excluding Directors' fees) of RM838,250 for the financial year ended 31 December 2016 and up to an amount of RM965,000 from January 2017 until the conclusion of the next AGM of the Company (“Relevant Period”). (See Note k)	<b>(Resolution 5 (a))</b> <b>(Resolution 5 (b))</b>
4.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.	<b>(Resolution 6)</b>
<b>SPECIAL BUSINESS</b>		
To consider and if thought fit, to pass the following resolutions:		
5.	<b>ORDINARY RESOLUTION 1</b>  <b>CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS</b>  In line with Recommendation 3.2 and 3.3 of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”), the Nomination & Remuneration Committee (“NRC”) had conducted an assessment of independence under the nomination and election process of Independent Non-Executive Directors (“INED”), whereby the NRC reviewed whether the nominated candidates have satisfied the criteria for an independent director as prescribed in Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”) and its Practice Note 13 prior to seeking shareholders' approval at the 24 <sup>th</sup> AGM on the appointment of INEDs.  “ <b>THAT</b> Zainah Binti Mustafa who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note g)  “ <b>THAT</b> Datuk Azzat Kamaludin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be hereby re-appointed as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note g)  “ <b>THAT</b> Dr Yoong Fook Ngian who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note g)  “ <b>THAT</b> subject to the passing of Resolution 5, approval be and is hereby given to Dr Kok Chin Leong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note g)	<b>(Resolution 7)</b>  <b>(Resolution 8)</b>  <b>(Resolution 9)</b>  <b>(Resolution 10)</b>

6.	<p><b>ORDINARY RESOLUTION 2</b></p> <p><b>AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016</b></p> <p>“<b>THAT</b> pursuant to Section 75 of the Companies Act, 2016 (“Act”), and approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company. (See Note h)</p> <p><b>ORDINARY RESOLUTION 3</b>  <b>PROPOSED RENEWAL OF THE SHARE BUY-BACK AUTHORITY (“PROPOSED SHARE BUY BACK”)</b></p> <p>“<b>THAT</b>, subject to Section 127 of the Act, the provisions of the Listing Requirements of the Bursa Securities and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following:-</p> <ul style="list-style-type: none"> <li>(a) The maximum number of shares which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being subject to the restriction that the issued capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;</li> <li>(b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company; and</li> <li>(c) Upon completion of the purchase by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in their absolute discretion in any of the following manner:- <ul style="list-style-type: none"> <li>(i) cancel the shares so purchased; or</li> <li>(ii) retain the shares so purchased as treasury shares and held by the Company; or</li> <li>(iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or,</li> <li>(iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or</li> <li>(v) transfer all or part of the treasury shares for purposes of an employees’ share scheme, and/or as purchase consideration; or</li> </ul> </li> </ul> <p>in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;</p> <p><b>AND THAT</b> the authority conferred by this resolution shall continue to be in force until:-</p> <ul style="list-style-type: none"> <li>(a) the conclusion of the next AGM of the Company at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution passed at the AGM either unconditionally or subject to conditions; or</li> <li>(b) the expiration of the period within which the next AGM is required by law to be held; or</li> <li>(c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,</li> </ul> <p>whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities.</p> <p><b>AND THAT</b> the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and the guidelines issued by Bursa Securities and any other relevant authorities.” (See Note i)</p>	<p>(Resolution 11)</p> <p>(Resolution 12)</p>
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7.	<p><b>ORDINARY RESOLUTION 4</b>  <b>PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (" PROPOSED SHAREHOLDERS' MANDATE")</b></p> <p>"<b>THAT</b> subject always to the provisions of the Act, the Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries, to enter into and give effect to the Recurrent Related Party Transactions of a Revenue or Trading nature, all with the particulars of which are set out in Part B of the Circular to Shareholders dated 28 March 2017 ("Circular") with the Related Parties as described in the Circular, provided that such transactions are:-</p> <ul style="list-style-type: none"> <li>(a) recurrent transactions of a revenue or trading nature;</li> <li>(b) necessary for the day-to-day operations of the Company and/or its subsidiaries;</li> <li>(c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and</li> <li>(d) not detrimental to the minority shareholders of the Company;</li> </ul> <p><b>AND THAT</b> such authority shall continue to be in force until :-</p> <ul style="list-style-type: none"> <li>(a) the conclusion of the next AGM of the Company following this AGM, at which time the authority will lapse unless by a resolution passed at the AGM, such authority is renewed; or</li> <li>(b) the expiration of the period within which the next AGM after the date that is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or</li> <li>(c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;</li> </ul> <p>whichever is earlier;</p> <p><b>AND THAT</b> the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Proposed Shareholders' Mandate." (See Note j)</p>	(Resolution 13)
	<p>FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 24<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 58 of the Company's Articles of Association and Paragraph 7.16 of the Listing Requirements to issue a General Meeting Record of Depositors ("ROD") as at 12 April 2017. Depositors whose names appear on the ROD as at 12 April 2017 are entitled to attend or appoint proxy (ies) to attend and/or vote on his/her behalf.</p>	

**By Order of the Board,**  
**KPJ HEALTHCARE BERHAD**

SALMAH BINTI HJ ABD WAHAB (LS 0002140)  
HANA BINTI AB RAHIM @ ALI, ACIS (MAICSA 7064336)  
**Secretaries**

Johor Bahru  
Dated : 28 March 2017

## NOTES:

### Proxy

- a. A member entitled to attend and vote at this meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at this AGM.
- b. If a corporation is a member of the Company, the corporation may by resolution of its Board or other governing body authorize a person or persons to act as its representative or representatives at this AGM.
- c. A certificate of authorization by the corporation shall be prima facie evidence of the appointment or the revocation of the appointment, as the case may be, of a representative under Section 333(5) of the Companies Act 2016.
- d. Where a member of the Company is an Authorised Nominee as defined under the Central Depositories Act 1991, he may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- e. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof, shall be deposited at the registered office of the Company at: KPJ HEALTHCARE BERHAD, Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

### Abstention from Voting

1. All the Non-Executive Directors ("NED") of the Company who are shareholders of the Company shall abstain from voting on Resolution 5(a) and 5(b) concerning remuneration to the NED at the 24th AGM.
2. Any Director referred to in Resolutions 1, 2, 3 and 4 who is a shareholder of the Company shall abstain from voting on the resolution in respect his election or re-appointment as Director of the Company at the 24th AGM.

### EXPLANATORY NOTES ON SPECIAL BUSINESS :

- f. Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require the Company to obtain shareholders' approval for its Audited Financial Statements. Henceforth, this Agenda is not put forward for voting.
- g. The Ordinary Resolutions 7, 8, 9 and 10 if passed, will enable Zainah Binti Mustafa, , Datuk Azzat Bin Kamaludin, Dr Yoong Fook Ngian and Dr Kok Chin Leong, to continue to act as Independent Directors notwithstanding that they have served the Board as Independent Non-Executive Directors for a term of more than 9 years. The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. To qualify as independent, a director must be independent in character and judgment, independent of management and free from any relationship or circumstances as set out in Chapter 1 of the Listing Requirements, which are likely to affect or appear to affect their independent judgment. Following an assessment, the Board concluded that the INEDs' length of service do not interfere with the exercise of independent judgment and ability to act in the best interests of the shareholders. In addition, the Board believes that their detailed knowledge of the Group's business and their proven commitment, experience and competence will greatly benefit the Company. The Directors' concerned had declared their independence and desire to continue as Independent Non-Executive Directors of the Company.
- h. The proposed Resolution 11 if passed is primarily to give flexibility to the Directors of the Company to issue up to a maximum amount not exceeding in total 10% of the total number of issued shares in the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within the next AGM required by law to be held, whichever is earlier.
  - (i) The mandate sought under Resolution 12 is a renewal of an existing mandate particularly on the conversion of KPJ ESOS and KPJ warrants into ordinary shares at the price of RM3.64 and RM4.01 per ordinary share respectively
  - (ii) The proceeds raised from the previous mandate were RM 27,998,772.00
  - (iii) The proceeds were utilized for working capital purposes
  - (iv) The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
- i. The proposed Resolution 12 if passed will enable the Company to utilise any of its surplus financial resources to purchase its own shares from the market.
- j. The proposed Resolution 13 if passed is primarily to authorise the Company and/its unlisted subsidiaries to enter into arrangements or transactions with Related Parties, particulars of which are set out in the Circular to Shareholders dated 28 March 2017 circulated together with this Annual Report, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made to the public.
- k. Pursuant to Section 230(1) of the Companies Act 2016 which came into force on 31 January 2017, the fees and benefits ("Remuneration") payable to the Directors of the Company will have to be approved by the shareholders at a general meeting.

In determining the estimated total amount of remuneration (excluding Directors' fees) for the NED, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of NED involved in these meetings.

The actual Directors' fees for NED during the financial year 2016 was RM918,750. The Directors' fees proposed for the financial year ending 31 December 2017 are the same as 2016 and assuming that all the NED will hold office until the end of the financial year. The proposed Resolution 5(a), if passed, is to facilitate payment of Directors' fees on current financial year basis.

The proposed Resolution 5(b), if passed, will allow the payment of the Directors' Remuneration (excluding Directors' fees) to the NED of the Company on a monthly basis and/or as and when incurred within the Relevant Period.

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

In the event that the Directors' Remuneration (excluding Directors' fees) proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next Annual General Meeting for the additional remuneration to meet the shortfall. The estimated amount of RM965,000 for the Relevant Period is derived from a total of RM840,000 for FY2017 and a total of RM125,000 for the period from 1 January 2018 until the next AGM in 2018.

Details of the estimated Directors' Remuneration for NED for the Relevant Period are as below :-

**i) Directors' Fees**

	<b>2016</b>	<b>2017</b>
Non-Executive Chairman	RM150,000 per annum	RM150,000 per annum
NED	RM75,000 per annum	RM75,000 per annum

**ii) Directors' Remuneration (excluding Directors' fees)**

<b>Description</b>	<b>Chairman</b>	<b>NED</b>
Other Benefits	Medical benefits	Medical benefits and company car for 1 NED

<b>Meeting Allowance (per meeting)</b>	<b>Chairman</b>	<b>NED</b>
Board of KPJ	RM3,500	RM2,500
Audit Committee	RM3,500	RM2,500
Medical Advisory Committee	RM500	RM400
Nomination & Remuneration Committee	RM1,000	RM500
Building Committee	RM1,000	RM500
Tender Board Committee	RM1,000	RM500

<b>Allowance for Professional Advisory Services</b>	<b>2017</b>
Monthly Allowance as Chairman of Medical Advisory Committee	RM18,000
Monthly allowance on implementation of KPJ Clinical Information System	RM7,000

# Proxy Form



**KPJ HEALTHCARE BERHAD**

Company No. 247079-M  
Incorporated in Malaysia under the Companies Act, 1965

No. of ordinary shares held	CDS account no.

I/We\* \_\_\_\_\_  
(Full name and NRIC No. /Company No. in block letters)

of \_\_\_\_\_  
(Full address in block letters)

being a member(s) of KPJ HEALTHCARE BERHAD hereby appoint Chairman of the meeting, or \_\_\_\_\_

\_\_\_\_\_ (Full name and NRIC in block letters)

of \_\_\_\_\_  
(Full address in block letters)

or failing him/her \_\_\_\_\_  
(Full name and NRIC in block letters)

of \_\_\_\_\_  
(Full address in block letters)

as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Twenty Fourth (24th) Annual General Meeting of the Company to be held at the Permata Ballroom, Level B2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Thursday 20 April 2017 at 11.00 a.m and at any adjournment in respect of my/our holdings of shares in the manner indicated below:

RESOLUTION	DESCRIPTION	FOR	AGAINST
	<b>To Re-Elect Directors:</b>		
1	Dato' Amiruddin Abdul Satar		
2	Aminudin Dawam		
3	Zulkifli Ibrahim		
4	Dr. Kok Chin Leong		
5 (a)	To Approve Directors' Fees		
5 (b)	To Approve Directors' Remuneration		
6	To Re-Appoint Auditors		
	<b>Special Business</b>		
	<b>Proposed Director To Continue As Independent Non-Executive Director:</b>		
7	Zainah Mustafa		
8	Datuk Azzat Kamaludin		
9	Dr. Yoong Fook Ngian		
10	Dr. Kok Chin Leong		
11	Authority To Issue Shares		
12	Proposed Share Buy Back		
13	Proposed Shareholders' Mandate		

(Please indicate with a (✓) in the appropriate box whether you wish your vote to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.)

For appointment of two (2) proxies, number of shares and percentages of shareholding to be represented by each proxy:		
	NO. OF SHARES	% OF SHAREHOLDING
Proxy 1		
Proxy 2		
Total		

Signature(s)/Common Seal of Shareholder(s)  
[\*Delete if not applicable]

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017



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NOTE:

1. A member of the Company entitled to be present and vote at the Meeting may appoint a proxy to vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under the hand of its common seal or under the hand of an officer or attorney duly authorised. The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, he may appoint at least one (1) proxy in respect of each securities account he holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Any alteration made in this form should be initialled by the person who signs it.
5. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the registered office of the Company at Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy should not be treated as valid.

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AFFIX  
STAMP

KPJ HEALTHCARE BERHAD (247079-M)  
Level 11  
Menara KOMTAR  
Johor Bahru City Centre  
80000 Johor Bahru  
Johor, Malaysia

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