

KPJ HEALTHCARE BERHAD (“KPJ” OR THE “COMPANY”)

PROPOSED DISPOSAL OF 2 PARCELS OF VACANT FREEHOLD DEVELOPMENT LAND IN BETHANIA QUEENSLAND AUSTRALIA BY JETA GARDENS (QLD) PTY LTD (A.C.N. 102 975 182) (“JETA”) A SUBSIDIARY OF KPJ, TO JLAND AUSTRALIA PTY LTD (A.C.N. 657 536 779) (“JLAND AUSTRALIA”) FOR A TOTAL CASH CONSIDERATION OF AUSTRALIAN DOLLARS (“AUD”) 6,500,000 (“PROPOSED DISPOSAL”)

We refer to the Announcement dated 13 September 2022.

1. INTRODUCTION

The Board of Directors of KPJ (“Board”) wishes to announce that the Company’s subsidiary JETA had, on 12 September 2022, entered into a Contract for Commercial Land and Buildings (“CCLB”) with JLAND AUSTRALIA for the proposed disposal of 2 parcels of vacant freehold development land (“the said Lands”) in Bethania Queensland Australia.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Background information on the Proposed Disposal

The Proposed Disposal involves the sale of the said Lands by JETA to JLAND AUSTRALIA, subject to the reservations, exceptions and conditions in the deeds of grant, for a total cash consideration of AUD 6,500,000 (“Selling Price”), exclusive of Goods and Services Tax.

The said Lands are registered as “Lot 5 on RP890048” and “Lot 1 on SP240417” held under title references “50082560” and “50855907” respectively, with a combined area of 10.9361 hectares. The said Lands are also known as 76-84 and 86-96 Albert Street, Bethania Queensland.

2.2 Basis and justification for arriving at the Selling Price

The Selling Price was agreed between the parties on a “willing buyer-willing seller” basis. JETA commissioned an independent professional valuation on the said Lands, which were valued at AUD 6,500,000.

2.3 Salient Terms of the CCLB

The salient terms of the CCLB are as follows:-

2.3.1 Mode of Payment

- (i) a deposit of 10% of the Selling Price amounting to AUD 650,000 payable on 5 business days after the CCLB date; and
- (ii) a final payment of 90% of the Selling Price amounting to AUD 5,850,000 payable on 90 days after the CCLB date.

2.3.2 Conditions Precedent

The Proposed Disposal is not subject to any conditions precedent.

2.4 Information on the Parties

2.4.1 JETA

JETA is a company incorporated in Australia that operates a retirement village and aged care facilities in Bethania Queensland, Australia. Jeta is 57% owned by Kumpulan Perubatan (Johor) Sdn Bhd, a wholly-owned subsidiary of KPJ.

2.4.2 JLAND AUSTRALIA

JLAND AUSTRALIA is a company incorporated in Australia that is wholly owned by Johor Land Berhad, a subsidiary of Johor Corporation.

3. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal is to enable KPJ to dispose of its non-core assets as part of the implementation of its transformation plan and costs optimisation.

4. RISKS IN RELATION TO THE PROPOSED DISPOSAL

The Board does not foresee any material risk pursuant to the Proposed Disposal except for the inherent risk factors associated with the healthcare industry, of which the KPJ Group is already involved in.

5. EFFECT OF THE PROPOSED DISPOSAL

The Proposed Disposal is not expected to have any material effect on the earnings of KPJ for the financial year ending 31 December 2022.

6. APPROVALS REQUIRED

The Proposed Disposal is not subject to the approval of other relevant authorities and the shareholders of KPJ.

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Encik Khairuddin Jaflus, Encik Rozaini Mohd Sani and Encik Shamsul Anuar Abd Majid, who are directors of KPJ and also directors of Johor Land Berhad, have abstained from the deliberation and decision of the Board on the Proposed Disposal. Apart from the aforementioned, none of the Directors, substantial shareholders of KPJ and/or persons connected to the Directors and/or substantial shareholders has any direct or indirect interest in the Proposed Disposal.

8. DIRECTORS' OPINION

The Board having considered all the relevant factors in respect of the Proposed Disposal is of the opinion that it is in the best interest of the Company and will be beneficial to the business of the KPJ Group.

9. DOCUMENTS FOR INSPECTION

The CCLB will be made available for inspection at the registered office of KPJ at Level 13, Menara KPJ, 238 Jalan Tun Razak , 50400 Kuala Lumpur, during normal office hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.