

**KPJ HEALTHCARE BERHAD ("KPJ" OR "COMPANY")**

**PROPOSED ACQUISITION OF A PARCEL OF VACANT COMMERCIAL LAND HELD UNDER H.S.(D) 501209, LOT NO. PTD 163189, MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU, JOHOR DARUL TAKZIM ("LAND") BY KUMPULAN PERUBATAN (JOHOR) SDN BHD ("KPJSB"), A WHOLLY-OWNED SUBSIDIARY OF KPJ, FROM JOHOR LAND BERHAD ("JLB" OR "VENDOR"), A SUBSIDIARY OF JOHOR CORPORATION ("JCorp" OR "REGISTERED OWNER"), FOR A TOTAL CASH CONSIDERATION OF RM45,000,000 ("PURCHASE PRICE") ("PROPOSED ACQUISITION OF LAND")**

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*The terms used herein, unless the content otherwise stated, bear the same meaning as defined in the announcement dated 16 May 2012 in relation to the Proposed Acquisition of Land.*

We refer to the announcement on 16 May 2012 in relation to the Proposed Acquisition of Land.

The Board wishes to announce that Renalcare Perubatan (M) Sdn Bhd ("Renalcare"), being the nominee of KPJSB has entered into a conditional sale and purchase agreement ("SPA") with JLB and JCorp (collectively referred to hereon as "Parties") on 23 July 2012 in relation to the Proposed Acquisition of Land.

JLB and JCorp have expressly agreed for Renalcare to enter into the SPA in lieu of KPJSB and any payments made towards obligations of KPJSB as stipulated in the Offer Letter shall be deemed to have been made by Renalcare.

The salient terms and conditions of the SPA are set out in Section 1 of this announcement.

**1. SALIENT TERMS AND CONDITIONS OF THE SPA**

An extract of the salient terms and conditions of the SPA is as follows:

**1.1 Mode of payment of Purchase Price**

- (a) Upon the acceptance of the Offer Letter by KPJSB and prior to the execution of the SPA, a consideration sum of RM4,500,000 ("Deposit") representing ten per centum (10%) of the Purchase Price has been paid by KPJSB, on behalf of Renalcare to JLB (the receipt of which JLB hereby acknowledged). JLB shall sell and convey unto Renalcare all rights title and interest of JLB and JCorp in the Land free from all encumbrances having the status of freehold land and with vacant possession, subject to the terms, conditions and stipulations hereinafter contained at the total purchase price of RM45,000,000 ("Purchase Price").
- (b) The balance of the Purchase Price of RM40,500,000 representing ninety per centum (90%) of the Purchase Price ("Balance Purchase Price") shall be paid by Renalcare to JLB within thirty (30) days from the Effective Date (as defined herein) provided JLB shall have deposited with the Solicitors the duly executed memorandum of transfer and other necessary documents required to effect the transfer of the Land to Renalcare.

In the event Renalcare delay on any part of the Balance Purchase Price, the same shall automatically be extended by thirty (30) days ("Extended Period for Payment") and shall be subject to the payment of interest calculated at the rate of eight per centum (8%) per annum.

## 1.2 Conditions Precedent

1.2.1 Subject to the provisions contained in the SPA, the Proposed Acquisition shall be conditional upon the following conditions precedent:

- (i) the approval of shareholders of JLB for the disposal of the Land;
- (ii) the approval of the shareholder of Renalcare and shareholders of KPJ for the Proposed Acquisition;
- (iii) the approval of any other relevant authority to be obtained by JLB or Renalcare in respect of the SPA (if applicable).

(hereinafter collectively referred to as the "Conditions Precedent")

1.2.2 The Conditions Precedent shall be fulfilled by the relevant party within four (4) months from the date of the SPA ("Approval Period"). In the event the Conditions Precedent cannot be fulfilled within the Approval Period, an extension of thirty (30) days ("Extended Approval Period") shall be granted;

1.2.3 In the event any one or more of the Conditions Precedent is/are not fulfilled within the Approval Period or the Extended Approval Period or within such longer period as the Parties hereto may mutually agree, the Parties shall be entitled to terminate the SPA and thereupon the SPA shall become null and void and be of no further effect and either party shall not have any claim whatsoever against the other on any matter in respect or arising out of the SPA save and except for any antecedent breach of the provisions of the SPA; and

- (a) JLB shall refund to Renalcare the Deposit paid pursuant to Section 1.1 (a) and all monies paid herein within fourteen (14) business days from the date of such termination; and
- (b) the Solicitors and the Parties shall return to the party concerned all documents deposited with them pursuant to the SPA;

within fourteen (14) business days from the date of such termination

For the purpose of the SPA, the non-fulfillment of any one of the Conditions Precedent shall include:

- (a) the rejection or non-approval of any application from the relevant authorities; or
- (b) the imposition by the relevant authorities of conditions and/or terms which are unacceptable and/or unable to be complied with by the Party(ies) concerned.

1.2.4 In the event that there are conditions and/or variations to the Conditions Precedent, the affected party may within seven (7) days upon receipt of such notification from the other party elect by written notice to the other party:

- (a) to accept the Condition Precedent subject to such conditions, modifications, revaluations and/or variation imposed by the shareholders, whereupon the Condition Precedent shall be deemed fulfilled; or
- (b) not to accept such conditions, modifications, revaluations or variations.

- 1.2.5 The affected party shall inform the other party whether it accepts such conditions within fourteen days of receipt of the same from the other party, failing which such conditions shall be deemed to have been accepted.
- 1.2.6 In the event Renalcare elects not to appeal for a waiver of the approval condition(s) as provided in Section 1.2.5 above, the Parties shall within fourteen (14) days of receipt of Renalcare's written intention shall do and act as follows:
- (a) JLB shall refund to Renalcare the Deposit paid pursuant to Section 1.1 (a); and
  - (b) the Solicitors and the Parties shall return to the party concerned any and all documents deposited with them pursuant to the SPA.
- 1.2.7 In the event the terms of the SPA are varied and both Renalcare and JLB have agreed to the conditions in writing, such conditions shall be deemed to be incorporated into the SPA and shall form part of the SPA.
- 1.2.8 In the event Renalcare fail to notify the other in writing of its objection to any or all of the approval conditions or its intention to appeal against the same within fourteen (14) days from the date of receipt by Renalcare of the letter of approval and the approval shall accordingly be deemed to have been obtained.
- 1.2.9 Upon fulfillment of the Conditions Precedent as provided in Section 1.2. hereof, the parties hereto shall execute all documents and do all acts and things as may be necessary in connection with such approval or consent.
- 1.2.10 The SPA shall be unconditional upon the date when the last of the Conditions Precedent set out in Section 1.2.1 shall have been fulfilled within the time herein provided ("Effective Date").

### **1.3 Completion**

The date on which JLB has received the full Balance Purchase Price shall be the date of completion of the SPA ("Completion Date").

### **1.4 Apportionments**

All costs, expenses and outgoings relating to or accruing in respect of the Land, being quit rent, assessment, taxes and utility charges shall be apportioned between KPJSB and JLB as at the Completion Date, whereby JLB shall bear all such amounts payable including any penalty or arrears before the Completion Date and KPJSB shall bear all such amounts as from the Completion Date.

### **1.5 Default by Purchaser**

In the event that Renalcare:

- (a) fails to pay the Balance Purchase Price or Interest in accordance with the provisions of the SPA; or
- (b) fails, neglect or refuses to observe or perform or comply with any of its undertakings and covenants on its part herein to be performed or otherwise be in breach of any of the provisions of the SPA;

and JLB is not in breach of any of the provisions of the SPA, JLB shall be entitled at the cost and expense of Renalcare and at JLB's sole discretion to the following remedies:

- (a) to the remedy of specific performance of the SPA against Renalcare and to all relief flowing therefrom; or
- (b) to terminate the SPA at any time thereafter by notice in writing to Renalcare whereupon Renalcare shall at Renalcare's own cost and expense:
  - (i) re-deliver vacant possession of the Land to JLB (if it has already been delivered to Renalcare) without any rental or compensation being payable; and
  - (ii) return or cause to be returned to JLB any relevant documents (in the event that the same shall have been delivered to Renalcare and/or Renalcare's Solicitors); and
  - (iii) to forfeit the Deposit paid by KPJSB on behalf of Renalcare as liquidated damages as agreed upon by the Parties,

in exchange for the refund and payment by JLB to Renalcare of all monies (save and except for the Deposit) paid towards account of the Purchase Price free of interest whereupon the SPA shall terminate and cease to be of any further effect and neither party hereto shall have any further rights against the other save and except for any antecedent breach of the SPA.

#### 1.6 Default by Vendor

In the event that JLB defaults, fails or refuses to transfer or cause the issuance of a separate individual document of title to the Land ("Individual Title") in favour of Renalcare or in the event JLB shall fail to observe or perform or otherwise be in breach of any of the provisions of the SPA, Renalcare shall be entitled at the cost and expense of JLB, and at Renalcare's sole discretion to the following remedies:

- (a) to the remedy of specific performance of the SPA against JLB and/or JCorp and to all relief flowing therefrom; or
- (b) to terminate the SPA by notice in writing to JLB whereupon JLB shall refund and pay to Renalcare all monies paid or caused to be paid by Renalcare towards the account of the Purchase Price with interest in exchange for:
  - (i) the re-delivery of vacant possession of the Land to JLB (if it has already been delivered to Renalcare) without any rental or compensation being payable;
  - (ii) the return to JLB of the relevant documents (in the event that the same shall have been delivered to Renalcare and/or Renalcare's Solicitors) whereupon the SPA shall terminate and cease to be of any further effect and neither party hereto shall have any further rights against the other save and except for any antecedent breach of the SPA.

JLB shall further pay to Renalcare a sum equivalent to ten per centum (10%) of the Purchase Price as agreed liquidated damages as agreed upon by the Parties.

**2. DOCUMENT AVAILABLE FOR INSPECTION**

The SPA is available for inspection at the registered office of the Company at Suite 12B, Level 12, Menara Ansar, No. 65, Jalan Trus, 80000 Johor Bahru, Johor during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

**This announcement is dated 23 July 2012.**