

NOTICE OF ANNUAL GENERAL MEETING



KPJ HEALTHCARE BERHAD

NOTICE IS HEREBY GIVEN that the Twenty Fifth (25th) Annual General Meeting ("AGM") of KPJ Healthcare Berhad ("KPJ" or the "Company") will be held at Tanjung Puteri 302, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor, on Monday 23 April 2018 at 12.00 p.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the year ended 31 December 2017 and the Reports of the Directors and Auditors thereon. **Please refer Note (4)(i)**
- To re-elect the following Directors of the Company who will retire in accordance with the Articles of Association of the Company:-

Tan Sri Datin Paduka Siti Sa'diah Sh Bakir	- Article 96	(Ordinary Resolution 1)
Prof Dato' Dr. Azizi Hj Omar	- Article 96	(Ordinary Resolution 2)
Mohd Sahir Rahmat	- Article 97	(Ordinary Resolution 3)
Dato' Dr. Zaki Morad Mohamad Zaher	- Article 97	(Ordinary Resolution 4)
- To approve the Proposed Directors' fees of RM925,000 ("Proposed Directors' Fees") for the financial year ending 31 December 2018 (2017 : RM925,000). (Note (4)(ii)) **(Ordinary Resolution 5)**
- To approve the payment of Directors' Remuneration (excluding Proposed Directors' Fees) to Non-Executive Directors ("NED") for the period from 1 May 2018 until the conclusion of the next AGM of the Company ("Relevant Period"). (Note (4)(iii)) **(Ordinary Resolution 6)**
- To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

- "THAT Zainah 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." (Note (5)(i)) **(Ordinary Resolution 8)**
- "THAT 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." (Note (5)(i)) **(Ordinary Resolution 9)**
- "THAT 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." (Note (5)(i)) **(Ordinary Resolution 10)**

AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016

- "THAT 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 ten 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 Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next AGM of the Company. (Note (5)(ii)) **(Ordinary Resolution 11)**

PROPOSED RENEWAL OF THE SHARE BUY-BACK AUTHORITY ("PROPOSED SHARE BUY BACK")

- "THAT, subject to Section 127 of the Act, the provisions of the Main Market Listing Requirements of the Bursa Securities ("Listing Requirements") 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:- **(Ordinary Resolution 12)**

- 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;
- 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
- 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:-
 - cancel the shares so purchased; or
 - retain the shares so purchased as treasury shares and held by the Company; or
 - retain part of the shares so purchased as treasury shares and cancel the remainder; or,
 - distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
 - transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force;

AND THAT the authority conferred by this resolution shall continue to be in force until:-

- 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
- the expiration of the period within which the next AGM is required by law to be held; or
- revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

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 and other relevant guidelines issued by the Bursa Securities or any other relevant authorities.

AND THAT 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 other relevant guidelines issued by Bursa Securities and any other relevant authorities." (Note (5)(iii))

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"THAT 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 ("Group"), 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 22 March 2018 ("Circular") with the Related Parties as described in the Circular, provided that such transactions are:- **(Ordinary Resolution 13)**

- recurrent transactions of a revenue or trading nature;
- necessary for the day-to-day operations of the Company and/or its subsidiaries;

- 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
- not detrimental to the minority shareholders of the Company;

AND THAT such authority shall continue to be in force until:-

- 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
- 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
- revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

AND THAT 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." (Note (5)(iv))

12. SPECIAL RESOLUTION

PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given to adopt the new Constitution of the Company as set out in Part C of the Circular to Shareholders dated 22 March 2018 accompanying the Company's Annual Report 2017 in place of the existing Memorandum and Articles of Association of the Company with immediate effect. **(Special Resolution 14)**

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: 22 March 2018

NOTES:

- Members Entitled to Attend**
Only members whose names appear on the Record of Depositors as at 16 April 2018 are entitled to attend, speak and vote at the meeting.
- Appointment of Proxy**
 - 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.
 - 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.
 - 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 ("Act").
 - Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, ("SICDA"), it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
 - Where a member of the Company is an exempt authorized nominee, as defined under the SICDA, which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
 - Where a member appoints more than one (1) proxy, the proxies shall not be valid unless he/she specifies the proportion of his/her shareholdings to be presented by each proxy.
 - The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company at: KPJ HEALTHCARE BERHAD, Level 16, 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 shall not be treated as valid.
- Voting by Poll**
Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the resolutions set out in this Notice shall be put to vote by poll.
- EXPLANATORY NOTES ON ORDINARY BUSINESSES:**
 - Agenda 1 - Audited Financial Statements**
This item 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.
 - Agenda 3 and Agenda 4**
Pursuant to Section 230(1) of the Companies Act 2016 ("Act") 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 of the Company at a general meeting. In this respect, the Board of Directors of the Company hereby agree that the shareholders' approval shall be sought at the Twenty Fifth (25th) AGM commencing 1 May 2018 until the conclusion of the next AGM of the Company in 2019.
The proposed Resolution 6, 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 Proposed Directors' Fees) proposed is insufficient (e.g. due to more meetings or enlarged Board size), approval of the shareholders of the Company will be sought at the next AGM for the additional remuneration to meet the shortfall. The estimated amount of RM920,000 for the Relevant Period is derived from a total of RM805,000 for FY2018 and a total of RM115,000 for the period from 1 January 2019 until the next AGM in 2019.
Details of the estimated Directors' Remuneration for NEDs for the Relevant Period are as below:-

(a) Directors' Fees

	2018	2017
Non-Executive Chairman	RM150,000 per annum	RM150,000 per annum
NED	RM75,000 per annum	RM75,000 per annum

(b) Directors' Remuneration (excluding Directors' fees)

Description	Chairman	NED
Other Benefits	Medical benefits	Medical benefits and company car for 1 NED

Meeting Allowance (per meeting)

	Chairman	NED
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

Allowance for Professional Advisory Services

	2018
Monthly Allowance as Chairman of Medical Advisory Committee	RM18,000
Monthly allowance on implementation of KPJ Clinical Information System	RM7,000

(5) EXPLANATORY NOTES ON SPECIAL BUSINESSES:

- Agenda 6, Agenda 7 and Agenda 8 - Continuing in Office as Independent Non-Executive Directors**
Zainah Binti Mustafa, Datuk Azzat bin Kamaludin and Dr Kok Chin Leong who seek shareholders' approval on their re-appointment as Independent Non-Executive Directors via proposed Ordinary Resolution 8, 9 and 10 respectively, have expressed their intention not to seek for re-appointment. Hence, they will retire at the conclusion of the Twenty Fifth (25th) AGM.
- Agenda 9 - Authority to Issue Shares Pursuant to Section 75(1) and 76(1) of the Act**
The proposed Ordinary 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 ten percent (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.
 - The mandate sought under proposed Ordinary Resolution 11 is a renewal of an existing mandate particularly on the conversion of KPJ ESOS and KPJ warrants into ordinary shares at the price of RM0.91 and RM1.01 per ordinary share respectively.
 - The proceeds raised from the previous mandate were RM 24,758,277.
 - The proceeds were utilized for working capital purposes.
 - The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment(s), project(s), working capital and/or acquisitions.
- Agenda 10 - Proposed Renewal of the Share Buy-Back Authority ("Proposed Share Buy Back")**
The proposed Ordinary Resolution 12 if passed will empower the Directors of the Company to utilise any of its surplus financial resources to purchase the Company's own shares through Bursa Malaysia at any time within the time stipulated by utilizing the funds allocated out of the audited retained profit of the Company.
- Agenda 11 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**
The proposed Ordinary Resolution 13 if passed, is primarily to authorise the Company and/or its subsidiaries ("Group") to enter into arrangements or transactions with Related Parties, particulars of which are set out in the Circular to Shareholders dated 22 March 2018 ("Circular") 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.
The procurement of the Proposed Shareholders' Mandate would reduce substantially administrative time, effort and expenses associated with the convening of separate general meetings to seek shareholders' approval and when potential Recurrent Related Party Transactions arise.
- Agenda 12 - Special Resolution - Proposed Adoption of New Constitution of the Company**
Please refer to explanatory information in the Circular to Shareholders dated 22 March 2018.