



KPJ HEALTHCARE BERHAD

(247079-M)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth (18th) Annual General Meeting ("AGM") of KPJ Healthcare Berhad ("KPJ" or the "Company") will be held at the Bilik Sekijang 401, Level 4, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Thursday 16 June 2011 at 12.30 p.m. for the purpose of transacting the following businesses:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2010 and the Reports of the Directors and Auditors thereon. (Resolution 1)
 2. To re-elect the following Directors who retire in accordance with the Articles of Association of the Company:- (Resolution 2)
 - (i) Datuk Azzat bin Kamaludin (Article 96) (Resolution 3)
 - (ii) Ahamad Bin Mohamad (Article 96) (Resolution 4)
 - (iii) Kamaruzzaman Bin Abu Kassim (Article 97)
 3. To consider, and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act 1965:-
 - (i) "That Tan Sri Dato' Seri Arshad Bin Ayub, a Director who retires pursuant to Section 129(6) of the Companies Act 1965, be and is hereby re-appointed as Director and to hold office until the conclusion of the next Annual General Meeting of the Company." (Resolution 5)
 - (ii) "That Datuk Dr Hussein Bin Awang, a Director who retires pursuant to Section 129(6) of the Companies Act 1965, be and is hereby re-appointed as Director and to hold office until the conclusion of the next Annual General Meeting of the Company." (Resolution 6)
 4. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2010. (Resolution 7)
 5. To appoint Messrs Ernst & Young, having consented to act as Auditors of the Company for the financial year ending 31 December 2011 in place of the retiring Auditors, Messrs PricewaterhouseCoopers, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 8)
- Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, (a copy of which is attached and marked as "Annexure A" in the 2010 Annual Report) has been received by the Company for the nomination of Messrs Ernst & Young as the new Auditors in place of the retiring Auditors, Messrs PricewaterhouseCoopers.

As Special Business

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

6. ORDINARY RESOLUTION 1

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 ("Act"), the Articles of Association of the Company and subject to the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company. (See Note f) (Resolution 9)

7. ORDINARY RESOLUTION 2

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

"THAT, subject Section 67A of the Act, Part IIIA of the Companies Regulations 1966, the provisions of the Articles of Association of the Company, Main Market the Listing Requirements ("Listing Requirements") of the Bursa Securities and any 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 of RM0.50 each in the Company's issued and paid-up capital on Bursa Securities subject to the following:-

- (a) The maximum number of shares which may be purchased and/or held by the Company shall not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being subject to the restriction that the issued and paid-up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and the share premium account of the Company; and
- (c) Upon completion of the purchase by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in their absolute discretion in any of the following manners:-
 - (i) cancel the shares so purchased; or
 - (ii) retain the shares so purchased as Treasury Shares and held by the Company; or
 - (iii) retain part of the shares so purchased as Treasury Shares and cancel the remainder,
 - (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or

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;

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

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution passed either unconditionally; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in general meeting, whichever is earlier.

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 provisions of the Memorandum and Articles of Association of the Company and the guidelines issued by Bursa Securities and any other relevant authorities." (See Note g) (Resolution 10)

8. ORDINARY RESOLUTION 3

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

"THAT subject always to the provisions of the Act, the Memorandum & Articles of Association of the Company, Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries, to

- (a) enter into new Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- (b) renew the shareholders' mandate for recurrent Related Party Transactions of a Revenue or Trading nature for any of the aforesaid companies to enter into and give effect to the specified Recurrent related Party Transactions;

all with the particulars of which are set out in the Circular to Shareholders dated 25 May 2011 ("**Circular**") with the Related Parties as described in the Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which those generally available to the public and are not detrimental to the minority shareholders of the Company; and

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

- (a) the conclusion of the next AGM of the Company following this AGM, at which time the authority shall lapse unless by a resolution passed at the AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date that is required by law to be held pursuant to Section 143(1) of the Companies Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act); or
- (c) 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." (See Note h) (Resolution 11)

9. SPECIAL RESOLUTION

PROPOSED AMENDMENT TO ARTICLE 117 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

"THAT the existing Article 117 of the Articles of Association of the Company be deleted in its entirety and replaced with the following new Article 117:-

Existing Article 117

"Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the members entitled thereto or by direct transfer or such other mode of electronic means (subject to the provisions of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or other regulatory authorities) to the bank account of the holders whose name appear in the Register of Record of Depositors respectively and the receipt of the person whose name at the date of declaration of the dividend appears on the register of members as the owner of any share, or in the case of joint holder of any one of such joint holders shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company."

New Article 117

"Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto or paid by direct transfer or such other electronic means to the bank account provided by the Member whose name appears in the Record of Depositors. Every such cheque or warrant shall be made payable to the order of the Member or person entitled thereto, and the payment of any such cheque or warrant or the payment by direct transfer or such other electronic means to the bank account provided by the Member whose name appears in the Record of Depositors shall operate as a good discharge of the Company's obligation in respect of dividend represented thereby, notwithstanding that it may subsequently appear that the cheque has been stolen or that the endorsement thereon or the instruction for the payment by direct transfer or such other electronic means has been forged. Every such cheque or warrant sent or payment by direct transfer or such other electronic means shall be at the risk of the person entitled to the dividend thereby represented." (See Note i) (Resolution 12)

10. To transact any other business of which due notice shall have been given.

By Order of the Board,

KPJ HEALTHCARE BERHAD

SALMAH BINTI ABD WAHAD (LS 02140)

ROHAYA BINTI JAAFAR, (LS 08376)

Secretaries

Johor Bahru

Dated: 25 May 2011

NOTES:

- a. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of Companies Act, 1965 need not be complied with;
- b. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its common seal or in other manner approved by its Board of Directors.
- c. Where a member of the Company is an Authorised Nominee as defined under the Central Depositories Act 1991, he may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- d. Any alteration made in this form should be initialed by the person who signs it.
- e. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the registered office of the Company at: KPJ HEALTHCARE BERHAD, Suite 12B, Level 12, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Explanatory Notes

f. Ordinary Resolution 9 – Authority to Issue Shares

The proposed Ordinary Resolution 9 if passed is primarily to give flexibility to the Directors to issue up to a maximum amount not exceeding in total 10% of the issued share capital of 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 Annual General Meeting or the expiration of the period within the next Annual General Meeting required by law to be held, whichever is earlier.

- i. The mandate sought under Resolution 9 is a renewal of an existing mandate particularly on the conversion of KPJ warrants into ordinary shares of RM0.50 at the price of RM1.70 per share
- ii. The proceeds raised from the previous mandate were RM16,140,670.
- iii. The proceeds were utilized for working capital purposes
- iv. The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

g. Ordinary Resolution 10 – Proposed Share Buy-Back

The proposed Ordinary Resolution 10, if passed, will empower the Directors to purchase KPJ shares through Bursa Malaysia Securities Berhad up to ten percentum of the issued and paid-up capital of the Company. Detailed information on the Proposed Share Buy-Back is set out in the Circular to Shareholders in relation to the proposed renewal of authority for the purchase by KPJ of its own shares dated 25 May 2011 despatches together with the Annual Report.

h. Ordinary Resolution 11 – Proposed Shareholders' Mandate

The proposed Resolution 11 if passed is primarily to authorise the Company and/or its/unlisted subsidiaries to enter into arrangements or transactions with Related Parties, particulars of which are set out in Circular to Shareholders dated 25 May 2011 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.

i. Special Resolution 1 – Proposed Amendment to Article 117 of the Company's Articles of Association

The proposed Resolution 12, if passed, will align Article 117 with Bursa Malaysia Securities Berhad's requirement that cash dividend must be paid to the shareholders by direct credit into their bank accounts as provided by Bursa Malaysia Depository Sdn Bhd.