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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this Circular/Statement prior to its issuance as it is an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities and the Company has also been selected by Bursa Securities as a company qualified under Green Lane Policy, which entitles certain privileges including exemption of the need for pre-vetting of this Circular.

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KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

PART A

STATEMENT TO SHAREHOLDERS IN RELATION TO:

**PROPOSED RENEWAL OF AUTHORITY FOR KPJ HEALTHCARE BERHAD TO PURCHASE ITS
OWN ORDINARY SHARES OF UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF
ISSUED SHARES**

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolutions in respect of the above proposals will be tabled as Special Business at the Thirty-Second Annual General Meeting (“**32nd AGM**”) of KPJ Healthcare Berhad (“**KPJ**” or “**the Company**”), which is to be held at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Thursday, 26 June 2025 at 10:00 a.m. or any adjournment thereof. The Notice of the 32nd AGM together with the Proxy Form, is set out in the Integrated Annual Report 2024 of the Company which is also available for download from the Company’s website along with this Circular at <https://kpi.listedcompany.com/ar.html>.

A member who is entitled to attend and vote at the 32nd AGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Proxy Form at the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, you may lodge your Proxy Form by electronic means via the TIIH online website at <https://tiah.online>, at least forty-eight (48) hours before the time appointed for holding the 32nd AGM as indicated below or any adjournment thereof.

Last date and time for lodging the Form of Proxy : Tuesday, 24 June 2025 at 10:00 a.m.

Date and time of 32nd AGM : Thursday, 26 June 2025 at 10:00 a.m.

This Circular/Statement is dated 28 April 2025

DEFINITIONS

Except where the context otherwise requires or where otherwise defined herein, the following terms and abbreviations shall apply throughout this Circular/Statement:-

“Act”	: Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	: Annual General Meeting
“Integrated Annual Report 2024”	: Integrated Annual Report of the Company for the financial year ended 31 December 2024
“Board”	: Board of Directors of KPJ
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Circular”	: This Circular to Shareholders of KPJ dated 28 April 2025 in relation to the Proposed Shareholders’ Mandate
“Code”	: Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time
“Constitution”	: The Constitution of KPJ, as amended from time to time
“Directors”	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of the company or any other company which is its subsidiary or holding company, or a chief executive officer of the company, its subsidiary or holding company
“EPS”	: Earnings per share
“FYE(s)”	: Financial year(s) ended/ending, as the case may be
“Interested Directors”	: The directors of KPJ who are deemed interested in the Proposed Shareholders’ Mandate as disclosed in Section 6 of this Circular
“Interested Major Shareholder(s)”	: The major shareholder(s) of KPJ who is/are deemed interested in the Proposed Shareholders’ Mandate as disclosed in Section 6 of this Circular
“JCorp”	: Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by Enactment No. 5, 1995)
“JCorp Group”	: JCorp and its subsidiaries and associated companies
“KPJ” or “the Company”	: KPJ Healthcare Berhad
“KPJ Group” or “the Group”	: KPJ and its subsidiary companies
“KPJ Share(s)” or “Share(s)”	: Ordinary share(s) of KPJ

DEFINITIONS (CONT'D)

“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 2 April 2025, being the latest practicable date prior to the printing of this Statement and Circular
“LTIP”	: The long-term incentive plan for the eligible employees of KPJ and its subsidiaries and executive directors of KPJ that was implemented by KPJ on 16 January 2025
“Major Shareholder”	<p>: A person, who includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company, has an interest or interests in one (1) or more voting shares in the Company and the total number of voting shares, or the aggregate of the total number of those voting shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act</p>
“NA”	: Net Assets
“Proposed New Shareholders’ Mandate”	: Proposed new shareholders’ mandate for KPJ Group to enter into additional recurrent related party transactions of a revenue or trading nature
“Proposed Renewal of Existing Shareholders’ Mandate”	: Proposed renewal of existing shareholders’ mandate for KPJ Group to enter into recurrent related party transactions of a revenue or trading nature
“Proposed Renewal of Share Buy-Back”	: Proposed renewal of authority for KPJ to purchase its own ordinary shares of up to ten per centum (10%) of its total number of issued shares
“Proposed Shareholders’ Mandate”	: Proposed Renewal of Existing Shareholders’ Mandate and Proposed New Shareholders’ Mandate
“Related Party(ies)”	: Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) who are interested in the RRPT(s) as set out in Section 2.3 of the Circular
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“RRPT(s)”	: Recurrent related party transaction(s) of a revenue or trading nature of KPJ Group which are necessary for the day-to-day operations and in the ordinary course of business of KPJ Group as specified in Section 2.4 of the Circular
“SC”	: Securities Commission Malaysia

DEFINITIONS (CONT'D)

- “Statement”** : This Statement to Shareholders of KPJ dated 28 April 2025 in relation to the Proposed Renewal of Share Buy-Back
- “Treasury Shares”** : 162,306,700 treasury shares held by KPJ as at LPD

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall include corporations, unless otherwise specified.

All references to “you” or “your” in this Circular/Statement are to the shareholders of the Company.

Any reference in this Circular/Statement to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted.

Any reference to the time of day in this Circular/Statement shall be a reference to Malaysian time, unless otherwise specified.

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PART A

STATEMENT TO SHAREHOLDERS OF KPJ ON THE:-

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO
PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%)
OF ITS TOTAL NUMBER OF ISSUED SHARES**



KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

Registered Office:

Level 13
Menara KPJ
238, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

28 April 2025

Board of Directors:

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar	<i>(Non-Independent Non-Executive Chairman)</i>
Dato' Mohd Redza Shah bin Abdul Wahid	<i>(Senior Independent Non-Executive Director)</i>
Khairuddin bin Jaflus	<i>(Independent Non-Executive Director)</i>
Hisham bin Zainal Mokhtar	<i>(Independent Non-Executive Director)</i>
Lee Lai Fan	<i>(Independent Non-Executive Director)</i>
Shamsul Anuar bin Abdul Majid	<i>(Non-Independent Non-Executive Director)</i>
Rozaini bin Mohd Sani	<i>(Non-Independent Non-Executive Director)</i>
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar	<i>(Non-Independent Non-Executive Director)</i>
Annie binti Rosle	<i>(Non-Independent Non-Executive Director)</i>
Chin Keat Chyuan	<i>(President and Managing Director)</i>

To: The Shareholders of KPJ

Dear Sir/Madam,

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES

1. INTRODUCTION

At the Thirty-First ("31st") AGM held on 26 June 2024, the Company obtained shareholders' approval for KPJ to purchase its own Shares of up to ten per centum (10%) of the total number of issued Shares of the Company.

On 25 March 2025, the Company announced to Bursa Securities its intention to seek shareholders' approval for the Proposed Renewal of Share Buy-Back at the forthcoming Thirty-Second ("32nd") AGM.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK, TO SET OUT THE BOARD'S RECOMMENDATION AND SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK, WHICH WILL BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 32ND AGM.

SHAREHOLDERS ARE ADVISED TO CAREFULLY READ AND CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AT THE FORTHCOMING 32ND AGM.

2. PROPOSED RENEWAL OF SHARE BUY-BACK

2.1 Details of the Proposed Renewal of Share Buy-Back

The Directors propose to seek approval from the shareholders for the Proposed Renewal of Share Buy-Back, enabling them to exercise the power to purchase the Company's Shares in circumstances which the Board considers to be in the best interest of the Company.

The Proposed Renewal of Share Buy-Back shall take effect upon the passing of the ordinary resolution at the forthcoming AGM and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

2.2 Maximum number or percentage of Shares to be purchased

The maximum aggregate number of Shares that the Company may purchase shall not exceed ten per centum (10%) of the total number of issued Shares of the Company at any point in time.

As at the LPD, the total number of issued KPJ Shares (including Treasury Shares) is 4,526,608,066 Shares. For illustration purposes, the maximum number of KPJ Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back is as follows:

	<u>Number of Shares</u>
10% of the total number of issued KPJ Shares	452,660,807
Less: Treasury Shares held as at the LPD	(162,306,700)
Maximum number of KPJ Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back	<u>290,354,107</u>

2.3 Maximum amount of funds to be allocated and source of funds

Paragraph 12.10(1) of the Listing Requirements stipulates that a listed issuer must ensure any purchase(s) of its own shares is made wholly out of retained profits.

The maximum amount of funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back shall not exceed its retained profits at the time of purchase.

Based on KPJ's latest audited financial statements for the financial year ended 31 December 2024, the Company has retained profits of RM277,355,000.

The Proposed Renewal of Share Buy-Back will be financed through internally generated funds and/or external borrowings, the proportion of which will depend on the quantum of the purchase consideration as well as the availability of the internally generated funds and/or external borrowings at the time of the purchase(s). The actual number of KPJ Shares to be purchased will depend on market conditions, share market sentiments, the sufficiency of retained profits, as well as the availability of the financial resources available to the Company.

2.3 Maximum amount of funds to be allocated and source of funds (cont'd)

In the event the Company decides to utilise external borrowings to finance the Proposed Renewal of Share Buy-Back, it will ensure that it has sufficient financial capability to repay the external borrowings and that the external borrowings will not have any material impact on the cash flow of the Company.

The purchase of KPJ Shares by the Company from the open market on Bursa Securities will be made through stockbroker(s) to be appointed by the Company.

2.4 Treatment of the Shares Purchased

In accordance with Sections 127(4) and 127(7) of the Act, the Company may, at its absolute discretion, deal with the purchased Shares in the following manner:-

- (i) to cancel the KPJ Shares so purchased; or
- (ii) to retain the KPJ Shares so purchased as treasury shares and held by the Company; or
- (iii) to retain part of the KPJ Shares so purchased as treasury shares and cancel the remainder; or
- (iv) to distribute all or part of the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
- (v) to transfer all or part of the treasury shares as share award or purchase consideration; or
- (vi) to deal with the KPJ Shares so purchased 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.

The Company intends to retain the purchased KPJ Shares as treasury shares or cancel the purchased KPJ Shares, or transfer as share reward or a combination of it.

In the event the Company intends to purchase its own KPJ Shares, the Company is required to comply with Sections 112, 113 and 127 of the Act and release an immediate announcement on the day the purchase is made.

An appropriate announcement will also be made to Bursa Securities in respect of the intention of the Board whether to retain the KPJ Shares so purchased as treasury shares or cancel them, or a combination of both.

If the purchased KPJ Shares are held as treasury shares, the rights attaching to them in relation to voting, dividends and participation in any other distribution or otherwise will be suspended. The treasury shares would not be taken into account in calculating the number or percentage of KPJ Shares or a class of KPJ Shares in the Company for any purposes including determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution(s) at meetings.

2.5 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements of Bursa Securities, the Company may only purchase its own Shares at a price which is not more than fifteen per centum (15%) above the weighted average market price of the Company's Shares for the five (5) market days immediately before the date of purchase(s).

2.5 Pricing (cont'd)

In addition, pursuant to Paragraph 12.18 of the Listing Requirements of Bursa Securities, in the case of resale or transfer of treasury shares, the Company may only resell the purchased KPJ Shares held as treasury shares on Bursa Securities or transfer the treasury shares at:-

- (i) a price which is not less than the weighted average market price for the KPJ Shares for the five (5) market days immediately before the resale or transfer; or
- (ii) a discounted price of not more than five per centum (5%) to the weighted average market price for KPJ Shares for the five (5) market days immediately before the resale or transfer, provided that:-
 - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - (b) the resale or transfer price is not less than the cost of purchase of KPJ Shares being resold or transferred.

2.6 Public Shareholding Spread

As at the LPD, the Company's public shareholding spread stood at 54.98% comprising 7,700 public shareholders holding 2,399,596,146 KPJ Shares.

For illustrative purposes, assuming that the purchase by the Company of the Shares pursuant to the Proposed Renewal of Share Buy-Back is carried out in full based on the total number of issued Shares of the Company as at the LPD, the public shareholding spread of the Company will be reduced to approximately 51.77%, on the basis that all the Shares are purchased from public shareholders and the Shares so purchased are held as treasury shares.

The Board is mindful of the requirement that any purchase of KPJ Shares by the Company must not result in the public shareholding spread of KPJ falling below twenty-five per centum (25%) of its total number of voting shares.

2.7 Purchase, Resale, Transfer and/or Cancellation of KPJ Shares Made in the Previous Twelve (12) Months

As at the LPD, the Company holds a total of 162,306,700 of its 4,526,608,066 issued Shares as treasury shares. During the past twelve (12) months preceding the LPD, the Company did not purchase any of its own Shares, resell, cancel and/or transfer any Treasury Shares.

3. RATIONALE/POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

3.1 Rationale

The rationale for the Proposed Renewal of Share Buy-Back is as follows:-

- (i) it allows the Company to purchase its own Shares when the Shares are being traded at price that are grossly below what the Board believes to be their intrinsic price;
- (ii) the Group's EPS is expected to increase as the consolidated earnings of the Company would be divided by a reduced number of Shares, assuming all other things being equal; and
- (iii) it provides the Company with the flexibility to use the purchased Shares, which are held as treasury shares. The purchased Shares can be held as treasury shares to be transferred for the purpose of or under the employees' share scheme, LTIP or any other share scheme to be established by the Company or resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital. Should any treasury shares be distributed as share dividends, this would serve to reward you.

3.2 Potential advantages

The Proposed Renewal of Share Buy-Back, if implemented, may potentially benefit the Company as follows:-

- (i) all other things being equal, the Proposed Renewal of Share Buy-Back will result in a lower number of KPJ Shares being used for the purpose of computing EPS, if the KPJ Shares purchased are subsequently cancelled or are held as treasury shares. Therefore, the Proposed Renewal of Share Buy-Back will enhance the EPS of the Company, which in turn might have a positive impact on the market price of the KPJ Shares; and
- (ii) if the KPJ Shares so purchased are kept as treasury shares, the Company may have the opportunity to realise capital gains if these are resold on Bursa Securities at price(s) higher than their purchase price(s). Alternatively, the KPJ Shares so purchased may be distributed as share dividends to reward the shareholders of the Company or transferred for purposes of or under an employees' share scheme, LTIP or as purchase consideration.

3.3 Potential disadvantages

The Proposed Renewal of Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forgo future investment opportunities and/or any income that may be derived from alternative uses of such funds. However, such decrease in financial resources may be temporary since the purchased Shares held as treasury shares can be subsequently resold at prices higher than the purchase price.

Notwithstanding the above, the Proposed Renewal of Share Buy-Back is not expected to result in any material disadvantages to the Company and its shareholders as it will only be implemented after due consideration of the Group's available financial resources and the resultant impact on the Company and shareholders. The Board, in exercising any decision to purchase any Share(s), will be mindful of the Company's and shareholders' interests.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

4.1 Share Capital

The effect of the Proposed Renewal of Share Buy-Back on the share capital of the Company will depend on how the purchased KPJ Shares are treated, whether they are cancelled, retained as treasury shares, resold on the open market, distributed as share dividends, or transferred for purposes of or under an employees' share scheme, LTIP or as purchase consideration.

If all the KPJ Shares purchased are retained as treasury shares, resold or distributed to shareholders of KPJ, there will be no effect on the total number of issued shares of KPJ. However, if the purchased KPJ Shares are cancelled, it will result in a reduction in KPJ's total number of issued shares.

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4.1 Share Capital (cont'd)

On the assumption that the Proposed Renewal of Share Buy-Back is carried out in full and the Shares so purchased are fully cancelled, the effects of the Proposed Renewal of Share Buy-Back on the total number of issued shares of the Company are as follows:-

	<u>Number of Shares</u>
Total number of issued shares as at the LPD (including Treasury Shares)	4,526,608,066
Less:	
Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back	(290,354,107)
Total number of issued shares after cancellation of Shares purchased under the Proposed Renewal of Share Buy-Back	<u>4,236,253,959</u>

However, the Proposed Renewal of Share Buy-Back will have no effect on the total number of issued shares of KPJ if all the KPJ Shares purchased are retained as treasury shares, re-sold on the open market, distributed as share dividends or transferred for purposes of an employees' share scheme, LTIP or as purchase consideration.

4.2 Directors' and Substantial Shareholders' Shareholdings

Based on the Register of Directors and Substantial Shareholders as at the LPD and assuming the Proposed Renewal of Share Buy-Back is implemented in full and the KPJ Shares are purchased from shareholders other than the Directors and Substantial Shareholders, the effect of the purchase of KPJ Shares permitted under the Proposed Renewal of Share Buy-Back on the shareholdings of the Directors and Substantial Shareholders of KPJ is set out as below:-

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4.2 Directors' and Substantial Shareholders' Shareholdings (cont'd)

(i) Directors

	<-----As at the LPD----->				<---After the Proposed Renewal of Share Buy-Back-->			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar	-	-	-	-	-	-	-	-
Dato' Mohd Redza Shah bin Abdul Wahid	-	-	-	-	-	-	-	-
Khairuddin bin Jaflus	-	-	-	-	-	-	-	-
Hisham bin Zainal Mokhtar	-	-	-	-	-	-	-	-
Lee Lai Fan	-	-	-	-	-	-	-	-
Shamsul Anuar bin Abdul Majid	-	-	-	-	-	-	-	-
Rozaini bin Mohd Sani	-	-	-	-	-	-	-	-
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar	330,000	0.01	-	-	330,000	0.01	-	-
Annie binti Rosle	-	-	-	-	-	-	-	-
Chin Keat Chyuan	700,000	0.02	-	-	700,000	0.02	-	-

(ii) Substantial Shareholders

	<-----As at the LPD----->				<After the Proposed Renewal of Share Buy-Back>			
	<-----Direct----->		<-----Indirect----->		<-----Direct----->		<-----Indirect----->	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
JCorp	1,565,052,721	35.86	^(a) 398,622,499	9.13	1,565,052,721	38.42	^(a) 398,622,499	9.78
Employees Provident Fund Board - Citigroup Nominees (Tempatan) Sdn Bhd - CIMB Securities Sdn Bhd	467,330,305	10.71	-	-	467,330,305	11.47	-	-
Waqaf An-Nur Corporation Berhad	286,349,087	6.56	-	-	286,349,087	7.03	-	-
Kumpulan Wang Persaraan (Diperbadankan) - Citigroup Nominees (Tempatan) Sdn Bhd	223,085,200	5.11	-	-	223,085,200	5.48	-	-

(a) Deemed interested by virtue of its shareholdings in Waqaf An-Nur Corporation Berhad, JCorp Capital Solutions Sdn. Bhd., Kulim (Malaysia) Berhad and Johor Land Berhad pursuant to Section 8 of the Act.

4.3 NA

The effect of the Proposed Renewal of Share Buy-Back on the NA of the Group will depend on the purchase prices paid to purchase such KPJ Shares, the effective funding cost to the Group to finance the purchase of KPJ Shares or any loss in interest income to the Group and whether the KPJ Shares purchased are cancelled or retained as treasury shares.

4.3.1 If the KPJ Shares purchased are subsequently cancelled

The NA of the Group will decrease if the purchased KPJ Shares are cancelled. If all KPJ Shares purchased under the Proposed Renewal of Share Buy-Back are cancelled and the purchase price per KPJ Share exceeds the NA per KPJ Share at the relevant point in time, the NA per KPJ Share of the Group will be reduced and vice versa.

4.3.2 If the KPJ Shares purchased are subsequently retained as treasury shares

The NA of the Group will decrease if the purchased KPJ Shares are retained as treasury shares, by the cost of the treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity.

If the treasury shares are resold on the Bursa Securities, the Group's NA per KPJ Share will increase if the Company realises a gain from the resale.

If the treasury shares are distributed as share dividends, the NA of KPJ Group will decrease by the cost of the treasury shares.

4.4 Working Capital

The Proposed Renewal of Share Buy-Back will reduce the cash flow and financial resources available for working capital, depending on the purchase price of KPJ Shares and the number of KPJ Shares purchased.

However, the cash flow position and financial resources of the Company will be restored if the purchased KPJ Shares are resold at least at the purchase price.

4.5 Earnings

The effect of the Proposed Renewal of Share Buy-Back on the earnings and EPS of the Group will depend on the purchase prices of the KPJ Shares, the number of KPJ Shares purchased, and any loss in interest income to the Group, or the opportunity cost in relation to other investment opportunities.

On the assumption that the KPJ Shares so purchased are retained as treasury shares and later resold, the extent of the effect on earnings of the KPJ Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest saving arising.

4.6 Dividends

The Proposed Renewal of Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of the Company. However, the Board may, at its discretion, deal with the purchased KPJ Shares in the manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force, including but not limited to distributing future dividends in the form of treasury shares which are purchased pursuant to the Proposed Renewal of Share Buy-Back.

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4.7 Gearing

The utilisation of external borrowings to implement the Proposed Renewal of Share Buy-Back will increase the gearing of the Group, if any.

5. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of KPJ Shares as traded on the Main Market of Bursa Securities for the preceding twelve (12) months from April 2024 to March 2025 are as follows:-

	High (RM)	Low (RM)
2024		
April	2.05	1.85
May	2.05	1.89
June	1.99	1.85
July	1.95	1.79
August	1.93	1.72
September	2.20	1.89
October	2.18	2.04
November	2.54	2.06
December	2.54	2.24
2025		
January	2.45	2.17
February	2.54	2.25
March	2.82	2.48

The last transacted price of KPJ Shares on 2 April 2025, being the LPD, was RM2.64.

(Source: Bloomberg)

6. IMPLICATIONS RELATING TO THE CODE

In the event that the Proposed Renewal of Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her gaining control of the Company pursuant to the Code, the affected major shareholder and/or persons acting in concert with him/her will be obliged to undertake a mandatory offer for the remaining KPJ Shares not already held by him/her.

Pursuant to the Code, if the Proposed Renewal of Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her who already holds more than thirty-three per centum (33%) but less than fifty per centum (50%) of the voting shares of the Company increasing by more than two per centum (2%) in any six (6) months period, the affected major shareholder and/or persons acting in concert with him/her will be obliged to undertake a mandatory offer for the remaining KPJ Shares not held by him/her.

However, an exemption from a mandatory offer obligation may be granted by the SC under the Code, subject to the affected major shareholder and/or persons acting in concert with him/her complying with the conditions stipulated in the said Code.

It is not the intention of the Company to cause any shareholders to trigger an obligation to undertake a mandatory general offer under the Code, and the Company will be mindful of the above implications of the Code in making any purchase of its own KPJ Shares pursuant to the Proposed Renewal of Share Buy-Back.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the proportionate increase in the percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the implementation of the Proposed Renewal of Share Buy-Back, none of the Substantial Shareholders and/or Directors of KPJ and persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back, and in the resale of the treasury shares, if any.

8. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back is subject to and conditional upon approvals being obtained from the following:-

- (i) the shareholders of the Company at the forthcoming 32nd AGM; and
- (ii) any other relevant parties or regulatory authorities, where applicable.

9. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back, is of the opinion that it is in the best interest of KPJ Group. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back, which will be tabled under the agenda of Special Business at the forthcoming 32nd AGM.

10. AGM

The Notice convening the 32nd AGM is available on the Company's website at <https://kpj.listedcompany.com/ar.html>. The 32nd AGM of the Company will be held on Thursday, 26 June 2025 at 10:00 a.m. at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia, to consider, and if thought fit, pass the ordinary resolution, with or without modifications, to give effect to the Proposed Renewal of Share Buy-Back under the agenda of Special Business, as set out in the said Notice.

If you are unable to attend and vote in person at the 32nd AGM, you may complete, sign and return the Proxy Form in accordance with the instructions provided. The Proxy Form must be submitted to the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, at least forty-eight (48) hours before the time appointed for holding the 32nd AGM or any adjournment thereof. Alternatively, the Proxy Form may also be submitted electronically via the TIIH online website at <https://tiih.online> at least forty-eight (48) hours before the time appointed for holding the 32nd AGM. Kindly refer to the Administrative Guide for further details on the electronic submission of the Proxy Form.

11. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

This statement is dated 28 April 2025.

PART B

CIRCULAR TO SHAREHOLDERS OF KPJ ON THE:-

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE
FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**



KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (247079-M))
(Incorporated in Malaysia)

Registered Office:

Level 13
Menara KPJ
238, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

28 April 2025

Board of Directors:

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar
Dato' Mohd Redza Shah bin Abdul Wahid
Khairuddin bin Jaflus
Hisham bin Zainal Mokhtar
Lee Lai Fan
Shamsul Anuar bin Abdul Majid
Rozaini bin Mohd Sani
Prof. Emeritus Dato' Dr. Azizi bin Haji Omar
Annie binti Rosle
Chin Keat Chyuan

(Non-Independent Non-Executive Chairman)
(Senior Independent Non-Executive Director)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Independent Non-Executive Director)
(Non-Independent Non-Executive Director)
(Non-Independent Non-Executive Director)
(Non-Independent Non-Executive Director)
(Non-Independent Non-Executive Director)
(President and Managing Director)

To: The Shareholders of KPJ

Dear Sir/Madam,

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the 31st AGM of the Company held on 26 June 2024, the Company had obtained a general mandate from its shareholders for the Group to enter into RRPT(s) with Related Parties in the ordinary course of business based on commercial terms which were not more favourable to the Related Parties than those generally available to the public and were not detrimental to the minority shareholders, which were necessary for KPJ Group's day-to-day operations.

In accordance with the Listing Requirements, the aforesaid mandate is subject to annual renewal and will lapse at the conclusion of the forthcoming 32nd AGM, unless authority for its renewal is obtained from the shareholders of KPJ.

On 25 March 2025, the Company announced to Bursa Securities its intention to seek shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming 32nd AGM of the Company.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE, TO SET OUT THE BOARD'S RECOMMENDATION AND SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE, WHICH WILL BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING 32ND AGM.

SHAREHOLDERS ARE ADVISED TO CAREFULLY READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING 32ND AGM.

2. PROPOSED SHAREHOLDERS' MANDATE

2.1 Details of the Proposed Shareholders' Mandate

Pursuant to Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT(s), which are necessary for its day-to-day operations, subject to, inter alia, the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, major shareholder or person connected with a director or major shareholder and where it involves the interest of the person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or major shareholder must ensure that the person connected with him abstains from voting on the resolution approving the transactions; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT(s) disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate in respect of RRPT(s) pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions under Paragraph 10.08 of the Listing Requirements shall not apply to the RRPT(s) which are comprised in the said mandate during the validity period of the mandate.

The shareholders' mandate for the RRPT(s) is also subject to the following:-

- (a) the transactions are conducted on normal commercial terms;
- (b) the transactions are not detrimental to the minority shareholders;
- (c) the transactions are conducted on an arm's length basis; and
- (d) details of the transactions containing the information as set out in Annexure PN12-A of the Listing Requirements are set out in the circular.

2.1 Details of the Proposed Shareholders' Mandate (Cont'd)

It is anticipated that KPJ Group would, in the ordinary course of its business, enter into the RRPT(s) which are necessary for its day-to-day operations with the classes of Related Parties which are disclosed in Section 2.3 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board is seeking the shareholders' mandate which would allow the Group to enter into RRPT(s) with the Related Parties as specified in Section 2.4 of this Circular provided that such transactions are necessary for the day-to-day operations of the Group, in the ordinary course of its business carried out based on normal commercial terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of its minority shareholders.

The Proposed Shareholders' Mandate, if approved by the shareholders at the forthcoming 32nd AGM, will be subject to annual review and shall continue to be in force until:-

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

whichever is the earlier.

2.2 Principal Activities of KPJ Group

KPJ is principally an investment holding company while the principal activities of its subsidiaries include the operation of specialist hospitals, trading of pharmaceutical and consumer healthcare products, provision of pathology and laboratory services and a private nursing university college. Details of the subsidiaries and associates of the Company as at LPD are set out below:-

Name of company	Effective interest %	Principal activities
Kumpulan Perubatan (Johor) Sdn. Bhd.	100.00	Managing and investment holding company for medical sector
Point Zone (M) Sdn. Bhd.	100.00	Providing treasury management services to the companies within the group
Tawakal Holdings Sdn. Bhd.	100.00	Investment holding company
Johor Specialist Hospital Sdn. Bhd.	100.00	Previously operating as a specialist hospital
Ipoh Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Pusat Pakar Tawakal Sdn. Bhd.	100.00	Operating as a specialist hospital
Puteri Specialist Hospital (Johor) Sdn. Bhd.	100.00	Previously operating as a specialist hospital

Name of company	Effective interest %	Principal activities
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd.</u>		
Ampang Puteri Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Kajang Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Maharani Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Pasir Gudang Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Penang Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Perlis Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Pusat Pakar Kluang Utama Sdn. Bhd.	100.00	Operating as a specialist hospital
Rawang Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Sentosa Medical Centre Sdn. Bhd.	100.00	Operating as a specialist hospital
Sibu Medical Centre Corporation Sdn. Bhd.	100.00	Operating as a specialist hospital
SMC Healthcare Sdn. Bhd.	100.00	Operating as a specialist hospital
Kuching Specialist Hospital Sdn. Bhd.	92.61	Operating as a specialist hospital
Miri Specialist Hospital Sdn. Bhd.	84.00	Operating as a specialist hospital
Pahang Specialist Hospital Sdn. Bhd.	70.00	Operating as a specialist hospital
Perdana Specialist Hospital Sdn. Bhd.	60.56	Operating as a specialist hospital
Selangor Specialist Hospital Sdn. Bhd.	60.00	Operating as a specialist hospital
Advanced Health Care Solutions Sdn. Bhd.	100.00	Providing healthcare information system services
BDC Specialist Hospital Sdn. Bhd.	100.00	Operating as a building management company
Crossborder Aim (M) Sdn. Bhd.	100.00	Investment holding company
Crossborder Hall (M) Sdn. Bhd.	100.00	Investment holding company
Healthcare IT Solutions Sdn. Bhd.	100.00	Providing healthcare information technology services
KPJ Ambulatory Care Centre Sdn. Bhd.	100.00	Providing ambulatory care centre services and related healthcare activity
KPJ Dhaka (Pte) Ltd	100.00	Providing management services to a specialist hospital
KPJ Eyecare Specialist Sdn. Bhd.	100.00	Providing medical and consultancy services in eye care

Name of company	Effective interest %	Principal activities
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (Cont'd)</u>		
KPJ Healthcare University Sdn. Bhd. <i>(formerly known as KPJ Healthcare University College Sdn. Bhd.)</i>	100.00	Operating as a private university college of nursing and allied health
KPJ HealthShoppe Sdn. Bhd.	100.00	Operating as a retail, wholesale, online pharmacy and e-commerce store
Kuantan Wellness Center Sdn. Bhd.	100.00	Operating as a dialysis and aged-care centre
PharmaCARE Sdn. Bhd.	100.00	Providing human resources, training services and rental of human resource information systems
Pharmaserv Alliances Sdn. Bhd.	100.00	Marketing and distributing medical and pharmaceutical products
Sibu Geriatric Health & Nursing Centre Sdn. Bhd.	100.00	Operating and managing an aged care facility and a nursing centre
Sterile Services Sdn. Bhd.	100.00	Providing sterile services
Total Meal Solution Sdn. Bhd.	100.00	Providing central kitchen services
DTI Resources Sdn. Bhd.	93.75	Providing information technology-related services and rental of software
Jeta Gardens (Qld) Pty Ltd	57.16	Providing retirement village facilities
Healthcare Technical Services Sdn. Bhd.	51.00	Providing management and engineering maintenance services for a specialist hospital
Lablink (M) Sdn. Bhd.	51.00	Providing pathology and laboratory services
Bandar Baru Klang Specialist Hospital Sdn. Bhd.	100.00	Previously operating as a specialist hospital
Damansara Specialist Hospital Sdn. Bhd.	100.00	Previously operating as a specialist hospital
Energy Excellent Sdn. Bhd.	100.00	Previously provision of specialist medical services
Kota Kinabalu Wellness Sdn. Bhd.	100.00	Previously operating as an assisted living care, after birth care and rehabilitation
KPJ Education Services Sdn. Bhd.	100.00	Previously operating as a private college

Name of company	Effective interest %	Principal activities
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn. Bhd. (Cont'd)</u>		
KPJ MedikTV Sdn. Bhd.	100.00	Previously operating as a medical service provider
Pharmacare Surgical Technologies (M) Sdn. Bhd.	99.99	Previously manufacturing medical equipment
Pride Outlet Sdn. Bhd.	100.00	Previously providing maintenance services for medical equipment
Seremban Specialist Hospital Sdn. Bhd.	100.00	Previously operating as a specialist hospital
Skop Yakin (M) Sdn. Bhd.	100.00	Previously marketing and distributing general merchandise
Taiping Medical Centre Sdn. Bhd.	100.00	Previously operating as a specialist hospital
Bayan Baru Specialist Hospital Sdn. Bhd.	100.00	Intended to provide specialist medical services
Massive Hybrid Sdn. Bhd.	100.00	Intended to provide specialist medical services
UTM KPJ Specialist Hospital Sdn. Bhd.	100.00	Intended to provide specialist medical services
Freewell Sdn. Bhd.	80.00	Previously provision of other human health services
<u>Subsidiary of Johor Specialist Hospital Sdn. Bhd.</u>		
Bandar Dato Onn Specialist Hospital Sdn. Bhd.	100.00	Operating as a specialist hospital
Kluang Specialist Hospital Sdn. Bhd.	100.00	Operating as a building management company
<u>Subsidiary of Tawakal Holdings Sdn. Bhd.</u>		
Pusat Pakar Tawakal Sdn. Bhd.	100.00	Operating as a specialist hospital
<u>Subsidiary of Ipoh Specialist Hospital Sdn. Bhd.</u>		
Sri Manjung Specialist Centre Sdn. Bhd.	100.00	Operating as a specialist hospital
<u>Subsidiary of Selangor Specialist Hospital Sdn. Bhd.</u>		
Pusrawi SMC Sdn. Bhd.	52.00	Previously operating as a polyclinic
<u>Subsidiary of SMC Healthcare Sdn. Bhd.</u>		
Amity Development Sdn. Bhd.	100.00	Operating as a property holding company

Name of company	Effective interest %	Principal activities
<u>Subsidiary of Pharmaserv Alliances Sdn. Bhd.</u>		
Malaysian Institute of Healthcare Management Sdn. Bhd.	74.99	Previously operating as a private college
<u>Subsidiary of KPJ Healthcare University Sdn. Bhd.</u>		
KPJ Education (M) Sdn. Bhd.	100.00	Previously operating as a college and training centre
<u>Subsidiaries of Jeta Gardens (Qld) Pty Ltd</u>		
Jeta Gardens Aged Care (Qld) Pty Ltd	100.00	Operating and managing retirement village facilities
Jeta Gardens Management (Qld) Pty Ltd	100.00	Operating and managing retirement village facilities
<u>Associates of KPJ</u>		
JLG REIT Managers Sdn. Bhd. (formerly known as Damansara REIT Managers Sdn. Berhad) ^(a)	-	Manager of Al-'Aqar Healthcare REIT
Al-'Aqar Healthcare REIT	34.49	Real estate investment trust
<u>Associates of Kumpulan Perubatan (Johor) Sdn. Bhd.</u>		
Kedah Medical Centre Sdn. Bhd.	45.66	Operating as a specialist hospital
Vejthani Public Company Limited	23.37	Operating as an international specialist hospital

Note:-

^(a) *An entity over which the Company exercises significant influence by virtue of its' board representation in JLG REIT Managers Sdn. Bhd. (formerly known as Damansara REIT Managers Sdn. Berhad), which controls Al-'Aqar Healthcare REIT.*

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2.3 Classes of RRPT for the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will apply to transactions with the following classes of Related Parties:-

Transacting Party ^(a)	Nature of RRPT	Classes of Related Party and Nature of Interest ^(a)
JCorp Group (excluding Al-`Aqar Healthcare REIT ("Al-`Aqar") and Al-Salām Real Estate Investment Trust ("Al-Salām"))	<ul style="list-style-type: none"> ▪ Registrar fees ▪ Building management service fees payable for Menara KPJ in Kuala Lumpur ▪ Insurance coverage payable ▪ Security services fees payable ▪ Training and seminars ▪ Medical services provided to JCorp Group's employees as a panel hospital ▪ Rental payable for renting of land for car parks ▪ Rental income for renting of land for car parks ▪ Housekeeping contact fees payable ▪ Rental income for renting of office ▪ Landscape ▪ Software as a service 	<p><u>Major Shareholder</u></p> <ul style="list-style-type: none"> ▪ JCorp <p>As at the LPD, KPJ is a 44.99%-owned subsidiary of JCorp via its direct (35.86%) and indirect interests (9.13%).</p> <p>KPJ and JCorp (via indirect shareholdings) are also major unitholders of Al-`Aqar. JLG REIT Managers Sdn. Bhd. (formerly known as Damansara REIT Managers Sdn. Berhad ("JLGRMSB"), the manager of Al-`Aqar and Al-Salām, is also indirectly wholly-owned by JCorp.</p> <p><u>Directors</u></p> <ul style="list-style-type: none"> ▪ Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar ▪ Dato' Mohd Redza Shah bin Abdul Wahid ▪ Shamsul Anuar bin Abdul Majid ▪ Rozaini bin Mohd Sani ▪ Mohamed Ridza bin Mohamed Abdulla (resigned as Independent Non-Executive Director of KPJ on 18 February 2025) <p>Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar is deemed an interested director as he is a person connected to JCorp by virtue of his position as JCorp's Board representative in KPJ and his role as the Deputy Chairman of JCorp.</p>
Al-`Aqar (represented by its trustee, AmanahRaya Trustees Berhad ("ART")) and managed by JLGRMSB, a wholly-owned subsidiary of Damansara Assets Sdn. Bhd. ("DASB"), which in turn is a wholly-owned subsidiary of JCorp. Al-`Aqar Australia Pty Ltd ("Al-`Aqar Australia") is a wholly-owned subsidiary of Al-`Aqar.)	Rental payable for renting of building together with the land.	<p>Dato' Mohd Redza Shah bin Abdul Wahid is deemed an interested director as he is a Director of KPJ and a former director of JLGRMSB, the manager of Al-`Aqar, having resigned as Independent Non-Executive Chairman of JLGRMSB on 31 December 2024 .</p> <p>Shamsul Anuar bin Abdul Majid is deemed an interested director as he is a Director of JLGRMSB and KPJ. He is also a person connected to JCorp by virtue of his position as JCorp's Board representative in KPJ and as a member of JCorp's senior management.</p> <p>Rozaini bin Mohd Sani is deemed an interested director as he is a person connected to JCorp by virtue of his position as JCorp's Board representative in KPJ and as a member of JCorp's senior management.</p> <p>Mohamed Ridza bin Mohamed Abdulla, the former Independent Non-Executive Director of KPJ who had resigned on 18 February 2025, is also the Managing Partner of Mohamed Ridza and Co., which acts as the legal counsel for Al-`Aqar.</p>
Al-Salām (represented by its trustee, ART and managed by JLGRMSB, a wholly-owned subsidiary of DASB, which in turn is a wholly-owned subsidiary of JCorp. Al-Salām is a 67.52%-owned subsidiary of JCorp via its direct (4.21%) and indirect interest (63.31%).)	Rental payable for renting of premises for the operations of KPJ Healthcare University.	

Note:-

(a) Based on position as at LPD.

2.4 Nature of RRPT for the Proposed Shareholders' Mandate

(a) The Proposed Renewal of Existing Shareholders' Mandate will apply to the following Related Parties:-

Transacting Party	Nature of RRPT	Estimated aggregate value from the forthcoming AGM to the next AGM ^(a)	Actual value transacted from 26 June 2024 (date of last AGM) up to the LPD "Actual Value"	Estimated aggregate value as disclosed in the preceding year's circular to shareholders dated 10 May 2024 "Estimated Value"	Deviation where Actual Value exceeds Estimated Value by 10% or more
		(RM'000)	(RM'000)	(RM'000)	(RM'000)
JCorp Group (except for Al-`Aqar and Al-Salām)	• Registrar fees	400	19	400	-
	• Building management service fees payable for Menara KPJ in Kuala Lumpur	11,000	6,981	7,000	-
	• Insurance coverage payable	200	157	150	7
	• Security services fees payable	14,000	-	500	-
	• Purchase of food and beverage consumables	-(d)	-	90	-
	• Training and seminars	250	81	100	-
	• Medical services provided to JCorp Group's employees as a panel hospital	2,500	1,094	1,000	94 ^(b)
	• Rental payable for renting of land for car parks	400	229	320	-
	• Rental income for renting of land for car parks	4,500	2,622	2,700	-
	• Housekeeping contract fees payable	51,000	25,499	33,900	-
	• Rental income for renting of office	80	58	70	-
	• Landscape	1,000	106	116	-
	• Software as a service	10,000	7,152	6,000	1,152 ^(c)
Al-`Aqar and its subsidiary, Al-`Aqar Australia	• Rental payable for renting of the building together with the land	11,000	4,749	11,000	-
Al-Salām	• Rental payable for renting of premises for the operations of KPJ Healthcare University	2,000	1,166	2,300	-
Total		108,330	49,912	65,646	1,253

Note:-

^(a) The actual value of the transactions may vary from the estimated value disclosed above.

^(b) The deviation in respect of Medical services provided to JCorp Group's employees as a panel hospital was due to the severity of certain cases with higher costs.

^(c) The deviation in respect of Software as a service was due to the implementation costs was not being sought during the 31st AGM.

^(d) The Board has considered that no shareholders' mandate is sought for this transaction at the forthcoming AGM as this is no longer a RPT.

2.4 Nature of RRPT for the Proposed Shareholders' Mandate (Cont'd)

(b) The Proposed New Shareholders' Mandate will apply to the following Related Parties:-

Transacting Party	Nature of RRPT	Estimated aggregate value from the forthcoming AGM to the next AGM ^(a) (RM'000)
JCorp Group (except for Al-'Aqar and Al-Salām)	• Renovation works for KPJ Group	100,000
	Total	100,000

Note:-

^(a) The actual value of the transactions may vary from the estimated value disclosed above.

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2.5 Amount due and owing to KPJ Group by its Related Parties pursuant to the RRPT(s)

As at 31 December 2024, being the end of the financial year of KPJ Group, there is no amount due and owing to KPJ Group by the abovementioned related parties arising from the RRPT(s) which has exceeded the normal credit terms of the KPJ Group.

2.6 Review Procedures for RRPT(s)

The Company has established the following internal review procedures to ensure that the RRPT(s) are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to third parties/public and are not to the detriment of the minority shareholders:-

- (i) in determining the pricing for the RRPT(s), the Group transacts at the prevailing market rates/prices for services or products, on the service or product providers' usual commercial terms, and otherwise in accordance with applicable industry norms;
- (ii) at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as a comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties;
- (iii) all RRPT(s) are subject to the following limit of approval:-
 - value below RM500,000.00 must be reviewed and approved by the KPJ Group Management Committee;
 - value below RM1,000,000.00 must be reviewed and approved by the President and Managing Director;
 - value above RM1,000,000.00 but below RM5,000,000.00 must be reviewed and approved by the Management Tender Committee;
 - value above RM5,000,000.00 but below RM20,000,000.00 must be reviewed and approved by the Tender Committee; or
 - value above RM20,000,000.00 must be reviewed and approved by the Board of Directors of the Company;
- (iv) if any Director of the KPJ Group has a direct or indirect interest in any particular transaction, he or she will have to abstain from any deliberation and also voting in respect of the said transaction. If a member of the Audit Committee is interested in any transactions, that member of the Audit Committee shall abstain from voting in any matter relating to any decision to be taken by the Audit Committee with respect to such transactions;
- (v) proper records shall be maintained to capture all RRPT(s) of a revenue or trading nature entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure shall be made in the Integrated Annual Report of the Company of the aggregate value of transactions conducted in accordance with the given mandate;
- (vi) the Audit Committee shall have overall responsibility for the determination of the review procedures;
- (vii) the Audit Committee shall review the relevant RRPT(s) of a revenue or trading nature and the existing procedures to ascertain that they have been complied with; and
- (viii) if during the review, the Audit Committee is of the view that the abovementioned procedures are no longer sufficient to ensure that the RRPT(s) are undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Party than those normally available to the public, the Audit Committee shall have the discretion to request for additional procedures to be imposed on all the RRPT(s).

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2.7 Statement by the Audit Committee

The Audit Committee of the Company has seen and reviewed the procedures outlined in Section 2.6 above for the treatment of RRPT(s) and is of the view that:-

- (i) the said procedures for the RRPT(s) as well as the periodic review to be made by the Audit Committee in relation thereto are sufficient to ensure that the RRPT(s) will be made at arm's length and in accordance with the Company's normal commercial terms and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;
- (ii) the Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner; and
- (iii) the Audit Committee will review these procedures and processes on an annual basis.

2.8 Disclosure in Integrated Annual Report

A disclosure will be made in accordance with Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT(s) entered into during the financial year, amongst others, based on the following information:-

- (i) the type of the RRPT(s) made; and
- (ii) the names of the Related Parties involved in each type of RRPT(s) made and their relationships with the Company.

The above disclosure will be made in the Company's Integrated Annual Report for each subsequent financial year after the Proposed Shareholders' Mandate has been approved and renewed.

In addition, if the actual value of the RRPT(s) entered into by the Group exceeds the estimated value of the RRPT(s) disclosed in the circular to the shareholders on the Proposed Shareholders' Mandate by 10% or more, the Company will make an immediate announcement to Bursa Securities.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The RRPT(s) to be entered into by the Group with the Related Parties are intended to meet business needs at the best possible terms. The Proposed Shareholders' Mandate also enhances the ability of the Group to explore beneficial business opportunities and promote cross-selling between the Group and the JCorp Group.

The Proposed Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make regular announcements to Bursa Securities or to issue separate circulars to shareholders and to convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by the Group into such transactions. This will substantially reduce administrative time, inconvenience and expenses associated with the making of such announcements and the convening of such general meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Hence, the Directors are seeking approval from the shareholders on the RRPT(s) as described under Section 2.4 of this Circular.

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4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any material effect on the issued share capital of the Company, substantial shareholders' shareholdings in the Company, NA per share, gearing, EPS, as well as the dividend of the Group.

Nevertheless, the Proposed Shareholders' Mandate is in relation to transactions which relate to the KPJ Group's day-to-day operations. Hence, it will affect KPJ Group's financial performance.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to and conditional upon approval being obtained from the shareholders of the Company at the forthcoming 32nd AGM.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed in this Circular and below, none of the Directors, Major Shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Shareholders' Mandate:-

(i) Major Shareholders' Interest

JCorp, being the Interested Major Shareholder, will abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 32nd AGM in respect of its direct and indirect interests in the Company. JCorp has undertaken to ensure that persons connected to it abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 32nd AGM in respect of their direct or indirect interests in the Company.

(ii) Directors' Interests

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar is deemed interested in the Proposed Shareholders' Mandate as he is a person connected to JCorp by virtue of his position as JCorp's Board representative in KPJ and his role as the Deputy Chairman of JCorp.

Dato' Mohd Redza Shah bin Abdul Wahid is deemed interested in the Proposed Shareholders' Mandate by virtue of his position as a Director of KPJ and former Director of JLGRMSB, the manager of Al- Aqar. He resigned as the Independent Non-Executive Chairman of JLGRMSB on 31 December 2024.

Shamsul Anuar bin Abdul Majid is deemed interested in the Proposed Shareholders' Mandate by virtue of his position as a Director of JLGRMSB and KPJ. He is also a person connected to JCorp as its Board representative in KPJ and as a member of JCorp's senior management.

Rozaini bin Mohd Sani is deemed interested in the Proposed Shareholders' Mandate as he is a person connected to JCorp by virtue of his position as JCorp's Board representative in KPJ and as a member of JCorp's senior management.

Mohamed Ridza bin Mohamed Abdulla, the former Independent Non-Executive Director of KPJ who resigned on 18 February 2025, is also the Managing Partner of Mohamed Ridza and Co., which serves as the legal counsel for Al- Aqar.

Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar, Dato' Mohd Redza Shah bin Abdul Wahid, Shamsul Anuar bin Abdul Majid, Rozaini bin Mohd Sani and Mohamed Ridza bin Mohamed Abdulla shall collectively be referred to as the "**Interested Directors**".

(ii) Directors' Interests (Cont'd)

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberations, voting and any recommendations related to the Proposed Shareholders' Mandate at all relevant Audit Committee and Board meetings, where applicable. They will also abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 32nd AGM in respect of their direct and indirect interests, if any.

In addition, the Interested Directors have undertaken to ensure that persons connected to them abstain from voting on the resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 32nd AGM in respect of their direct and indirect interests in the Company.

The direct and indirect shareholdings of the Interested Major Shareholder and Interested Directors in the Company as at the LPD are as follows:-

	Direct Interest		Indirect Interest	
	No. of Shares (‘000)	% ^(a)	No. of Shares (‘000)	% ^(a)
<u>Interested Major Shareholder</u>				
JCorp	1,565,053	35.86	398,622 ^(b)	9.13
<u>Interested Directors</u>				
Tan Sri Dato' Sri Dr. Ismail bin Haji Bakar	-	-	-	-
Dato' Mohd Redza Shah bin Abdul Wahid	-	-	-	-
Shamsul Anuar bin Abdul Majid	-	-	-	-
Rozaini bin Mohd Sani	-	-	-	-
Mohamed Ridza bin Mohamed Abdulla (resigned on 18 February 2025)	-	-	-	-

Notes:-

- ^(a) Based on the total number of issued share capital of 4,364,301,366 ordinary shares (after excluding 162,306,700 Treasury Shares) in the Company as at the LPD.
- ^(b) Deemed interested by virtue of its shareholdings in Kulim (Malaysia) Berhad, JCorp Capital Solutions Sdn. Bhd., Johor Land Berhad and Waqaf An-Nur Corporation Berhad pursuant to Section 8(4) of the Act.

7. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable, and in the best interest of KPJ Group.

Accordingly, the Board (save for the Interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Shareholders' Mandate, which will be tabled under the agenda of Special Business at the forthcoming 32nd AGM.

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8. AGM

The Notice convening the 32nd AGM is available on the Company's website at <https://kpj.listedcompany.com/ar.html>. The 32nd AGM of the Company will be held on Thursday, 26 June 2025 at 10:00 a.m. at Level 8A, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia, to consider, and if thought fit, pass the ordinary resolution, with or without modifications, to give effect to the Proposed Shareholders' Mandate under the agenda of Special Business, as set out in the said Notice.

If you are unable to attend and vote in person at the 32nd AGM, you may complete, sign and return the Proxy Form in accordance with the instructions provided. The Proxy Form must be submitted to the office of the poll administrator at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop it into the Tricor Drop-in Box located at Unit G-2, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, at least forty-eight (48) hours before the time appointed for holding the 32nd AGM or any adjournment thereof. Alternatively, the Proxy Form may also be submitted electronically via the TIIH online website at <https://tiih.online> at least forty-eight (48) hours before the time appointed for holding the 32nd AGM. Kindly refer to the Administrative Guide for further details on the electronic submission of the Proxy Form.

9. FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
KPJ HEALTHCARE BERHAD

HISHAM BIN ZAINAL MOKHTAR
Independent Non-Executive Director

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1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Statement and Circular false or misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, KPJ Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business of KPJ Group) during the past two (2) years immediately preceding the date of this Circular:-

- (a) Lease Agreement dated 25 August 2023 entered into between ART, being the trustee of Al-'Aqar ("**Trustee**"), Perdana Specialist Hospital Sdn. Bhd. and JLGRMSB, the manager of Al-'Aqar (the "**Manager**") for the lease of the KPJ Perdana Specialist Hospital Building for the contractual term commencing from 1 October 2023 to 30 September 2038 at a rental rate determined under the terms of the said lease agreement;
- (b) Lease Agreement dated 25 August 2023 entered into between the Trustee, Kajang Specialist Hospital Sdn. Bhd. and the Manager for the lease of the KPJ Kajang Specialist Hospital Building for the contractual term commencing from 1 October 2023 to 30 September 2038 at a rental rate determined under the terms of the said lease agreement;
- (c) Lease Agreement dated 25 August 2023 entered into between the Trustee, Kuantan Wellness Center Sdn. Bhd. and the Manager for the lease of the KPJ Kuantan Care & Wellness Centre for the contractual term commencing from 1 October 2023 to 30 September 2026, at a rental rate determined under the terms of the said lease agreement;
- (d) Lease Agreement dated 25 August 2023 entered into between the Trustee, Sentosa Medical Centre Sdn. Bhd. and the Manager for the lease of the KPJ Sentosa KL Specialist Hospital Building for the contractual term commencing from 1 October 2023 to 30 September 2026, at a rental rate determined under the terms of the said lease agreement;
- (e) Lease Agreement dated 25 August 2023 entered into between the Trustee, Kedah Medical Centre Sdn. Bhd. and the Manager for the lease of the Kedah Medical Centre Building for the contractual term commencing from 1 October 2023 to 30 September 2038 at a rental rate determined under the terms of the said lease agreement;

(The lease agreements mentioned in subparagraphs (a) to (e) above are ongoing)

- (f) Business Transfer Agreement dated 30 September 2023 between Kumpulan Perubatan (Johor) Sdn Bhd ("**KPJSB**"), Bandar Baru Klang Specialist Hospital Sdn. Bhd. ("**BBKSH**") and Rawang Specialist Hospital Sdn Bhd ("**RSH**") ("**BTA**") as part of an integral amalgamation of business exercise with the view of achieving greater corporate structure, operational and financial efficient, BBKSH has agreed to sell, transfer and/or to procure the sale, transfer and delivery of the legal and/or beneficial ownership of the Business comprising the Transferred Assets (as defined in the BTA) and the Transferred Liabilities (as defined in the BTA) to RSH, and RSH has agreed to purchase the Business at the Consideration upon the terms and conditions of the BTA and RSH has agreed to allot and issue the Consideration Shares in the name of KPJSB upon the terms and conditions of the BTA. The Business Transfer Agreement has been completed.

2. MATERIAL CONTRACTS (Cont'd)

- (g) A Business Sale and Purchase Agreement dated 12 December 2023 entered between Jeta Gardens and its wholly-owned subsidiary Jeta Gardens Aged Care (Qld) Pty Ltd (“**JGAC**”) (collectively the “**Vendors**”), being 57.16% owned subsidiaries of KPJSB, and DPG Services Pty Ltd (“**DPG Services**” or “**Purchaser**”) (“**Business Sale Agreement**”) for the proposed disposal by the Vendors of its aged care business (including its selected existing assets and liabilities) for a net cash payment of AUD 0.700 million (equivalent to RM2.148 million) payable by the Vendors (“**Proposed Disposal**”). The Proposed Disposal has been completed;
- (h) Letter of Acceptance dated 9 February 2024 issued by Rawang Specialist Hospital Sdn Bhd (“**RSH**”) to JLG & BP Design Sdn Bhd (“**JLGBP**”) a 60% owned subsidiary of DASB which in turn is an indirect subsidiary of JCorp for the renovation work of one (1) suite of approximately 6,800 sq ft (“**Royal Suite**”) and six (6) suites of collectively approximately 8,000 sq. ft. (collectively “**Presidential Suits**”) at Damansara Specialist Hospital 2 (“**DSH2**”) (“**Proposed Renovation Works**”) for a contract value of RM15.90 million. Pursuant to the Proposed Renovation Works, JLGBP will undertake the Renovation Work of one (1) floor on Level 9 of the East Wing at DSH2.

The works in connection with the Proposed Renovation Works had commenced on 9 February 2024 with the handing over of the site possession on the same date (“**Date of Site Possession**”) and has been completed on 30 September 2024 (“**Date of Completion**”).

In anticipation that the Proposed Renovation Works would be concluded by the Date of Completion, RSH has entered into a sub-tenancy agreement with JCorp, the major shareholder of KPJ, on 9 February 2024, to sub tenant Royal Suite of DSH2 to JCorp.

The term for the sub-tenancy agreement has commenced on 3 October 2024 (“**Commencement Date**”) until 30 January 2029 (“**Term**”) at the agreed rental of Ringgit Malaysia One Hundred Eleven Thousand Six Hundred Sixty-Six (RM111,666.00) only per month, effective from the Commencement Date.

The Proposed Renovation Works is ongoing.

- (i) Business Transfer Agreement dated 31 May 2024 between Johor Specialist Hospital Sdn Bhd (“**JSH**”) and Bandar Dato Onn Specialist Hospital Sdn. Bhd. (“**BDOSHSB**”) (“**BTA**”) as part of an integral amalgamation of business exercise with the view of achieving greater corporate structure, operational and financial efficient, JSH has agreed to sell, transfer and/or to procure the sale, transfer and delivery of the legal and/or beneficial ownership of the Business comprising the Transferred Assets (as defined in the BTA) and the Transferred Liabilities (as defined in the BTA) to BDOSHSB, and BDOSHSB has agreed to purchase the Business at the Consideration upon the terms and conditions of the BTA and BDOSHSB has agreed to allot and issue the Consideration Shares in the name of JSH upon the terms and conditions of the BTA. The Business Transfer Agreement has been completed.
- (j) Migration Agreement dated 9 August 2024 entered into between Enfrasys Solutions Sdn. Bhd. and KPJ (“**Migration Agreement**”), for the provision of service migration of Google Workspace accounts (Gmail, Google Drive, and other services) to Microsoft 365 (“**M365**”), along with managed services to maintain the M365 environment for contractual term of three (3) years. The Migration Agreement is ongoing.

APPENDIX I – FURTHER INFORMATION (CONT'D)

2. MATERIAL CONTRACTS (Cont'd)

- (k) Six (6) separate Memorandums of Extension dated 25 November 2024, entered into between Penang Specialist Hospital Sdn Bhd (“**PSHSB**”) with ART (being the trustee of Al-`Aqar) (the “**Trustee**”) and JLGRMSB (as the manager of Al-`Aqar) (the “**Manager**”) for the extension of the leases for KPJ Penang Specialist Hospital (old building) (“**PSH**”), Taiping Medical Centre building (“**Taiping Medical Centre**”), TMC Health Centre building (“**TMC Health Centre**”), KPJ Seremban Specialist Hospital (old building) (“**SSH Old Building**”), KPJ Seremban Specialist Hospital (new building) (“**SSH New Building**”) and KPJ Seremban Specialist Hospital (vacant land) (“**SSH Vacant Land**”) which had expired under the Initial Contractual Term (as set out in the table below) for a further period until 31 December 2024.

Lease Renewal Subsidiaries (as defined herein)	Lease Renewal Properties	Initial Contractual Term
PSHSB	(i) PSH	14 October 2009 - 13 October 2024
	(ii) Taiping Medical Centre	1 May 2009 - 30 April 2024
	(iii) TMC Health Centre	23 December 2022 - 30 April 2024
MSHSB	(i) SSH Old Building	14 October 2009 - 13 October 2024
	(ii) SSH New Building	23 December 2022 - 13 October 2024
	(iii) SSH Vacant Land	5 November 2015 - 13 October 2024
KPJUSB	(i) KPJU	1 May 2009 - 30 April 2024
	(ii) KPJIC	14 October 2009 - 13 October 2024

- (l) Two (2) separate Memorandums of Extension dated 10 February 2025, entered into between KPJ Healthcare University Sdn Bhd (formerly known as KPJ Healthcare University College Sdn. Bhd.) (“**KPJUSB**”), with Trustee and the Manager for the extension of the leases for KPJ Healthcare University College (“**KPJU**”) and KPJ International College, Bukit Mertajam (“**KPJIC**”) which had expired until the Initial Contractual Term on 30 April 2024 and 13 October 2024 respectively (as set out in the table below) and extended for a further period until 31 December 2024.

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APPENDIX I – FURTHER INFORMATION (CONT'D)

2. MATERIAL CONTRACTS (Cont'd)

Lease Renewal Subsidiaries (as defined herein)	Lease Renewal Properties	Initial Contractual Term
KPJUSB	(i) KPJU	1 May 2009 - 30 April 2024
	(ii) KPJIC	14 October 2009 - 13 October 2024

(“PSH”, “Taiping Medical Centre”, “TMC Health Centre”, “SSH Old Building”, “SSH New Building”, “SSH Vacant Land”, “KPJU” and “KPJIC” are collectively referred to as “Lease Renewal Properties”)

(The Memorandums of Extension for the Lease Renewal Properties are collectively referred to as “Memorandums of Extension”)

The Memorandums of Extension have been completed.

- (m) Eight (8) separate Second Memorandums of Extension dated 27 March 2025 entered between the Lease Renewal Subsidiaries, the Trustee and the Manager to amend and vary the terms of the Memorandums of Extension pending the execution of the lease renewal agreements by the Lease Renewal Subsidiaries, the Trustee and the Manager to renew the lease of the Lease Renewal Properties for the relevant lease periods (**“Proposed Lease Renewal”**) upon the terms and conditions agreed between the aforesaid parties (**“Lease Agreement for the Proposed Lease Renewal”**) and further extend the lease period from 1 January 2025 until 23 June 2025 with a further extension until 31 July 2025 and to execute the Lease Renewal Agreements for the Proposed Lease Renewal in escrow (collectively, **“Second Memorandums of Extension”**).

The Second Memorandums of Extension are still ongoing.

The Proposed Lease Renewal is a related party transaction and will be subject to inter alia the approval of the shareholders of KPJ at an extraordinary general meeting of KPJ to be convened in due course.

The Proposed Lease Renewal is pending completion.

- (n) Two (2) separate conditional sale and purchase agreements dated 27 March 2025 (**“SPAs”**) entered between the following wholly-owned subsidiaries of KPJ listed below (collectively, **“Subsidiaries”** or individually, **“Subsidiary”**) with AmanahRaya Trustees Berhad (**“ART”**), being the trustee of Al-`Aqar (**“Trustee”** or **“Purchaser”**), for the sale of the following properties listed below to Al-`Aqar, for a total sale consideration of RM241.0 million (**“Sale Consideration”**) (**“Proposed Sale”**).

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APPENDIX I – FURTHER INFORMATION (CONT'D)

2. MATERIAL CONTRACTS (Cont'd)

	Subsidiaries	Hospital	Properties to be disposed to the Purchaser	Breakdown of Sale Consideration (RM)
1.	Ampang Puteri Specialist Hospital Sdn. Bhd. (“APSHSB”)	KPJ Ampang Puteri Specialist Hospital (“APSH”)	New Building only (“APSH New Building”)	131,000,000
2.	Penang Specialist Hospital Sdn. Bhd. (“PSHSB”)	KPJ Penang Specialist Hospital (“PSH”)	New Building only (“PSH New Building”) (“APSH New Building” and “PSH New Building” are collectively referred to as “Disposal Properties” and individually, “Disposal Property”)	110,000,000
			Total	241,000,000

Note:-

- (i) For purposes of clarity, the land(s) on which the Disposal Properties are erected on are currently owned by ART, being the trustee of Al-`Aqar. The Proposed Sale only entails the sale of the beneficial ownership of the Disposal Properties and the Disposal Properties shall be vested and passed to the Purchaser without the necessity of execution of any further transfer instruments.

As a condition to the Proposed Sale, each of the abovenamed Subsidiary, the Trustee (acting as trustee for and on behalf of Al-`Aqar) and JLGRMSB (being the manager of Al-`Aqar), shall, concurrently with the execution of the SPAs, sign in escrow the respective lease agreements for the lease of the Disposal Properties back to the respective Subsidiaries (“Proposed Leaseback”) subject to the terms and conditions of the lease agreements for the Proposed Leaseback.

The Proposed Leaseback is for a period of eleven (11) years commencing from the date of completion of the Proposed Sale with an option to renew for another fifteen (15) years in respect of APSH New Building and for a period of fifteen (15) years commencing from the date of completion of the Proposed Sale with an option to renew for another fifteen (15) years in respect of PSH New Building.

(The “Proposed Sale” and “Proposed Leaseback” are inter-conditional and are collectively referred to as “Proposed Sale and Leaseback”).

The Proposed Sale and Leaseback is a related party transaction and will be subject to inter alia, the approval of the shareholders of KPJ at an extraordinary general meeting of KPJ to be convened in due course.

The Proposed Sale and Leaseback is pending completion.

3. MATERIAL LITIGATION

Save and except for the material litigation set out below, as at the LPD, KPJ Group is not engaged in any material litigations, claims or arbitrations, either as plaintiff or a defendant, which will have a material and/or adverse effect on the financial position or business of the Group and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group:-

On 19 January 2024, KPJ and its wholly-owned subsidiary, KPJSB (collectively, the “Plaintiffs”) commenced and filed a writ action at the High Court of Malaya at Kuala Lumpur (the “court”) vide Civil Suit No. WA-22NCC-41-01/2024 against the following former members of the Board of KPJ and KPJSB:

- (i) Dato’ Kamaruzzaman bin Abu Kassim;
- (ii) Dato’ Amiruddin bin Abdul Satar;
- (iii) Tan Sri Datin Paduka Siti Sa’diah binti Sh Bakir;
- (iv) Datuk Azzat bin Kamaludin;
- (v) Dato’ Dr. Zaki Morad bin Mohamad Zaher;
- (vi) Zainah bt Mustafa;
- (vi) Dr. Kok Chin Leong;
- (vii) Zulkifli bin Ibrahim;
- (ix) Mohd Sahir bin Rahmat;
- (x) Aminudin bin Dawam; and
- (xi) Jasimah binti Hassan.

(collectively, the “**Defendants**” or individually, the “**Defendant**”).

The suit concerns the alleged breach of fiduciary and/or statutory duties owed to the Plaintiffs and failure to exercise reasonable care and diligence in connection with the sale of 49% shares of KPJSB’s subsidiary, Lablink (M) Sdn. Bhd. (“**Lablink**”) by KPJSB to KL Kappa Sdn. Bhd. (“**KL Kappa**”) in 2018.

The Plaintiffs are seeking, among others, the following reliefs:

- (i) a declaration that the Defendants have breached the fiduciary duties and/or statutory duties to the Plaintiffs;
- (ii) further and/or alternatively, a declaration that the Defendants were negligent;
- (iii) consequent to the reliefs at (i) and (ii) above, the order that the Defendants, jointly and severally, pay:
 - (a) compensation for losses suffered by KPJSB comprising:
 - (I) RM68,690,684.74 to RM73,590,684.74 due to the undervaluation arising from the effective consideration paid by KL Kappa for the subscription of shares; and
 - (II) RM17,279,774.00 to RM22,179,774.00 due to the undervaluation from the sale price.
 - (b) damages for breach of the fiduciary duties and/or breach of statutory duties and/or negligence, as assessed by the court within 14 days from the date of the order is made;
 - (c) interests on all day or any of the amount of loss and/or damages as adjudged at the rate of 5% per annum or any other rate as determined by the court for such time and for such period the court sees fit, be payable by the Defendants to KPJ and/or KPJSB;

APPENDIX I – FURTHER INFORMATION (CONT'D)

3. MATERIAL LITIGATION (Cont'd)

- (d) liberty to apply to the court;
- (e) costs; and/or
- (f) such further, consequential and/or other reliefs the court deems fit.

The solicitors of KPJ are of the view that they do not contemplate a counterclaim being filed by any of the Defendants against the Plaintiffs. The interlocutory application to strike out the main suit has been dismissed by the court on 10 December 2024.

Accordingly, the main suit remains ongoing and will proceed to trial. The trial dates have been fixed for 23 November 2026 until 26 November 2026.

Barring any unforeseen circumstances, the suit is not expected to have any material financial and operational impact on KPJ and KPJSB for the financial year ending 31 December 2025.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of KPJ at Level 13, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia, during ordinary business hours from Mondays to Fridays (except public holidays) for the period commencing from the date of this Circular to the date of the forthcoming 32nd AGM:-

- (i) Constitution of KPJ;
- (ii) Audited consolidated financial statements of the KPJ Group for the past two (2) FYE(s) 31 December 2023 and 2024;
- (iii) Material contracts referred to in Section 2 of Appendix I; and
- (iv) Relevant cause papers that have been filed with the Court in respect of material litigation referred to in Section 3 of Appendix I.

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