

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

If you have sold or transferred all your ordinary shares in KPJ Healthcare Berhad (Company No. 247079-M) ("KPJ" or the "Company"), you should at once forward this Abridged Prospectus ("AP") together with the Notice of Provisional Allotment ("NPA") and the Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue (as defined herein), which is the subject matter of this AP, should be addressed to our Share Registrar, Pro Corporate Management Services Sdn Bhd (Company No. 349501-M), Suite 12B, Level 12, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia.

This AP, together with the NPA and RSF are only despatched to our shareholders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 26 December 2013. This AP together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue and these documents complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders (as defined herein) and their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professionals as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Neither KPJ, our Board of Directors nor RHB Investment Bank Berhad (Company No. 19663-P) ("RHB Investment Bank") or other experts shall accept any responsibility or liability in the event that any acceptance or renunciation (as the case may be) made by the Entitled Shareholders or their renounee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the Entitled Shareholders or their renounee(s) (if applicable) are residents.

A copy of this AP has been registered with the Securities Commission Malaysia ("SC"). The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the Rights Issue or securities being offered for investment. A copy of this AP, together with the NPA and RSF has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

Approval for the Rights Issue has been obtained from Bursa Malaysia Securities Berhad (Company No. 635998-W) ("Bursa Securities") vide its letter dated 11 October 2013 for the listing of and quotation for the Rights Shares (as defined herein), New Warrants (as defined herein) and the new KPJ Shares to be issued arising from the exercise of the New Warrants on the Main Market of Bursa Securities. Admission to the Official List of Bursa Securities and quotation of the new securities are in no way reflective of the merits of the Rights Issue. The official quotation for the Rights Shares and New Warrants will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) that all the Central Depository System accounts of the Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment for the Rights Shares and New Warrants have been despatched to them. Approval for the Rights Issue has also been obtained from our shareholders at an Extraordinary General Meeting held on 28 November 2013.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of any statements made or opinions expressed herein. The listing of and quotation for the Rights Shares and New Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue.

The Board of Directors of KPJ have seen and approved all the documentation relating to this Rights Issue including this AP, together with the NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statement in these documents false or misleading.

RHB Investment Bank, being the Adviser and Joint Underwriter for this Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED, PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.**



## KPJ HEALTHCARE BERHAD

(Company No. 247079-M)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 43,968,866 NEW ORDINARY SHARES OF RM0.50 EACH IN KPJ HEALTHCARE BERHAD ("KPJ") ("KPJ SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIFTEEN (15) EXISTING KPJ SHARES HELD AS AT 5.00 P.M. ON 26 DECEMBER 2013, TOGETHER WITH UP TO 87,937,732 FREE DETACHABLE NEW WARRANTS ("NEW WARRANT(S)") ON THE BASIS OF TWO (2) NEW WARRANTS FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED AT AN ISSUE PRICE OF RM2.80 PER RIGHTS SHARE ("RIGHTS ISSUE")**

*Adviser and Joint Underwriter*



**RHB Investment Bank Berhad**

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Joint Underwriter*



**AFFIN INVESTMENT BANK BERHAD**

(Company No. 9999-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

### **IMPORTANT RELEVANT DATES AND TIME:-**

Entitlement Date	:	Thursday, 26 December 2013 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Friday, 3 January 2014 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Wednesday, 8 January 2014 at 4.00 p.m.
Last date and time for acceptance and payment	:	Monday, 13 January 2014 at 5.00 p.m.*
Last date and time for excess application and payment	:	Monday, 13 January 2014 at 5.00 p.m.*

\* or such later date and time as our Board of Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 26 December 2013

**BURSA SECURITIES HAS APPROVED THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, NEW WARRANTS AND THE NEW KPJ SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF THE NEW WARRANTS. THE APPROVAL FROM BURSA SECURITIES SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.**

**THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

**YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS & SERVICES ACT 2007.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CAPITAL MARKETS & SERVICES ACT 2007, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**THE DELIVERY OF THIS AP SHALL NOT, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF OUR GROUP SINCE THE DATES HEREOF. WE AND OUR ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP. THIS AP HAS BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA.**

**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

“Act”	: Companies Act, 1965 and includes any amendments thereto from time to time
“Additional Warrant(s)”	: The additional Warrant(s) 2010/2015 to be issued pursuant to the adjustments in accordance with the provisions of the Deed Poll 2009 as a result of the Bonus Issue and Rights Issue
“AFFIN Investment Bank”	: AFFIN Investment Bank Berhad (Company No. 9999-V)
“AP” or “Abridged Prospectus”	: This abridged prospectus dated 26 December 2013
“Board”	: Board of Directors of KPJ
“Bonus Issue”	: Bonus issue of up to 329,766,497 Bonus Shares on the basis of one (1) Bonus Share for every two (2) existing KPJ Shares held on the Entitlement Date
“Bonus Share(s)”	: Up to 329,766,497 new KPJ Share(s) to be issued pursuant to the Bonus Issue
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“CDS”	: Central Depository System
“CDS Account(s)”	: Securities account(s) established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act 1991 and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
“CMSA”	: Capital Markets and Services Act, 2007 and includes any amendments thereto from time to time
“Code”	: Malaysian Code on Take-Overs and Mergers, 2010, as amended from time to time and any re-enactment thereof
“Deed Poll 2009”	: The deed poll dated 29 October 2009, as amended by the supplemental deed poll dated 26 November 2009, constituting the Warrants 2010/2015
“Deed Poll 2013”	: The deed poll executed by our Company on 11 December 2013, constituting the New Warrants
“Director(s)”	: Has the meaning given in Section 2(1) of the CMSA
“EBITDA”	: Earnings before interest, taxation, depreciation and amortisation
“EGM”	: Extraordinary General Meeting, held on 28 November 2013
“Entitled Shareholder(s)”	: The shareholder(s) of KPJ whose names appear in our Company’s Record of Depositors on the Entitlement Date

**DEFINITIONS (Cont'd)**

“Entitlement Date”	: Thursday, 26 December 2013 at 5.00 p.m., being the date and time on which the Entitled Shareholders must be registered in the Record of Depositors of KPJ with Bursa Depository in order to be entitled to participate in the Bonus Issue and Rights Issue
“EPF”	: Employee Provident Fund Board
“EPS”	: Earnings per Share
“FPE”	: Financial period ended/ending, as the case may be
“FYE”	: Financial year ended/ending, as the case may be
“JCorp”	: Johor Corporation, incorporated in Malaysia under the Johor State Enactment No. 4, 1968 (as amended by Enactment No. 5, 1995)
“Joint Underwriter(s)”	: RHB Investment Bank and AFFIN Investment Bank, collectively
“KPJ” or the “Company”	: KPJ Healthcare Berhad (Company No. 247079-M)
“KPJ Group” or the “Group”	: KPJ and its subsidiary companies, collectively
“KPJSB”	: Kumpulan Perubatan (Johor) Sdn Bhd (Company No. 170968-A), a wholly-owned subsidiary of KPJ
“KPJ Share(s)” or “Share(s)”	: Ordinary share(s) of par value RM0.50 each in KPJ
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 4 December 2013, being the latest practicable date prior to the printing and despatch of this AP
“LTH”	: Lembaga Tabung Haji
“Market Day(s)”	: Any day(s) on which Bursa Securities is open for trading of securities, excluding public holidays
“Maximum Scenario”	: Assuming all the Outstanding Warrants are exercised and all the existing Treasury Shares have been resold on the open market prior to the Entitlement Date
“Minimum Scenario”	: Assuming none of the Outstanding Warrants are exercised and all the existing Treasury Shares purchased by the Company are retained within the Company prior to the Entitlement Date
“NA”	: Net assets
“New Warrant(s)”	: Up to 87,937,732 free detachable new warrant(s) to be issued pursuant to the Rights Issue
“NPA”	: Notice of Provisional Allotment dated 26 December 2013 issued by KPJ, notifying the Entitled Shareholders that his/her Provisional Allotment has been credited into his/her CDS Account

**DEFINITIONS (Cont'd)**

"Official List"	:	A list specifying all securities listed on the Main Market of Bursa Securities
"Outstanding Warrant(s)"	:	The 5,144,583 outstanding Warrants 2010/2015 that have yet to be exercised as at the LPD and where the context so requires the Additional Warrants
"PAT"	:	Profit after taxation
"PBT"	:	Profit before zakat and taxation
"Provisional Allotment"	:	Rights Shares with free New Warrants provisionally allotted to the Entitled Shareholders and/or their renounee(s) (if applicable) pursuant to the Rights Issue
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository
"REIT"	:	Real estate investment trust
"RHB Investment Bank" or "Adviser" or "Joint Underwriter"	:	RHB Investment Bank Berhad (Company No. 19663-P)
"Rights Issue"	:	Renounceable rights issue of up to 43,968,866 Rights Shares on the basis of one (1) Rights Share for every fifteen (15) existing KPJ Shares held on the Entitlement Date, together with up to 87,937,732 free detachable New Warrants on the basis of two (2) New Warrants for every one (1) Rights Share subscribed, at an issue price of RM2.80 per Rights Share
"Rights Share(s)"	:	Up to 43,968,866 new KPJ Shares to be issued pursuant to the Rights Issue
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form issued by KPJ, which is to be used by the Entitled Shareholders, renounee(s) and other permitted investors to subscribe or accept the Provisional Allotment
"Rules of Bursa Depository"	:	Rules of a central depository as defined in the Securities Industry (Central Depositories) Act, 1991 or any subsequent amendments or enactment thereto
"SC"	:	Securities Commission Malaysia
"Share Registrar"	:	Pro Corporate Management Services Sdn Bhd (Company No. 349501-M)
"Treasury Share(s)"	:	The 70,000 KPJ Shares purchased by the Company, which are retained in treasury
"Underwriting Agreement"	:	Underwriting agreement dated 11 December 2013 relating to the Rights Issue
"VWAP"	:	Volume weighted average market price

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**DEFINITIONS (Cont'd)**

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"WANCorp" : Waqaf An-Nur Corporation Berhad (Company No. 529976-D), a company limited by guarantee

"Warrant(s) 2010/2015" : Warrant(s) 2010/2015 as constituted by the Deed Poll 2009, which will expire on 10 January 2015, and comprising the Outstanding Warrants

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this AP shall be a reference to Malaysian time, unless otherwise specified.

All references to "our Company" and "KPJ" in this AP are to KPJ Healthcare Berhad, references to "our Group" are to our Company and our subsidiary companies and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise require, our subsidiary companies.

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**CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>	<b>Occupation</b>
Dato' Kamaruzzaman Abu Kassim (Chairman)	No. 334, Jalan Sentosa Kampung Dato Onn, Larkin 80360 Johor Bahru, Johor	Malaysian	Company Director
Amiruddin Abdul Satar (President/Managing Director)	28, Jalan Ubin, Taman Melewar 68100 Kuala Lumpur	Malaysian	Company Director
Datin Paduka Siti Sa'diah Sheikh Bakir (Corporate Adviser/Non-Executive Director)	Unit 2-1, No. 8, Jalan Perumahan Gurney, 54000 Kuala Lumpur	Malaysian	Company Director
Tan Sri Dato' Dr. Yahya Awang (Independent/Non-Executive Director)	33, Jalan Tengku Ampuan, Taman Duta, 50480 Kuala Lumpur	Malaysian	Company Director
Datuk Azzat Kamaluddin (Independent/Non-Executive Director)	40, Jalan PJU 7/26, Mutiara Damansara 47800 Petaling Jaya Selangor	Malaysian	Company Director
Zainah Mustafa (Independent/Non-Executive Director)	Pangsapuri Bukit Saujana Blok Bendahara B #01-17, Jalan Pahlawan 80100 Johor Bahru, Johor	Malaysian	Company Director
Ahamad Mohamad (Non-Independent/Non-Executive Director)	Ladang Ulu Tiram, K.B. 705 80990 Johor Bahru, Johor	Malaysian	Company Director
Rozan Mohd Sa'at (Non-Independent/Non-Executive Director)	No. 35, Jalan Padi Huma 1 Bandar Baru UDA 81200 Johor Bahru, Johor	Malaysian	Company Director
Dr. Kok Chin Leong (Independent/Non-Executive Director)	41-C, Jalan Abdul Samad 80100 Johor Bahru, Johor	Malaysian	Company Director
Dr. Yoong Fook Ngian (Independent/Non-Executive Director)	No. 3, Tasek Crescent Canning Garden 31400 Ipoh, Perak	Malaysian	Company Director

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Zainah Mustafa	Chairman	Independent Non-Executive Director
Datuk Azzat Kamaludin	Member	Independent Non-Executive Director
Tan Sri Dato' Dr. Yahya Awang	Member	Independent Non-Executive Director

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**CORPORATE DIRECTORY (Cont'd)**

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- COMPANY SECRETARIES** : Salmah Abd Wahab (LS 0002140)  
15, Jalan Setia 5/15  
Taman Setia Indah  
81100 Johor Bahru, Johor
- Hana Ab Rahim @ Ali (MAICSA 7064336)  
01-05, Sri Pahlawan A  
Pangsapuri Bukit Saujana  
Jalan Bendahara  
80100 Johor Bahru, Johor
- REGISTERED OFFICE** : KPJ Healthcare Berhad  
Suite 12B, Level 12  
Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru, Johor  
Tel : 607 - 226 7692  
Fax : 607 - 222 3044  
Website: <http://www.kpihealth.com.my>
- CORPORATE OFFICE** : Level 12, Menara 238  
238 Jalan Tun Razak  
50400 Kuala Lumpur  
Tel : 603 - 2681 6222  
Fax : 603 - 2681 6888
- SHARE REGISTRAR** : Pro Corporate Management Services Sdn Bhd  
Suite 12B, Level 12  
Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru, Johor  
Tel : 607 - 226 7692  
Fax : 607 - 222 3044
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs Ernst & Young (AF: 0039)  
Chartered Accountants  
Level 23A, Menara Millenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur
- PRINCIPAL BANKERS** : Malayan Banking Berhad  
343, Jalan Pahang  
Setapak  
53300 Kuala Lumpur
- CIMB Bank Berhad  
Ground Floor, No 338  
Bangunan AMAL  
Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur
- HSBC Amanah Malaysia Berhad  
No. 2, Lebu Ampang  
P.O. Box 10244  
50912 Kuala Lumpur

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**CORPORATE DIRECTORY (Cont'd)**

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- SOLICITORS** : Messrs Abdul Raman Saad & Associates  
Level 8, Bangunan KWSP  
No. 3, Changkat Raja Chulan  
Off Jalan Raja Chulan  
50200 Kuala Lumpur
- ADVISER AND JOINT UNDERWRITER** : RHB Investment Bank Berhad  
Level 10, Tower One, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur
- JOINT UNDERWRITER** : AFFIN Investment Bank Berhad  
27<sup>th</sup> Floor, Menara Boustead  
69, Jalan Raja Chulan  
50200 Kuala Lumpur
- STOCK EXCHANGE LISTING AND LISTING SOUGHT** : Main Market of Bursa Securities

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# KPJ HEALTHCARE BERHAD

(Company No. 247079-M)  
(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office:**  
Suite 12B, Level 12  
Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru  
Johor

26 December 2013

## Board of Directors:

Dato' Kamaruzzaman Abu Kassim	<i>(Chairman)</i>
Amiruddin Abdul Satar	<i>(President/Managing Director)</i>
Datin Paduka Siti Sa'diah Sheikh Bakir	<i>(Corporate Adviser/Non-Executive Director)</i>
Tan Sri Dato' Dr. Yahya Awang	<i>(Independent/Non-Executive Director)</i>
Datuk Azzat Kamaluddin	<i>(Independent/Non-Executive Director)</i>
Zainah Mustafa	<i>(Independent Non-Executive Director)</i>
Ahamad Mohamad	<i>(Non-Independent/Non-Executive Director)</i>
Rozan Mohd Sa'at	<i>(Non-Independent/Non-Executive Director)</i>
Dr. Kok Chin Leong	<i>(Independent/Non-Executive Director)</i>
Dr. Yoong Fook Ngian	<i>(Independent/Non-Executive Director)</i>

## To: The Entitled Shareholders

Dear Sir/Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 43,968,866 RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIFTEEN (15) EXISTING KPJ SHARES HELD ON THE ENTITLEMENT DATE, TOGETHER WITH UP TO 87,937,732 FREE DETACHABLE NEW WARRANTS ON THE BASIS OF TWO (2) NEW WARRANTS FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED, AT AN ISSUE PRICE OF RM2.80 PER RIGHTS SHARE**

## 1. INTRODUCTION

The shareholders of KPJ had, at an EGM held on 28 November 2013, approved the Rights Issue. A certified true extract of the resolutions pertaining to the Rights Issue which was passed at the said EGM, is set out in **Appendix I** of this AP.

Bursa Securities had, vide its letter dated 11 October 2013, given its approval for the listing of and quotation for the Bonus Shares, Rights Shares, New Warrants and Additional Warrants as well as the new KPJ Shares to be issued arising from the exercise of the New Warrants and Additional Warrants on the Main Market of Bursa Securities.

The approval by Bursa Securities is subject to the following conditions:-

No.	Conditions	Status of compliance
(i)	KPJ and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Bonus Issue and Rights Issue;	Noted
(ii)	KPJ and RHB Investment Bank to inform Bursa Securities upon the completion of the Bonus Issue and Rights Issue;	To be complied
(iii)	KPJ to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Bonus Issue and Rights Issue are completed	To be complied
(iv)	KPJ is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of New Warrants and Additional Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(v)	KPJ and RHB Investment Bank are required to make relevant announcements pursuant to Paragraph 6.35(2)(a) and (b) and 6.35(4) of the Listing Requirements.	To be complied

The official listing of and quotation for the Bonus Shares, Rights Shares, New Warrants and Additional Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or renounee(s) have been duly credited and notices of allotment have been despatched to them.

On 11 December 2013, RHB Investment Bank had, on behalf of our Board, announced that the issue price of the Rights Shares and exercise price of the New Warrants is fixed at RM2.80 per Rights Share and RM4.01 per New Warrant respectively.

RHB Investment Bank had on even date, on behalf of our Board, announced the Entitlement Date and the other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## 2. DETAILS OF THE RIGHTS ISSUE

### 2.1 Details of the Rights Issue

In accordance with the terms of the Rights Issue as approved by the relevant authorities and our shareholders at the EGM held on 28 November 2013, and subject to the terms of the AP, we will provisionally allot up to 43,968,866 Rights Shares to our Entitled Shareholders at an issue price of RM2.80 per Rights Share on a renounceable basis of one (1) Rights Share for every fifteen (15) existing KPJ Shares held, together with up to 87,937,732 free detachable New Warrants on the basis of two (2) New Warrants for every one (1) Rights Share subscribed on the Entitlement Date.

The Rights Issue is not conditional on the Bonus Issue and as such, the number of Rights Shares to be issued will not be dependent on the number of Bonus Shares to be issued. For the avoidance of doubt, shareholders of KPJ who do not subscribe for the Rights Shares will still be entitled to the Bonus Shares under the Bonus Issue.

In determining the entitlements of the Entitled Shareholders, fractional entitlements of the Rights Shares, if any, will be disregarded and shall be dealt with in such manner as our Board shall in their discretion deem fit and expedient, and to be in the best interest of the Company.

The free New Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. The New Warrants will be issued in a registered form and constituted by the Deed Poll 2013.

**The free New Warrants shall only be issued to the Entitled Shareholders of the Company, who subscribe for the Rights Shares pursuant to the Rights Issue. Although the Rights Shares with free New Warrants are renounceable in full or in part, the Rights Shares and the free New Warrants are not separately renounceable. Accordingly, the Entitled Shareholders can only renounce or subscribe for their entitlements to the Rights Shares with free New Warrants in full or in part in the proportion allocated. Any Rights Shares with New Warrants not taken up or allotted for any reasons, if any, will be made available for excess application by the other Entitled Shareholders and/or their renounee(s) (if applicable) in the manner as set out in Section 3.8 of this AP.**

As you are an Entitled Shareholder and the KPJ Shares and New Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Allotment which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this AP, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for excess Rights Shares with New Warrants if you so choose to.

Any dealing in our securities will be subject to, inter-alia, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the Rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares with New Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices will be despatched to the successful applicants.

We will allot and issue the Rights Shares, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares or such other periods as may be prescribed by Bursa Securities. The Rights Shares and the New Warrants will then be quoted on the Main Market of Bursa Securities two (2) Market Days after the receipt of application for quotation is made to Bursa Securities.

## **2.2 Basis and justification of determining the issue price of the Rights Shares**

As announced on 11 December 2013, our Board has fixed the issue price of the Rights Shares at RM2.80 per Rights Share. This represents a discount of approximately 30.17% to the theoretical ex-all price of RM4.01 per KPJ Share (after taking into account the Bonus Issue) based on the five (5)-day VWAP of KPJ Shares up to and including 10 December 2013, being the last Market Day immediately preceding the price-fixing date for the Rights Shares of RM6.10.

Our Board is of the opinion that the attractive discount to the theoretical ex-all price will provide an incentive for all the shareholders to subscribe for the Rights Shares with free New Warrants, whilst at the same time also enable our Company to raise funds required as disclosed in **Section 5** of this AP.

## **2.3 Basis and justification of determining the exercise price of the New Warrants**

The New Warrants attached to the Rights Shares will be issued free to the Entitled Shareholders who subscribe for the Rights Shares.

The exercise price of the New Warrants has been fixed by our Board at RM4.01 each, being the theoretical ex-all price of KPJ Shares (after taking into account the Bonus Issue) based on the five (5)-day VWAP of KPJ Shares up to and including 10 December 2013, being the last Market Day immediately preceding the price-fixing date for the New Warrants of RM6.10.

The exercise price of the New Warrants was determined by our Board after taking into consideration an exercise price that is deemed attractive to entice our shareholders to exercise the New Warrants in the future, whilst at the same time also enables our Company to raise the funds required for working capital purposes.

## **2.4 Ranking of the Rights Shares and new KPJ Shares arising from the exercise of the New Warrants**

All the Rights Shares will, upon the allotment and issue, rank *pari passu* in all respects with the existing KPJ Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issue of the Rights Shares.

All the new KPJ Shares to be issued arising from the exercise of the New Warrants will, upon the allotment and issue, rank *pari passu* in all respects with the existing KPJ Shares, save and except that the new KPJ Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issue of the new KPJ Shares.

## 2.5 Principal terms of the New Warrants

The principal terms of the New Warrants are as follows:-

- Issue size : Up to 87,937,732 New Warrants to be issued in conjunction with the Rights Issue on the basis of two (2) free New Warrants for every one (1) Rights Share successfully subscribed
- Form : The New Warrants to be issued with the Rights Shares will be immediately detached upon allotment and issuance and will be separately traded. The New Warrants will be issued in a registered form and constituted by the Deed Poll 2013
- Exercise Rights : Each New Warrant carries the entitlement, at any time during the Exercise Period to subscribe for one (1) new KPJ Share at the Exercise Price, subject to the adjustments in accordance with the provisions of the Deed Poll 2013
- Exercise Period : The New Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the New Warrants. Any New Warrants, which have not been exercised during the exercise period will thereafter lapse and cease to be valid
- Exercise Price : The exercise price of the New Warrants has been fixed at RM4.01 per New Warrant, subject to further adjustments (where applicable) in accordance with the provisions of the Deed Poll 2013
- Mode of exercise : The registered holder of the New Warrants is required to lodge an exercise form, as set out in the Deed Poll 2013 with the Share Registrar, duly completed, signed and stamped together with payment of the Exercise Price by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia
- Board lot : For the purposes of trading on Bursa Securities, one (1) board lot of New Warrants shall comprise of 100 units of New Warrants carrying the rights to subscribe for 100 new KPJ Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities
- Listing status of the New Warrants : The Company has obtained the approval from Bursa Securities, vide its letter dated 11 October 2013, for the listing of and quotation for the New Warrants and the new KPJ Shares arising from the exercise of the New Warrants on the Main Market of Bursa Securities
- Ranking of the new KPJ Shares : The new KPJ Shares to be issued arising from the exercise of the New Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the existing KPJ Shares, save and except that the new KPJ Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issue of the new KPJ Shares
- Rights of the New Warrants holders : The holder of the New Warrants is not entitled to any voting right or participation in any forms of distribution and/or offer of further securities in the Company until and unless such holder of the New Warrants exercise his/her New Warrants for new KPJ Shares during the Exercise Period
- Adjustments in the Exercise Price and/or number of New Warrants : The Exercise Price and/or number of unexercised New Warrants may be adjusted by the Board, in consultation with its professional advisers, in the event of alteration to the share capital of the Company, capital distribution or issue of shares or any other events in accordance with the provisions of the Deed Poll 2013



Rights in the event of winding-up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a member's voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then every holder of the New Warrants shall be entitled upon and subject to the provisions of the Deed Poll 2013 at any time within six (6) weeks after the passing of such resolution for a member's voluntary winding-up of the Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her New Warrants to the Company, elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement, exercised the Exercise Rights represented by such New Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of the Company which would be available in liquidation as if he/she had on such date been the holder of the new KPJ Shares to which he/she would have been entitled to pursuant to such exercise

Governing law : Laws and Regulations of Malaysia

## 2.6 Details of other corporate exercises

Save for the Bonus Issue and Rights Issue and the corporate proposals disclosed below, the Board confirms that there is no other outstanding corporate exercises that has been announced but not yet completed as at the LPD:-

(i) **Proposed disposal by Puteri Specialist Hospital (Johor) Sdn Bhd ("PSH") of two (2) pieces of land ("Proposed Disposal")**

On 8 August 2012, PSH, a wholly-owned subsidiary of KPJ, proposed to dispose two (2) pieces of lands, both situated in the town of Johor Bahru, District of Johor Bahru, State of Johor to Al-'Aqar Healthcare REIT for a total consideration of RM3,590,000 to be fully satisfied in cash. As at the LPD, the parties are in the midst of completing the conditions precedent as defined in the sale and purchase agreement with Al-'Aqar Healthcare REIT, which relate to the amalgamation of the land titles, which has been submitted to the relevant authorities and are now pending for approval.

(ii) **Proposed acquisition by KPJSB of 23.37% equity interest in Vejthani Public Company Limited ("VPCL") ("Proposed Acquisition VPCL")**

On 23 November 2012, KPJSB, a wholly-owned subsidiary of KPJ, had on even date entered into a conditional Share Sale Agreement with Aureos South-East Asia Fund L.L.C ("ASEA") and GSB Private Funds ("GSB") (collectively, the "VPCL Vendors") to acquire 5,333,333 preference shares and 2,666,667 preference shares from the VPCL Vendors, totalling of 8,000,000 preference shares representing 23.37% equity interest in VPCL for a total cash consideration of Thai Baht 605,615,991 (equivalent to approximately RM60,529,200).

As at the LPD, the Proposed Acquisition VPCL is still pending completion. KPJSB has already paid 90% of the purchase price for the shares of VPCL. Based on the terms of the Proposed Acquisition VPCL, the remaining 10% of the purchase price for the shares of VPCL shall be calculated based on the value of the same with the targeted profit based on the audited financial statement for the FYE 2012 of VPCL. The parties are in the midst of negotiating on the final figure for the profit of VPCL.

**(iii) Proposed joint venture between KPJSB and UTM Holdings Sdn Bhd (“UTMH”) (“Proposed JV”)**

On 27 September 2013, KPJSB, a wholly-owned subsidiary of KPJ, had on even date signed a Joint Venture Agreement with UTMH for the purpose of designing, developing, building, completing and owning, and subsequently operating a private hospital on a portion of the leasehold land held under HSD 46692, Lot No, PTD No 95180, Mukim Kulaijaya, Johor. As at the LPD, the Proposed JV is still on-going.

**(iv) Proposed acquisition by KPJSB, a wholly-owned subsidiary of KPJ of a parcel of land with a multi-storey office building erected thereon known as Menara 238 (“Proposed Acquisition 238”)**

On 17 October 2013, KPJSB, a wholly-owned subsidiary of KPJ had entered into a conditional sale and purchase agreement with Danaharta Hartanah Sdn Bhd for the acquisition of all that parcel of land held under Geran 52130 Lot 405 Seksyen 87A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur together with a multi-storey office building erected thereon known as Menara 238 for a total cash consideration of RM206.0 million. As at the LPD, the Proposed Acquisition 238 is still pending completion.

**(v) Proposed acquisition by KPJSB of the entire equity interest in BDC Specialist Hospital Sdn Bhd (“BDCSHSB”) for a total cash consideration of RM16,516,144 (“Proposed BDCSHSB Acquisition”)**

On 6 November 2013, KPJSB had entered into a conditional share sale agreement (“SSA”) with Usaha Cendera Sdn Bhd (formerly known as Usaha Cendera Cera Sdn Bhd) for the acquisition of two (2) ordinary shares of RM1.00 each in BDCSHSB which is equivalent to the entire equity interest in BDCSHSB for a total cash consideration of RM16,516,144. As at the LPD, the Proposed BDCSHSB is still pending completion.

**(vi) The deed of agreement dated 18 November 2013 (“Deed of Agreement”) entered into between Father of the Nation Bangabandhu Sheikh Mujibur Rahman Memorial Trust (“Trust”) and KPJSB for the lease of a hospital building from the Trust (“Proposed Business”)**

On 19 November 2013, the Board has announced that KPJSB had on 18 November 2013 entered into a Deed of Agreement with the Trust to lease a 250-bed hospital building erected on a piece of land located approximately 50 kilometres from Dhaka, Bangladesh (“Hospital Building”) known as Sheikh Fazilatunnessa Mujib Memorial KPJ Specialist Hospital (“Hospital”). Pursuant to the Deed of Agreement, KPJSB or its nominee company, KPJ Healthcare (Bangladesh) Private Limited, a subsidiary of KPJSB in Bangladesh to be incorporated (collectively, “License Operator”) will be the license operator of the Hospital. The License Operator proposes to lease the Hospital Building to run and operate the Hospital for an initial period of ten (10) years which is extendable for another five (5) years. The Trust agrees to let the Hospital Building to the License Operator without any payment for the first (1<sup>st</sup>) five (5) years upon the signing of the Deed of Agreement. However, upon the sixth (6<sup>th</sup>) year, the Trust agrees that the lease consideration shall be ten percent (10%) of the net profit after all taxes and any other deductions from the Hospital and the nursing college operations whilst the remaining ninety percent (90%) shall be retained by the License Operator. As at the LPD, the Proposed Business is still pending completion.

### 3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

#### 3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotment, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed together with this AP, the NPA notifying you of the crediting of such Provisional Allotment into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for excess Rights Shares with New Warrants if you choose to do so.

#### 3.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Allotment will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

#### 3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotment is at **5.00 p.m. on 13 January 2014**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

#### 3.4 Procedures for acceptance and payment

Acceptance and payment for the Provisional Allotment by you as an Entitled Shareholder or your renounee(s) (if applicable) must be made on the RSF enclosed together with this AP and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms of this AP, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, EXCESS APPLICATION FOR THE RIGHTS ISSUE AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.**

**YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.**

You or your renounee(s) (if applicable) who are accepting the Provisional Allotment are required to fill and complete the RSF in accordance with the notes and instructions provided therein. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER or DELIVERY BY HAND**, at your own risk, in the self-addressed envelope provided, to our Share Registrar at the following address:-

**Pro Corporate Management Services Sdn Bhd** (Company No. 349501-M)  
Suite 12B, Level 12  
Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru  
Johor, Malaysia  
Tel : 607 - 226 7692  
Fax : 607 - 222 3044

so as to arrive not later than **5.00 p.m. on 13 January 2014**, being the last time and date for acceptance and payment for the Provisional Allotment, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by the Share Registrar for the Rights Issue, you are advised to use one (1) reply envelope for each completed RSF.

One (1) RSF can only be used for acceptance of Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotment standing to the credit of more than one (1) CDS Account. If successful, the Rights Shares with New Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

You and/or your renounee(s) (if applicable) should take note that a trading board lot for the Rights Shares with New Warrants will comprise 100 Rights Shares and 100 New Warrants each, respectively. Successful applicants of the Rights Shares will be given free detachable New Warrants on the basis of two (2) New Warrants for every one (1) Rights Share successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share for every fifteen (15) existing KPJ Shares held. Fractions of a Rights Share and New Warrant will be disregarded and shall be dealt with in such manner as our Board in its absolute discretion deem fit and expedient, and to be in the best interests of our Company.

If acceptance and payment for the Provisional Allotment by you and/or your renounee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m. on 13 January 2014**, being the last date and time for acceptance and payment for the Provisional Allotment, or any other extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated time and date at its discretion, you and/or your renounee(s) (if applicable) will be deemed to have declined the Provisional Allotment made to you and/or your renounee(s) and it will be cancelled. Such Rights Shares with New Warrants not taken up will be allotted to the applicants applying for excess Rights Shares with New Warrants, and subsequently, to the Joint Underwriters, if the Rights Shares with New Warrants are not fully taken up by such applicants. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserves the right not to accept or to accept any application in full or in part only without providing any reasons.

You and/or your renounee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our registered office.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN "RM" FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH NEW WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "KPJ RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE.**

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES WITH NEW WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM OR THEIR RENOUNCEE(S) (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

### **3.5 Procedure for part acceptance**

You are entitled to accept part of your Provisional Allotment. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share for every fifteen (15) existing KPJ Shares held.

You must complete Part I(A) and Part II of the RSF by specifying the number of Rights Shares with New Warrants which you are accepting and deliver the completed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in **Section 3.4** of this AP.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

The portion of the Provisional Allotment that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the Provisional Allotment who have made excess application(s) as set out in **Section 3.8** of this AP and the balance, if any, thereafter to the Joint Underwriters.

### **3.6 Procedures for sale or transfer of Provisional Allotment**

As the Provisional Allotment are prescribed securities, you may sell or transfer all or part of your entitlement to the Rights Shares with New Warrants to one (1) or more person(s) through your stockbroker for the period up to the last date and time for sale or transfer of such Provisional Allotment, without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose all or part of your entitlement to the Rights Shares with New Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Allotment, you and/or your renounee(s) (if applicable) need not deliver any document including the RSF, to your stockbroker. However, you and/or your renounee(s) (if applicable) must ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

If you have sold or transferred only part of your Provisional Allotment, you may still accept the balance of your Provisional Allotment by completing the RSF. Please refer to **Section 3.4** of this AP for the acceptance and payment.

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this AP and the RSF from his/her/their stockbrokers, or from our Share Registrar as stated above. This AP and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

### **3.7 Procedure for acceptance by renounee(s)**

Renounee(s) who wish to accept the Provisional Allotment must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our registered office or from the Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance to our Share Registrar for the Rights Issue in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Section 3.4** of this AP also applies to renounee(s) who wish to accept the Provisional Allotment.

**RENOUNEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF CAREFULLY.**

### **3.8 Procedure for excess application**

As an Entitled Shareholder, you and/or your renounee(s) (if applicable) may apply for excess Rights Shares with New Warrants in addition to the Provisional Allotment to you and/or your renounee(s) by completing Part I(B) of the RSF (in addition to Part I(A) and II) and forward it (together with a separate remittance in "RM" for the full amount payable in respect of the excess Rights Shares with New Warrants applied for) to our Share Registrar at the address set out above, so as to arrive **not later than 5.00 p.m. on 13 January 2014**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

**PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED ABOVE, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "KPJ EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE.**

Our Board reserves the right to allot the excess Rights Shares with New Warrants applied for under Part I(B) of the RSF, in a fair and equitable basis and in such manner as they deem fit and expedient. As such, it is the intention of our Board to allot the excess Rights Shares with New Warrants in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with New Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for excess Rights Shares with New Warrants, on a pro-rata basis and in board lots calculated based on the quantum of their respective excess Rights Shares with New Warrants applied for;
- (iv) fourthly, for allocation to transferee(s) and/or renounee(s) who have applied for excess Rights Shares with New Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights Shares with New Warrants applied for; and
- (v) in the event that there are still unsubscribed Rights Shares with New Warrants after allocating all the excess Rights Shares with New Warrants applied for, the remaining unsubscribed Rights Shares with New Warrants will be subscribed by the Joint Underwriters in accordance with the terms and conditions as set out in the Underwriting Agreement.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with New Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board set out in **Section 3.8(i)-(v)** of this AP are achieved. Our Board also reserves the right to accept any application for excess Rights Shares with New Warrants, in full or in part, without assigning any reason.

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH NEW WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SHARES WITH NEW WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH NEW WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH NEW WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.**

### **3.9 Form of issuance**

Bursa Securities has prescribed KPJ Shares and the New Warrants listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and New Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares and New Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificate shall be issued to you under the Rights Issue. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last time and date for acceptance and payment of the Rights Issue.

Where the Rights Shares with New Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing KPJ Shares standing to the credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Rights Shares with New Warrants shall mean that you consent to receive such Provisional Rights Shares with New Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

Any person who has purchased the Provisional Allotment or whom the Provisional Allotment has been transferred and intends to subscribe for the Rights Shares with New Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares and the Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issuance.

The excess Rights Shares with New Warrants, if allotted to the successful applicant who applied for excess Rights Shares with New Warrants, will be credited directly as prescribed securities into his CDS Account. The allocation of the excess Rights Shares with New Warrants will be made on a fair and equitable basis as disclosed in **Section 3.8** of this AP.

### **3.10 Laws of foreign jurisdictions**

This AP, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign country or jurisdiction.



The foreign Entitled Shareholders and/or their renouncee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. RHB Investment Bank, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are or may be subject to.

The foreign Entitled Shareholders and/or their renouncee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. RHB Investment Bank, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

Accordingly, this AP, and the accompanying NPA and RSF will not be sent to the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or their renouncee(s) (if applicable) may collect this AP including the accompanying NPA and RSF from our Share Registrar for the Rights Issue, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents relating to the Rights Issue.

The foreign Entitled Shareholders or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/or RHB Investment Bank in respect of their rights and entitlements under the Rights Issue. Such foreign Entitled Shareholders and/or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing any of the forms accompanying this AP, the NPA, and the RSF, the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHB Investment Bank, other experts, our Company and our Board and officers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders and/or renouncee(s) (if applicable) are or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;
- (iii) the foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

- (iv) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) are aware that the Rights Shares with New Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renounee(s) (if applicable) have received a copy of this AP, and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with New Warrants; and
- (vi) the foreign Entitled Shareholders and/or their renounee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with New Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with New Warrants.

Persons receiving this AP, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this AP, NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with New Warrants from any such application by foreign Entitled Shareholders and/or their renounee(s) (if applicable) in any foreign country or jurisdiction.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with New Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

#### **4. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE**

The rationale for the Rights Issue is as follows:-

- (i) The Rights Issue will enable our Company to raise funds without incurring interest cost, as compared to bank borrowings. The funds raised will be utilised for the purposes highlighted in **Section 5** of this AP, which are expected to contribute positively towards the future earnings of our Group;
- (ii) The Rights Issue will provide our shareholders with the opportunity to increase their equity participation in our Company at an attractive discount to the prevailing market price;
- (iii) To raise equity capital for our Company and strengthen our capital base, reduce our Group's gearing ratio as well as to potentially increase our market capitalisation; and
- (iv) The free New Warrants attached to the Rights Shares are expected to provide our shareholders with an incentive to subscribe for the Rights Shares. It would enable the Entitled Shareholders to benefit from the future growth of our Company and any potential capital appreciation arising therefrom. Our Company would then be able to raise further proceeds as and when any of the New Warrants are exercised.

## 5. UTILISATION OF PROCEEDS

The Rights Issue is expected to raise gross proceeds of up to approximately RM123.11 million based on the issue price of RM2.80 per Rights Share. The gross proceeds are expected to be utilised by our Group in the following manner:-

Details of utilisation	Minimum Scenario (RM)	Maximum Scenario (RM)	Timeframe for the utilisation of proceeds
Business expansion <sup>(1)</sup>	80,000,000	80,000,000	Within 36 months
Repayment of borrowings <sup>(2)</sup>	35,000,000	35,000,000	Within 12 months
Working capital <sup>(3)</sup>	4,139,436	5,112,825	Within 12 months
Estimated expenses for the Bonus Issue and Rights Issue <sup>(4)</sup>	3,000,000	3,000,000	Within 3 months
<b>Total</b>	<b>122,139,436</b>	<b>123,112,825</b>	

### Notes:-

- (1) Our Company intends to utilise part of the proceeds to be raised from the Rights Issue to partly fund Phase 1 of the business expansion plan to construct a private specialist hospital located in Bandar Dato' Onn, Johor Bahru to be known as KPJ Bandar Dato' Onn Specialist Hospital ("KPJ BDO Specialist Hospital"). The construction of the KPJ BDO Specialist Hospital would involve three (3) phases. The construction of Phase 1 of KPJ BDO Specialist Hospital, which has a build-up area of approximately 280,000 square feet; has commenced in November 2013 and is expected to be completed in year 2016. As at the LPD, all the relevant approvals from the respective authorities in relation to the construction of Phase 1 of the KPJ BDO Specialist Hospital have been secured. The total development cost for Phase 1 of KPJ BDO Specialist Hospital, which will have a bed capacity of 150 is approximately RM250.0 million. The remaining development cost amounting to approximately RM170.0 million to be incurred by our Company for Phase 1 of KPJ BDO Specialist Hospital will be funded by our internally generated funds and/or bank borrowings. This newly constructed hospital which is strategically located in Bandar Dato' Onn within the Iskandar Region, South Johor area will be KPJ's first flagship Centre of Excellence providing niche services of oncology, cosmetic and reconstruction, orthopaedic, cardiology and geriatrics. Moving forward, this will enable our Group to provide more comprehensive healthcare facilities for local and foreign patients in the Iskandar Region.
- (2) As at the LPD, the total borrowings of our Group stood at approximately RM1.02 billion. Our Company intends to utilise RM35.0 million of the proceeds raised from the Rights Issue to repay part of our existing bank borrowings, as follows:-

Lender	Type of facility	Purpose	RM
RHB Bank Berhad	Overdraft	Working capital	7,000,000
CIMB Bank Berhad	Revolving credit	Working capital	22,100,000
Malayan Banking Berhad	Short term revolving credit	Working capital	5,900,000

Based on the average prevailing interest rate incurred by our Group of approximately 4.97%, such repayment is expected to result in an interest savings of approximately RM1.74 million per annum.

- (3) The proceeds to be raised from the Rights Issue have been earmarked to supplement the working capital requirements of our Group. The cash proceeds will be used to fund the day-to-day operations of our Group's on-going businesses and these expenses include, amongst others, the following:-

	Minimum Scenario RM	Maximum Scenario RM
<b>Operating expenses</b>		
Repair and maintenance expenses for medical equipments	3,500,000	3,500,000
General expenses (i.e. administrative expenses and salaries of Directors and employees under our Group)	639,436	1,612,825
<b>Total</b>	<b>4,139,436</b>	<b>5,112,825</b>

The breakdown of proceeds to be utilised for the working capital is merely an estimate at this juncture, the actual proceeds to be utilised for working capital may differ subject to the operating requirements of the our Group at the time of utilisation.

- (4) *If the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for working capital purposes.*

Pending the utilisation of proceeds from the Rights Issue for the above purposes, the proceeds will be deposited with financial institutions or short-term money market instruments.

The proceeds to be raised from the exercise of New Warrants would depend on the total number of New Warrants exercised during the tenure of the New Warrants. Such cash proceeds will be used for the working capital requirements of our Group.

## 6. RISK FACTORS

You and/or your renounee(s) (if applicable) should consider carefully, in addition to other information contained elsewhere in this AP, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

### 6.1 Risks relating to our operations and the industries we operate in

#### (i) Business and operational risks

The principal business activities of our Company are subject to certain risks inherent in the healthcare services industry. These risks include, but are not limited to, obsolescence of healthcare technologies, introduction of new technologies, new entrants offering similar services to those of our Group, shortage in the supply of medical personnel, changes in demographic patterns, changes in business and credit conditions, increase in operating costs, inflation, taxation and adverse changes in the legal and environment framework within which the industry operates.

Our Group seeks to manage and/or limit these risks through, amongst others, having prudent management policies, expansion to both domestic and regional markets, provision of appropriate, quality and timely medical treatments and services, expansion of service offerings and continued use of the latest medical technologies in the centres. However, there can be no assurance that any changes to these factors will not have a material adverse effect on the business and operations of our Group.

#### (ii) Competition

As a healthcare service provider, our Group faces continuous competition from other competitors located in Malaysia and overseas. Although our Group is well positioned to capitalise on our reputation as one of the leading healthcare service provider in Malaysia, there can be no assurance that our Group will be able to compete successfully in the future against existing or potential competitors, or that our business and prospects will not be adversely affected by increased competition.

Our Board will continue to leverage on the strategic location of our Group's hospital throughout Malaysia, which to a certain extent provides our Group with an edge over other healthcare providers. We will also continuously strive to improve our quality in terms of facilities, technology and professional standards, enhance our reputation and meeting customer expectations, and improving the skills and knowledge of our employees.

**(iii) Operating licence**

In order for our Group to operate hospitals in Malaysia, we are required to obtain certain licences and/or registrations with the Ministry of Health (“MOH”) and other relevant authorities. All these licences and registrations are only valid for a stipulated timeframe only. The said licences and registrations are all renewable, subject to the compliance with the relevant requirements and inspection imposed by MOH and other relevant authorities.

While we have not experienced any difficulty in renewing and maintaining these licences and registrations in the past, as and when required, there is no assurance that the relevant authorities will issue any required licences or registrations within the anticipated timeframe or without any new terms or conditions imposed in the future. There is also no assurance that future legislatives or regulatory policy changes will not affect our operations.

**(iv) Potential litigation and professional liability**

As a healthcare services provider, our Group is generally exposed to potential third party claims or litigation arising from the performance of the healthcare services that may not meet the expectations of the patients. As such our Group is susceptible to the risks of potential malpractice or negligence lawsuits, which may have material adverse effects on the professional standing and market reputation of our Group in relation to the quality of our services and standards of care, and the business of our Group.

Our Board is of the view that this risk is mitigated to a certain extent by measures taken to reinforce the highest safety standards and qualities to meet and exceed expectations of our patients. Our Group also has an existing professional indemnity insurance to cover any possible damages arising from malpractice or negligence suits.

**(v) Dependence on medical specialists, nurse and paramedics**

As our Group's core business is in the provision of healthcare and related services, one of the main assets of our Group lies in the skills of the medical specialists, nurses and paramedics who provide their services to our patients.

We currently leverage on our education arm and wholly-owned subsidiary, KPJ Healthcare University College (“KPJUC”) in our effort to attract and retain skilled medical specialists, nurses and paramedics. The roles and objectives of KPJUC are to nurture talented human capital for nurses and allied healthcare professionals to meet the needs of KPJ's existing hospitals. Presently, KPJUC has produced approximately 6,000 nurses and healthcare professionals with Degree, Diploma and post-graduate specialisation qualification. Our Board is of the view that the risk of a shortage of skilled medical specialists, nurses and paramedics is mitigated by graduates from KPJUC.

**(vi) Political, economic and regulatory risks**

The developments in political, economic and regulatory conditions in Malaysia and other countries where our Group has a business presence could materially affect the financial and business prospects of our Group, in particular, the business focus on medical tourism. The risks include the changes in political leadership, expropriation, nationalism, and changes in governmental policies such as interest rates, tax rates, and currency exchange rules and controls.

Our Group will continue to take measures to mitigate these risks including close monitoring of the government's plans in respect of long-term economic and development policies, so as to stay ahead as well as capitalise on any incentives and regulatory changes in the industry in which our Group operates. Nevertheless, there can be no assurance that any changes to the political, economic and regulatory factors will not have a material and adverse effect on our Group's business and financial performance.

## **6.2 Risks relating to the Rights Issue**

### **(i) Market risks**

The market price of our Shares is influenced by, amongst others, the prevailing market sentiments, the liquidity of our Shares, the volatility of the equity markets, the outlook of the industries which we operate in, the movements in interest rates and our financial performance. As such, there can be no assurance that the market price of our Shares will trade at or above the issue price of the Rights Shares or the theoretical ex-all price (after taking into account the Bonus Issue) of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

Shareholders should also consider carefully that each New Warrant derives its value from giving its holder the right to subscribe for new KPJ Shares at a predetermined exercise price over the exercise period. The New Warrants have a finite lifespan during which time the holders can exercise the subscription rights comprised in the New Warrant. If the sum of the price of the New Warrants as quoted on Bursa Securities and the exercise price of the New Warrants is higher than the market price of KPJ Shares, the New Warrants are deemed to be 'out-of-the-money'. The value of the Warrants is directly related to the market price of KPJ Shares. The higher the market price of KPJ Shares exceeds the exercise price of the New Warrants, the higher the value of the New Warrants will be. Shareholders are reminded, however, that other factors may also affect the market price of our New Warrants or the market price of our Shares. Other than the fundamentals of our Group, the future price performance of the New Warrants will also depend on various external factors as mentioned above.

Accordingly, there can be no assurance that the market price of our Rights Shares and New Warrants will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the New Warrants.

### **(ii) Delay in or abortion of the implementation of Rights Issue**

The Rights Issue is exposed to the risk that it may be delayed or aborted on the occurrence of any one (1) or more of the following events:-

- (a) material adverse change of events/circumstances, such as changes in inflation rates, interest rates, political leadership and unfavourable changes in the governments' policies such as taxation and licensing regulations as well as other force majeure events, which are beyond the control of our Company and RHB Investment Bank, arising prior to or during the implementation of the Rights Issue;
- (b) our Company may not be able to perform our obligations under the Underwriting Agreement and/or to meet the conditions precedent set out in the Underwriting Agreement;

- (c) the Joint Underwriters discharges their obligations under the Underwriting Agreement in the event that the terms and conditions in the Underwriting Agreement have not been fulfilled; and
- (d) the parties set out in **Section 9** of this AP who have given their irrevocable undertakings to subscribe in full for its respective Rights Shares entitlement on the Entitlement Date may not fulfil or be able to fulfil their obligations.

In this respect, our Company will endeavour to ensure the successful listing of the Rights Shares and the New Warrants. However, there can be no assurance that the abovementioned events will not occur or cause a delay in or abortion of the Rights Issue.

In the event the Rights Issue is aborted, our Company will repay without interest all monies received from the applicants and if such monies are not repaid within fourteen (14) days after it becomes liable, we will repay such monies with interest at the rate of ten percent (10%) per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

**(iii) Potential dilution in shareholding**

Entitled Shareholders who do not and are not able to accept their Provisional Allotment will have their proportionate ownership and voting interest in our Company reduced and the percentage of our enlarged issued and paid-up share capital represented by their holdings of our Shares will also be reduced accordingly. Pursuant thereto, their proportionate entitlement to any dividends, rights, allotments and/or other distributions that we may declare, make or pay will correspondingly be diluted.

**6.3 Forward-looking statements**

Certain statements in this AP are based on historical information, which may not be reflective of the future results, whilst others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this AP are based on forecasts and assumptions made by our Group, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In view of these and other uncertainties, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

## 7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

### 7.1 Malaysia and the Global Economy

The Malaysian economy recoded a stronger growth of 5.0% in the third quarter (second quarter ("2Q") 2013: 4.4%). Domestic demand remained the key driver of growth, expanding by 8.3% (2Q 2013: 7.4%), while exports turned around to grow by 1.7% (2Q 2013: -5.2%). On the supply side, most major sectors expanded further in the third quarter, supported by the continued strength in domestic demand and the improvement in trade activity. The moderate expansion in the global economy in the third quarter supported the recovery in exports.

The services sector expanded by 5.9% in the third quarter (2Q 2013: 5.0%), supported by domestic demand and an improvement in trade and manufacturing activities. Growth in the wholesale and retail trade sub-sector was higher at 5.9% (2Q 2013: 5.0%), driven mainly by the retail segment from higher household spending. Meanwhile, the wholesale segment improved, in tandem with higher trade activity. These factors also supported the higher growth in transportation and storage sub-sector (5.1%; 2Q 2013: 4.2%).

The domestic financial system remained resilient throughout the third quarter, despite the increased volatility in global and domestic financial markets. Domestic financial intermediation continued to be well-supported by sound financial institutions, orderly financial market conditions and sustained confidence in the financial system.

For the Malaysian economy, the gradual recovery in the external sector will support growth. Domestic demand from the private sector will remain supportive of economic activity amid the continued consolidation of the public sector. The economy is therefore expected to remain on its steady growth trajectory.

The global economy continued to expand in the third quarter. In the advanced economies, emerging signs of improvements in economic growth suggested that a modest recovery is underway. Growth in Asia was sustained, albeit with some variation across the region. However, rising external risks, which to some extent compounded domestic vulnerabilities, prompted some monetary authorities in the region to adopt a tighter monetary policy stance to ease inflation and stabilise domestic currencies.

Global financial markets experienced increased volatility amid uncertainties over the direction of fiscal and monetary policies in the advanced economies. At the beginning of the quarter, major equity markets in the advanced economies improved due to better economic data releases in Europe. Growth in the United States of America ("US") economy was sustained in the third quarter of 2013 (1.6%, 2Q 2013: 1.6%). On a seasonally adjusted annualised basis, growth was higher at 2.8% (2Q 2013: 2.5%). The improvement was supported by higher private investment and a faster pace of private inventory accumulation.

Going forward, emerging signs of a recover in the US and euro area will provide some support to overall global growth. However, uncertainties surrounding the fiscal and monetary policy adjustments in the advanced economies present downside risks to the global economy. While global policy spill overs may impact Asia, growth will continue to be supported by domestic demand, and underpinned by sound macroeconomic fundamentals and policy flexibility.

*(Source: Economic and Financial Developments in Malaysia in the Third Quarter 2013, Bank Negara Malaysia)*

### 7.2 Industry Outlook

In Malaysia, the sector is, in addition to being the key deliverers of healthcare, is also one of the leading drivers of economic growth. Changing demographics, a more affluent society and more health-conscious lifestyles have led to the creation of a robust domestic industry.



There are clear signs that indicate that the advancement and development of the healthcare industry in Malaysia is necessary and compulsory with a vast potential for greater development, setting in motion, the Healthcare National Key Economic Area (“NKEA”). The primary goal of the Healthcare NKEA is to facilitate the development of Malaysia’s healthcare sector by identifying and supporting collaborative efforts between the public and private healthcare providers. These initiatives are further supported by the Ministry of Health of Malaysia (“MoH”), which is directly responsible for the growth of the industry. In doing so, the MoH will expand beyond its current roles of being the main healthcare service provider and sector regulator.

Both the Government and private sector providers play important roles in the nation’s healthcare sector. While the Government, with its commitment to universal access, subsidises Government hospitals and clinics throughout the nation, enabling affordable quality healthcare to all, the private sector, meanwhile, runs the gamut in terms of affordability, and helps by providing access to more healthcare services for those who can afford to pay and thus, reducing the burden of the Government. The public and private sectors thus work together to offer a comprehensive range of medical services, while ensuring that all the community has equitable access regardless of background. Private sector healthcare is a significant driver of economic growth in this sector, and has quickly become a crucial segment in Malaysia’s overall economy. The NKEA thus places special emphasis on encouraging greater private sector participation in healthcare to further drive growth.

On another note, the medical devices industry is experiencing a healthy growth as there is strong uptake from the private sector. As a result, the Medical Devices Business Opportunity was upgraded into seven (7) entry points projects (“EPP(s)”) in 2012, receiving investments from six (6) private sector companies. To ensure the safety of devices marketed in Malaysia, the Medical Device Authority was set up in August 2012 as a statutory body entrusted to enforce and implement the Medical Device Act 2012 (Act 737). These EPPs are expected to further transform the healthcare industry in Malaysia into a vibrant and holistic sector, emphasising quality service and comprehensive delivery for all Malaysians.

A new tax incentive by the Government was put in place to encourage local investors to take part in the health travel business, and for existing operators to expand and upgrade their facilities to further attract foreign patients. One of the main challenges of this EPP is to place Malaysia on par with the rest of the countries involved in health travel. While competitive in service, Malaysia has lagged behind its neighbouring ASEAN countries which developed their health travel markets much earlier.

The Malaysia Healthcare Tourism Council (“MHTC”) will develop and continue to carry out intensive promotional efforts to existing and new target markets. The Malaysia International Healthcare Travel Expo will now be an annual affair as an important event in the healthcare travel industry. The MHTC will be working extensively with the relevant organisations to develop outreach programmes for healthcare travel as well as continue to create awareness on Malaysia’s advancing healthcare infrastructure.

Another key highlight for the year was the Seniors’ Living (Aged Care) lab which took place in September 2012 to review the aged care sector. The lab sought ways to transform the sector into a recognised part of the healthcare industry, which will in turn see the development of an ecosystem for senior citizens in the high and middle-income brackets. The outcomes of the lab were focused on three areas – Retirement Villages, Mobile Healthcare Services and Institutional Care.

*(Source: Annual Report 2012, Economic Transformation Programme, Jabatan Perdana Menteri)*

### 7.3 Future prospects of our Group

Given the strong demand for quality healthcare services, all our existing twenty-three (23) hospitals in Malaysia are running at close to full capacity. These hospitals in Malaysia are at various stages of development to cater to the rising demand for high quality hospital facilities, which is in tandem with the growing middle-income population in key markets where we have our footprint. We will continue to set our sights on growing our network, expertise and expanding our existing capacity by diversifying regionally. Our Group will also continue to enhance our operational efficiencies, empower our people, as well as to embrace new skills, processes and technologies to further complement our existing businesses.

We will continue to strengthen our presence in Malaysia and regionally by continually building our capacity through the expansion of existing hospitals as well as building new hospitals. At this moment, we are focusing on the development of eight (8) new hospitals nationwide, namely the KPJ Sabah Specialist Hospital, KPJ Pahang Specialist Hospital, KPJ BDO Specialist Hospital, KPJ Perlis Specialist Hospital, KPJ Muar Specialist Hospital, KPJ Rawang Specialist Hospital, KPJ Klang Bayu Emas Specialist Hospital and KPJ Miri Specialist Hospital. Four (4) of these hospitals, namely KPJ Sabah Specialist Hospital, KPJ Pahang Specialist Hospital, KPJ BDO Specialist Hospital and KPJ Perlis Specialist Hospital have been identified for development under the Healthcare NKEA and this bodes well for our performance moving forward, particularly on the medical tourism front. Our Group's continuous expansion programmes will to a certain extent, ensure our long term profitability.

The domestic private healthcare industry is expected to register healthy demand growth of between 8% and 10% per annum due to the growing awareness of healthcare standards and an overloaded public healthcare system. These developments augur well for us and we are putting the necessary building blocks in place to tap into the potential of this lucrative market segment, in particular, Phase 1 of the new KPJ BDO Specialist Hospital which is targeted to be launched in year 2016. KPJ BDO Specialist Hospital will offer oncology, cosmetic and reconstruction, orthopaedic, cardiology and geriatrics services at competitive prices to cater to the more price-sensitive foreign community from Singapore. Subsequent phases of KPJ BDO Specialist Hospital will be undertaken upon the completion of Phase 1. At this juncture, we have not finalised the development plans for Phase 2 and 3. However, it is expected that when all three (3) phases are fully completed, the total bed capacity of KPJ BDO Specialist Hospital will rise to approximately 390 beds within a built-up area of approximately 500,000 square feet.

We undertook several initiatives to strengthen our international footprint, which includes the acquisition of an 80% equity stake in PT Khidmat Perawatan Jasa Medika which owns Rumah Sakit Medika Permata Hijau in Indonesia and a 23.4% equity stake in Vejthani Public Company Limited which owns the Vejthani Hospital in Thailand. Recently, we have also entered into an agreement to lease and operate a 250-bed hospital building in Bangladesh for a period of ten (10) years which is extendable for another five (5) years. Our Board envisages that our presence in Indonesia, Thailand and Bangladesh will auger well for KPJ's business and contribute positively to the future earnings of our Group.

We continue to make good inroads into the Aged Care and Retirement sector via our equity interest in Jeta Gardens (Qld) Pty Ltd ("JGQPL"). Through JGQPL, we own and operate Jeta Gardens – Australia's first retirement village and aged care resort located on a 64-acre property in Queensland, Australia. The Jeta Gardens venture has enhanced our Group's range of services, and provides us with an additional source of income. Jeta Gardens has embarked on a development programme to meet the challenges of a growing retired and aged multicultural community in Australia. Currently, Jeta Gardens is in the process of constructing an age care facility in the retirement village which will have a bed capacity of 78 beds and is targeted to be completed by June 2014.

Moving forward, we will continue to allocate the necessary resources in tandem with market demand to ensure that the needs of our local and international patients are satisfactorily met, and will ensure a sustainable pathway for growth.

(Source: Management)

## 8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The effects of the Rights Issue on our Company's issued and paid-up share capital, NA and gearing, consolidated earnings and EPS, and substantial shareholders' shareholdings are set out below:-

### 8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue on the issued and paid-up share capital of our Company are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued and paid-up share capital as at the LPD	654,388,411	327,194,206	654,388,411	327,194,206
<i>Less: Treasury Shares</i>	<i>(70,000)</i>	<i>(35,000)</i>	-	-
	<b>654,318,411</b>	<b>327,159,206</b>	<b>654,388,411</b>	<b>327,194,206</b>
<i>KPJ Shares to be issued assuming full exercise of the Outstanding Warrants</i>	-	-	5,144,583	2,572,292
	<b>654,318,411</b>	<b>327,159,206</b>	<b>659,532,994</b>	<b>329,766,498</b>
<i>Bonus Shares to be issued pursuant to the Bonus Issue</i>	327,159,206	163,579,603	329,766,497	164,883,249
	<b>981,477,617</b>	<b>490,738,809</b>	<b>989,299,491</b>	<b>494,649,747</b>
<i>Rights Shares to be issued pursuant to the Rights Issue</i>	43,621,227	21,810,614	43,968,866	21,984,433
	<b>1,025,098,844</b>	<b>512,549,423</b>	<b>1,033,268,357</b>	<b>516,634,180</b>
<i>KPJ Shares to be issued assuming full exercise of the New Warrants</i>	87,242,454	43,621,227	87,937,732	43,968,866
<b>Enlarged issued and paid-up share capital</b>	<b>1,112,341,298</b>	<b>556,170,650</b>	<b>1,121,206,089</b>	<b>560,603,046</b>

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## 8.2 NA and gearing

Based on our audited consolidated balance sheet as at 31 December 2012 and on the assumption that the Bonus Issue and Rights Issue had been effected as at that date, the proforma effects of the Bonus Issue and Rights Issue on the consolidated NA and gearing of our Group are as follows:-

	Audited as at 31 December 2012 (RM'000)	Proforma I (3) Adjustments for subsequent events (RM'000)	Proforma II After Proforma I and the Bonus Issue (RM'000)	Proforma III After Proforma II and the Rights Issue (RM'000)	Proforma IV After Proforma III and assuming full exercise of the New Warrants (RM'000)
<b>Minimum Scenario</b>					
Share capital	323,091	327,194	490,774	512,584	556,206
Share premium	147,288	157,136	5,022	(5) 43,409	(9) 411,572
Merger reserve	(3,367)	(3,367)	(3,367)	(3,367)	(3,367)
Exchange reserve	(25)	(25)	(25)	(25)	(25)
Revaluation reserve	50,415	50,415	50,415	50,415	50,415
Warrants reserve	-	-	-	(6) 61,942	-
Retained earnings	518,546	453,302	441,836	(7) 438,836	438,836
Treasury Shares	(23)	(363)	(363)	(363)	(363)
<b>Shareholders' equity/NA</b>	<b>1,035,925</b>	<b>984,291</b>	<b>984,291</b>	<b>1,103,430</b>	<b>1,453,273</b>
Non-controlling interest	67,528	67,528	67,528	67,528	67,528
<b>Total equity</b>	<b>1,103,453</b>	<b>1,051,819</b>	<b>1,051,819</b>	<b>1,170,958</b>	<b>1,5520,801</b>
No. of KPJ Shares ('000)	(2) 646,172	(4) 654,318	(4) 981,478	(4) 1,025,099	(4) 1,112,341
<b>NA per KPJ Share (RM)</b>	<b>1.60</b>	<b>1.50</b>	<b>1.00</b>	<b>1.08</b>	<b>1.31</b>
Borrowings	592,096	592,096	592,096	(8) 557,096	557,096
<b>Gearing (times) (1)</b>	<b>0.54</b>	<b>0.56</b>	<b>0.56</b>	<b>0.48</b>	<b>0.37</b>

### Notes:-

- (1) Calculated based on total borrowings divided by total equity.
- (2) Adjusted for the 70,000 Treasury Shares retained by our Company as at 31 December 2012.
- (3) Adjustments for the exercise of 8,206,825 Warrants 2010/2015 from 1 January 2013 up to the LPD, additional 60,000 KPJ Shares bought-back by our Company and retained as Treasury Shares on 11 January 2013, 4<sup>th</sup> interim dividend for the FYE2012 of approximately RM26.01 million, which was paid on 18 April 2013 ("4<sup>th</sup> Interim Dividend 2012"), 1<sup>st</sup> interim dividend for the FYE2013 of approximately RM13.06 million, which was paid on 19 July 2013 ("1<sup>st</sup> Interim Dividend 2013"), 2<sup>nd</sup> interim dividend for the FYE2013 of approximately RM13.08 million, which was paid on 18 October 2013 ("2<sup>nd</sup> Interim Dividend 2013") and the 3<sup>rd</sup> interim dividend for the FYE2013 of approximately RM13.09 million, which will be paid on 10 January 2014 ("3<sup>rd</sup> Interim Dividend 2013").
- (4) Adjusted for the 70,000 Treasury Shares retained by our Company as at the LPD.
- (5) Based on the issue price of RM2.80 per Rights Share.
- (6) After adjusting for the theoretical fair-value of RM0.71 per New Warrant, which was arrived at using the Black-Scholes option pricing model and capitalised from the share premium.
- (7) After deducting estimated expenses of RM3,000,000 incurred in relation to the Bonus Issue and Rights Issue.
- (8) Assuming the repayment of bank borrowings of RM35.0 million derived from the proceeds of the Rights Issue as disclosed in Section 5 of this AP.
- (9) Based on the exercise price of RM4.01 per New Warrant and the transfer of the entire warrant reserve to the share premium upon conversion of all the New Warrants.

Maximum Scenario	Audited as at 31 December 2012 (RM'000)	Proforma I (3) Adjustments for subsequent events (RM'000)	Proforma II After Proforma I and assuming all Treasury Shares are resold and full exercise of the Outstanding Warrants (RM'000)	Proforma III After Proforma II and the Bonus Issue (RM'000)	Proforma IV After Proforma III and the Rights Issue (RM'000)	Proforma V After Proforma IV and assuming full exercise of the New Warrants (RM'000)
Share capital	323,091	327,194	329,766	494,649	516,634	560,603
Share premium	147,288	157,136	163,310	5,022	(9)43,714	(9)414,811
Merger reserve	(3,367)	(3,367)	(3,367)	(3,367)	(3,367)	(3,367)
Exchange reserve	(25)	(25)	(25)	(25)	(25)	(25)
Revaluation reserve	50,415	50,415	50,415	50,415	50,415	50,415
Warrants reserve	-	-	-	-	(6)62,436	-
Retained earnings	518,546	453,302	453,302	446,707	(7)443,707	443,707
Treasury Shares	(23)	(363)	-	-	-	-
<b>Shareholders' equity/NA</b>	<b>1,035,925</b>	<b>984,292</b>	<b>993,401</b>	<b>993,401</b>	<b>1,113,514</b>	<b>1,466,144</b>
Non-controlling interest	67,528	67,528	67,528	67,528	67,528	67,528
<b>Total equity</b>	<b>1,103,453</b>	<b>1,051,714</b>	<b>1,060,929</b>	<b>1,060,929</b>	<b>1,181,042</b>	<b>1,533,672</b>
No. of KPJ Shares ('000)	(2)646,172	(4)654,318	659,533	989,299	1,033,268	1,121,206
<b>NA per KPJ Share (RM)</b>	<b>1.60</b>	<b>1.50</b>	<b>1.51</b>	<b>1.00</b>	<b>1.08</b>	<b>1.31</b>
Borrowings	592,096	592,096	592,096	592,096	(8)557,096	557,096
<b>Gearing (times) (1)</b>	<b>0.54</b>	<b>0.56</b>	<b>0.56</b>	<b>0.56</b>	<b>0.47</b>	<b>0.36</b>

**Notes:-**

- (1) Calculated based on total borrowings divided by total equity.
- (2) Adjusted for the 10,000 Treasury Shares retained by our Company as at 31 December 2012.
- (3) Adjustments for the exercise of 8,206,825 Warrants 2010/2015 from 1 January 2013 up to the LPD, additional 60,000 KPJ Shares bought-back by our Company and retained as Treasury Shares on 11 January 2013, 4<sup>th</sup> Interim Dividend 2012, 1<sup>st</sup> Interim Dividend 2013, 2<sup>nd</sup> Interim Dividend 2013 and the 3<sup>rd</sup> Interim Dividend 2013.
- (4) Adjusted for the 70,000 Treasury Shares retained by our Company as at the LPD.
- (5) Based on the issue price of RM2.80 per Rights Share.
- (6) After adjusting for the theoretical fair-value of RM0.71 per New Warrant, which was arrived at using the Black-Scholes option pricing model and capitalised from the share premium.
- (7) After deducting estimated expenses of RM3,000,000 incurred in relation to the Bonus Issue and Rights Issue.
- (8) Assuming the repayment of bank borrowings of RM35.0 million derived from the proceeds of the Rights Issue as disclosed in Section 5 of this AP.
- (9) Based on the exercise price of RM4.01 per New Warrant and the transfer of the entire warrant reserve to the share premium upon conversion of all the New Warrants.

### 8.3 Substantial shareholders' shareholdings

For illustrative purposes, the proforma effects of the Bonus Issue and the Rights Issue on the substantial shareholders' shareholdings in our Company are set out below:-

#### Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
JCorp	228,427,980	34.91	<sup>(3)</sup> 66,663,477	10.19	342,641,970	34.91	<sup>(3)</sup> 99,995,215	10.19
WANCorp	46,687,602	7.14	-	-	70,031,403	7.14	-	-
EPF	79,672,874	12.18	<sup>(4)</sup> 2,887,800	0.44	119,509,311	12.18	<sup>(4)</sup> 4,331,700	0.44
LTH	54,924,900	8.39	-	-	82,387,350	8.39	-	-

  

Substantial shareholders	Proforma II <sup>(2)</sup> After Proforma I and the Rights Issue				Proforma III <sup>(2)</sup> After Proforma II and assuming full exercise of the New Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
JCorp	357,870,502	34.91	<sup>(3)</sup> 104,439,443	10.19	388,327,566	34.91	<sup>(3)</sup> 113,327,904	10.19
WANCorp	73,143,909	7.14	-	-	79,368,922	7.14	-	-
EPF	124,820,835	12.18	<sup>(4)</sup> 4,524,220	0.44	135,443,884	12.18	<sup>(4)</sup> 4,909,260	0.44
LTH	86,049,010	8.39	-	-	93,372,330	8.39	-	-

#### Notes:-

- (1) Excluding 70,000 Treasury Shares held by our Company as at the LPD.
- (2) Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.
- (3) Deemed interested by virtue of its shareholdings through RHB Nominees (Tempatan) Sdn Bhd, WANCorp, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Sindora Berhad, Perbadanan Johor (Skim Prishahatin) and Johor Land Berhad pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of its shareholdings through Citigroup Nominees (Tempatan) Sdn Bhd.

**Maximum Scenario**

Substantial shareholders	Shareholdings as at the LPD				Proforma I Assuming all Treasury Shares are resold and full exercise of the Outstanding Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	%	No. of Shares	%
JCorp	228,427,980	34.91	<sup>(3)</sup> 66,663,477	10.19	228,440,480	34.64	<sup>(3)</sup> 66,761,195	10.12
WANCorp	46,687,602	7.14	-	-	46,687,602	7.08	-	-
EPF	79,672,874	12.18	<sup>(4)</sup> 2,887,800	0.44	79,672,874	12.08	<sup>(4)</sup> 2,887,800	0.44
LTH	54,924,900	8.39	-	-	54,924,900	8.33	-	-

Substantial shareholders	Proforma II After Proforma I and the Bonus Issue				Proforma III <sup>(2)</sup> After Proforma II and the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
JCorp	342,660,720	34.64	<sup>(3)</sup> 100,141,792	10.12	357,890,085	34.64	<sup>(3)</sup> 104,592,534	10.12
WANCorp	70,031,403	7.08	-	-	73,143,909	7.08	-	-
EPF	119,509,311	12.08	<sup>(4)</sup> 4,331,700	0.44	124,820,835	12.08	<sup>(4)</sup> 4,524,220	0.44
LTH	82,387,350	8.33	-	-	86,049,010	8.33	-	-

Substantial shareholders	Proforma IV <sup>(2)</sup> After Proforma III and assuming full exercise of the New Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
JCorp	388,348,815	34.64	<sup>(3)</sup> 113,494,024	10.12
WANCorp	79,368,922	7.08	-	-
EPF	135,443,884	12.08	<sup>(4)</sup> 4,909,260	0.44
LTH	93,372,330	8.33	-	-

**Notes:-**

- (1) *Excluding 70,000 Treasury Shares held by our Company as at the LPD.*
- (2) *Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.*
- (3) *Deemed interested by virtue of its shareholdings through RHB Nominees (Tempatan) Sdn Bhd, WANCorp, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Sindora Berhad, Perbadanan Johor (Skim Prishatin) and Johor Land Berhad pursuant to Section 6A of the Act.*
- (4) *Deemed interested by virtue of its shareholdings through Citigroup Nominees (Tempatan) Sdn Bhd.*

**8.4 Earnings and EPS**

The Rights Issue is expected to contribute positively to the future earnings of our Group for the FYE 31 December 2014, as a result of the injection of fresh funds for the purposes set out in **Section 5** of this AP and when the benefits of the utilisation of proceeds are realised.

However, there may be a corresponding dilution in our Group's EPS as a result of the increase in the number of our Shares arising from the Rights Issue. In addition, the EPS of our Company in the future may be diluted as a result of the increase in the number of KPJ Shares in issue as and when the New Warrants are exercised into new KPJ Shares.

Nevertheless, our Board is of the view that the enlarged issued and paid-up share capital is reflective of the future earnings prospects of our Group.

**8.5 Convertible securities**

As at the LPD, save for the 5,144,583 Outstanding Warrants, we do not have any other convertible securities.

The Bonus Issue and Rights Issue will give rise to adjustments to the exercise price and/or number of Warrants 2010/2015 pursuant to the Deed Poll 2009 ("**Adjustments**"). The Adjustments will be made in accordance with the provisions of the Deed Poll 2009 to mitigate any potential equity dilution resulting from the Bonus Issue and Rights Issue to ensure that the status of the existing warrant holders holding Warrants 2010/2015 are not prejudiced after the Bonus Issue and Rights Issue.

Any necessary Adjustments arising from the Bonus Issue and Rights Issue in relation to the Outstanding Warrants will be finalised on the Entitlement Date.

The details of the Adjustments to the exercise price and number of Warrants 2010/2015 will be announced on the Entitlement Date and shall be set out in a notice of Adjustments to the holders of Warrants 2010/2015. The notice of Adjustments shall be despatched to warrant holders within twenty-one (21) days of such Adjustments.

The Additional Warrants to be issued shall upon allotment and issue, rank *pari passu* in all respects with the Warrants 2010/2015. For avoidance of doubt, the Additional Warrants to be issued shall be identical in all respects with the Warrants 2010/2015, such that it shall be consolidated to form the same series with the Warrants 2010/2015 and shall be governed by the same terms and conditions as constituted by the Deed Poll 2009.

All the new KPJ Shares to be issued arising from the exercise of the Additional Warrants will, upon the allotment and issue, rank *pari passu* in all respects with the existing KPJ Shares, save and except that the new KPJ Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issue of the new KPJ Shares.



The Company has obtained the approval-in-principle from Bursa Securities, vide its letter dated 11 October 2013, for the listing of and quotation for the Additional Warrants and the new KPJ Shares to be issued arising from the exercise of the Additional Warrants on the Main Market of Bursa Securities.

## 9. IRREVOCABLE UNDERTAKING AND UNDERWRITING AGREEMENT

### 9.1 Undertaking

On 20 December 2013, our Company has procured written irrevocable undertakings from JCorp (including undertakings for its subsidiaries as disclosed below) and WANCorp, being the substantial shareholders of KPJ, to subscribe in full for its respective Rights Shares entitlement on the Entitlement Date for the Rights Issue.

The details of the irrevocable undertakings are set out below:-

Substantial shareholders	Shareholdings as at 28 October 2013		Total Rights Shares to be subscribed pursuant to the irrevocable undertakings		<sup>(4)</sup> Funding required RM
	No. of Shares	<sup>(1)</sup> %	No. of Shares	<sup>(3)</sup> %	
JCorp	<sup>(2)</sup> 246,441,855	37.66	16,429,457	37.37	46,002,480
WANCorp	46,687,602	7.14	3,112,506	7.08	8,715,017
	<b>293,129,457</b>	<b>44.80</b>	<b>19,541,963</b>	<b>44.45</b>	<b>54,717,497</b>

**Notes:-**

- (1) Excluding 70,000 KPJ Shares held as Treasury Shares by our Company as at the LPD.
- (2) Including KPJ Shares held through Johor Ventures Sdn Bhd, RHB Nominees (Tempatan) Sdn Bhd for JCorp and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Tenaga Utama (J) Berhad, Perbadanan Johor (Skim Prishatin) and Johor Land Berhad.
- (3) Percentage calculated based on the Maximum Scenario of 43,968,866 Rights Shares available for subscription under the Rights Issue.
- (4) Computed based on the issue price of RM2.80 per Rights Share.

Accordingly, JCorp and WANCorp have confirmed vide their letters dated 20 December 2013, that they have sufficient financial resources to subscribe for their respective Rights Shares entitlements under the Rights Issue. All the said confirmations have been verified by RHB Investment Bank, the principal adviser for the Rights Issue.

Based on the above undertakings, there will be no take-over implications pursuant to Part III of the Code.

### 9.2 Underwriting Agreement

Pursuant to the Underwriting Agreement which was entered into on 11 December 2013, the Joint Underwriters have agreed to underwrite for the remaining portion of the Rights Shares, which is up to 24,426,903 Rights Shares, representing 55.55% of the total issue size of the Rights Issue ("**Underwritten Share(s)**"), for which no unconditional and irrevocable written undertaking to subscribe has been obtained from other shareholders.

Joint Underwriters	No. of Underwritten Shares	Value of the Underwritten Shares (RM)	Agreed proportion of Underwritten Shares (%)
RHB Investment Bank	12,213,452	34,197,666	50.0
AFFIN Investment Bank	12,213,451	34,197,663	50.0
<b>Total</b>	<b>24,426,903</b>	<b>68,395,329</b>	<b>100.0</b>

The underwriting commission payable by our Company is 1.5% of the value of the Underwritten Shares, amounting to approximately RM68.4 million. The underwriting commission payable to the Joint Underwriters and all other costs in relation to the underwriting shall be fully borne by our Company.

The Rights Issue will not be undertaken on a minimum subscription basis.

## 10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

### 10.1 Working capital

Our Board is of the opinion that, after taking into consideration the proceeds to be received from the Rights Issue, cash in hand and banking facilities available, our Group will have adequate working capital to meet our current core business requirements due within a period of twelve (12) months from the date of this AP.

### 10.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM1.02 billion. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	<sup>(1)</sup> Total (RM'000)
<b>Short term borrowings:-</b>	
Term loans	
- Islamic (secured)	7,956
- Conventional (secured)	136
Revolving credit	
- Islamic (secured)	337,900
- Conventional (secured)	-
Hire purchase and lease liabilities	
- Islamic (secured)	9,286
- Conventional (secured)	18
Bank overdrafts	
- Conventional (unsecured)	6,944

	(1) Total (RM'000)
<b>Long term borrowings:-</b>	
Islamic commercial papers (secured)	499,000
Term loans	
- Islamic (secured)	83,990
- Conventional (secured)	38,428
Hire purchase and lease liabilities	
- Islamic (secured)	36,730
- Conventional (secured)	1,104
<b>Total</b>	<b>1,021,492</b>

**Note:-**

(1) The above figures have not been audited.

There has not been any default on payments of either interest and/or principal sums by our Group, in respect of any borrowings during the FYE 31 December 2012 and for the subsequent financial period up to the LPD.

### 10.3 Contingent liabilities and material commitments

#### 10.3.1 Contingent liabilities

Save as disclosed in **Section 5, Appendix VII** of this AP, as at the LPD, our Board is not aware of any other contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact in the financial results/position of our Group.

#### 10.3.2 Material commitments

Save as disclosed below, as at the LPD, our Board is not aware of any other material commitments incurred or known to be incurred by our Group that has not been provided for, which upon becoming enforceable, may have a material impact on the financial results/position of our Group:-

	RM'000
Approved and contracted	127,312
Approved but not contracted	95,108
<b>Total</b>	<b>222,420</b>

	RM'000
Analysed as follows:-	
Leasehold land	7,100
Building	71,074
Medical equipment	72,230
Other property, plant and equipment	53,544
Renovation	18,472
<b>Total</b>	<b>222,420</b>

**11. TERMS AND CONDITIONS**

The issuance of the Rights Shares with New Warrants pursuant to the Rights Issue is governed by the terms and conditions as set out in this AP, NPA and RSF enclosed herewith.

**12. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

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



**AMIRUDDIN ABDUL SATAR**  
President / Managing Director

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 28 NOVEMBER 2013**

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**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PASSED AT THE EXTRAORDINARY GENERAL MEETING HELD ON 28 NOVEMBER 2013**

**KPJ HEALTHCARE BERHAD**  
(Company No. 247079-M)  
(Incorporated in Malaysia under the Companies Act, 1965)

Certified extract of the Minutes of the Extraordinary General Meeting held on 28 November 2013:-

**ORDINARY RESOLUTION 1**

**PROPOSED BONUS ISSUE OF UP TO 329,766,497 NEW ORDINARY SHARES OF RM0.50 EACH IN KPJ ("KPJ SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY TWO (2) EXISTING KPJ SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE")**

"THAT, subject to and conditional upon the approvals of all relevant regulatory authorities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of KPJ ("Board") be and is hereby authorised to capitalise an amount of up to RM164,883,248.50 out of the share premium and retained earnings of the Company, and to apply the same for the purposes of issuing up to 329,766,497 Bonus Shares credited as fully paid-up to be issued to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date on the basis of one (1) Bonus Share for every two (2) existing KPJ Shares held;

THAT fractional entitlements of the Bonus Shares, if any, shall be dealt in such manner as the Board shall in their discretion deems fit and expedient, and to be in the best interest of the Company;

THAT the Bonus Shares will upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up KPJ Shares, save and except that the new KPJ Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment of such new KPJ Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

By a majority vote, YB Dato' Chairman declared the motion carried after having duly proposed and seconded by the members present.

**ORDINARY RESOLUTION 2**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 43,968,866 NEW KPJ SHARES ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIFTEEN (15) EXISTING KPJ SHARES HELD ON THE ENTITLEMENT DATE, TOGETHER WITH UP TO 87,937,732 FREE DETACHABLE NEW WARRANTS 2013/2018 ("NEW WARRANT(S)") ON THE BASIS OF TWO (2) NEW WARRANTS FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED ("PROPOSED RIGHTS ISSUE")**

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 28 NOVEMBER 2013 (Cont'd)**

"THAT, subject to the passing of Ordinary Resolution 3, the Special Resolution and conditional upon the approvals of all relevant authorities for the admission of the New Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, New Warrants and Additional Warrants (as defined herein) as well as the new KPJ Shares to be issued arising from the exercise of the New Warrants and Additional Warrants (as defined herein) on the Main Market of Bursa Securities being obtained, the Board be and is hereby authorised to:-

- (i) provisionally issue and allot by way of a renounceable rights issue of up to 43,968,866 Rights Shares together with up to 87,937,732 free New Warrants at an indicative issue price of RM2.80 per Rights Share on the basis of one (1) Rights Share for every fifteen (15) existing KPJ Shares held by the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on the Entitlement Date, together with two (2) New Warrants for every one (1) Rights Share subscribed, for such purpose and utilisation of proceeds as disclosed in the circular to shareholders of the Company dated 6 November 2013 ("Circular");
- (ii) determine the final issue price of the Rights Shares after taking into consideration, amongst others, the theoretical ex-all price of KPJ Shares (after taking into account the Proposed Bonus Issue) based on the five (5)-day volume weighted average price of KPJ Shares immediately preceding the price-fixing date to be determined later by the Board, subject to the minimum par value of RM0.50 each;
- (iii) enter into and execute a deed poll constituting the New Warrants ("Deed Poll 2013") and to do all acts, deeds and things as he may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll 2013;
- (v) allot and issue any such additional warrants 2010/2015 ("Additional Warrant(s)") as may be required or permitted to be issued as a consequence of the adjustments under the provisions in the deed poll executed by the Company dated 29 October 2009, as amended by the supplemental deed poll dated 26 November 2009 ("Deed Poll 2009");

THAT, the Board be and is hereby authorised to deal with any fractional entitlements of the Rights Shares, unsubscribed Rights Shares, New Warrants and Additional Warrants that may arise from the Proposed Rights Issue, in a fair and equitable manner as they shall in their discretion deem fit and expedient, and to be in the best interest of the Company;

THAT, the Company shall allot and issue such appropriate number of new KPJ Shares arising from the exercise by the holders of Additional Warrants and New Warrants in accordance with the provisions in the Deed Poll 2009 and Deed Poll 2013, respectively;

THAT the Rights Shares will upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up KPJ Shares, save and except that the Rights Shares so issued will not be entitled to any dividends, rights, allotments and/or other distributions where the entitlement date precedes the date of allotment of such Rights Shares;

THAT, the new KPJ Shares to be issued arising from the exercise of the Additional Warrants and New Warrants shall, upon the allotment and issue, rank *pari passu* in all respects with the existing KPJ Shares, save and except that the new KPJ Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the relevant date of allotment and issue of the new KPJ Shares;

THAT, the Additional Warrants to be issued shall upon, allotment and issue, rank *pari passu* in all respects with the outstanding warrants 2010/2015;

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 28 NOVEMBER 2013 (Cont'd)**

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AND THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Rights Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue."

By a majority vote, YB Dato' Chairman declared the motion carried after having duly proposed and seconded by the members present.

**ORDINARY RESOLUTION 3**

**PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF KPJ FROM RM500,000,000 COMPRISING 1,000,000,000 KPJ SHARES TO RM750,000,000 COMPRISING 1,500,000,000 KPJ SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")**

"THAT, subject to the passing of the Special Resolution below, the authorised share capital of the Company be increase from RM500,000,000 (Ringgit Malaysia Five Hundred Million only) divided into 1,000,000,000 ordinary shares of RM0.50 each to RM750,000,000 (Ringgit Malaysia Seven Hundred and Fifty Million only) divided into 1,500,000,000 ordinary shares of RM0.50 each;

AND THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Increase in Authorised Share Capital with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Increase in Authorised Share Capital."

By a majority vote, YB Dato' Chairman declared the motion carried after having duly proposed and seconded by the members present.

**SPECIAL RESOLUTION**

**PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF KPJ ("PROPOSED AMENDMENTS")**

"THAT, subject to the passing of the Ordinary Resolution 3, the Memorandum and Articles of Association of the Company shall be amended as follows:-

**CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 28 NOVEMBER 2013 (Cont'd)**

Existing	Proposed Amendments
<p><b><u>Memorandum of Association</u></b>  <b><u>Clause 5</u></b>            "The capital of the Company is RM500,000,000.00 divided into 1,000,000,000 ordinary shares of RM0.50 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed."</p>	<p><b><u>Clause 5</u></b>            "The capital of the Company is <u>RM750,000,000.00</u> divided into <u>1,500,000,000</u> ordinary shares of RM0.50 each. The Company shall have the power to increase or reduce its capital, to consolidate or sub-divide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes and to attach thereto respectively, preferential, deferred or special rights, privileges or conditions as may be determined by, or in accordance with the regulations for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid, and any preference share may be issued on the terms that it is, or at the option of the Company is liable, to be redeemed."</p>

Existing	Proposed Amendments
<p><b><u>Articles of Association</u></b>  <b><u>Articles 3(1)</u></b>            "The authorised capital of the Company is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into 1,000,000,000 ordinary shares of RM0.50 each."</p>	<p><b><u>Articles 3(1)</u></b>            "The authorised capital of the Company is <u>Ringgit Malaysia Seven Hundred Fifty Million (RM750,000,000)</u> divided into <u>1,500,000,000</u> ordinary shares of RM0.50 each."</p>

AND THAT, the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Amendments with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Amendments."

By a majority vote, YB Dato' Chairman declared the motion carried after having duly proposed and seconded by the members present.

Certified True Copy:-

  
 (AMIRUDDIN BIN SATAR)  
 Managing Director

  
 (HANA BINTI AB RAHIM @ ALI, ACIS)  
 Secretary  
 MAICSA 7064336



## INFORMATION ON OUR COMPANY

### 1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia on 18 August 1992 under the Act as a private limited company under the name of KPJ Management Sdn Bhd. We subsequently changed our name to KPJ Healthcare Sdn Bhd on 14 September 1993. On 4 November 1993, we were converted to a public limited company and changed our name to KPJ Healthcare Berhad. We were listed on the Main Board of Bursa Securities (presently known as Main Market of Bursa Securities) on 29 November 1994.

The principal activities of our Company are investment holding and provision of management services to our subsidiaries. Our Group are principally involved in the operating and managing of specialist hospitals, trading of pharmaceutical and consumer healthcare products, provision of pathology and laboratory services and the running of a private nursing and health sciences college. Further details of the principal activities of our subsidiary companies are set out in **Section 6** of this **Appendix II**.

### 2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are as follows:-

Type	No. of Shares	Par value (RM)	Total (RM)
Authorised	1,500,000,000	0.50	750,000,000
Issued and fully paid-up	*654,388,411	0.50	327,194,205.50

**Note:-**

\* Including 70,000 KPJ Shares held as Treasury Shares as at the LPD.

### 3. CHANGES IN SHARE CAPITAL

Details of the changes in our authorised and issued paid-up share capital for the last three (3) years up to and including the LPD are set out below:-

#### 3.1 Authorised share capital

Date of creation	No. of Shares created	Total created (RM)	Cumulative (RM)
28.11.2013	500,000,000	250,000,000	750,000,000

## INFORMATION ON OUR COMPANY (Cont'd)

## 3.2 Issued and paid-up share capital

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
09.12.2010	114,500	0.50	Exercise of Warrants 2010/2015	278,462,825.00
10.12.2010	771,625	0.50	Exercise of Warrants 2010/2015	278,848,638.00
13.12.2010	88,000	0.50	Exercise of Warrants 2010/2015	278,892,638.00
15.12.2010	485,875	0.50	Exercise of Warrants 2010/2015	279,135,576.00
16.12.2010	20,200	0.50	Exercise of Warrants 2010/2015	279,145,676.00
20.12.2010	580,000	0.50	Exercise of Warrants 2010/2015	279,435,676.00
21.12.2010	66,500	0.50	Exercise of Warrants 2010/2015	279,468,926.00
23.12.2010	53,000	0.50	Exercise of Warrants 2010/2015	279,495,426.00
30.12.2010	917,000	0.50	Exercise of Warrants 2010/2015	279,953,926.00
06.01.2011	146,300	0.50	Exercise of Warrants 2010/2015	280,027,076.00
11.01.2011	361,000	0.50	Exercise of Warrants 2010/2015	280,207,576.00
13.01.2011	215,900	0.50	Exercise of Warrants 2010/2015	280,315,526.00
17.01.2011	154,500	0.50	Exercise of Warrants 2010/2015	280,392,776.00
18.01.2011	234,300	0.50	Exercise of Warrants 2010/2015	280,509,926.00
19.01.2011	920,000	0.50	Exercise of Warrants 2010/2015	280,969,926.00
21.01.2011	193,600	0.50	Exercise of Warrants 2010/2015	281,066,726.00
26.01.2011	39,200	0.50	Exercise of Warrants 2010/2015	281,086,326.00
31.01.2011	81,300	0.50	Exercise of Warrants 2010/2015	281,126,976.00
02.02.2011	24,300	0.50	Exercise of Warrants 2010/2015	281,139,126.00
09.02.2011	310,000	0.50	Exercise of Warrants 2010/2015	281,294,126.00
03.03.2011	6,750	0.50	Exercise of Warrants 2010/2015	281,297,501.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
07.03.2011	414,500	0.50	Exercise of Warrants 2010/2015	281,504,751.00
08.03.2011	140,000	0.50	Exercise of Warrants 2010/2015	281,574,751.00
10.03.2011	202,450	0.50	Exercise of Warrants 2010/2015	281,675,976.00
11.03.2011	277,700	0.50	Exercise of Warrants 2010/2015	281,814,826.00
14.03.2011	1,016,300	0.50	Exercise of Warrants 2010/2015	282,322,976.00
16.03.2011	307,200	0.50	Exercise of Warrants 2010/2015	282,476,576.00
17.03.2011	181,100	0.50	Exercise of Warrants 2010/2015	282,567,126.00
21.03.2011	360,700	0.50	Exercise of Warrants 2010/2015	282,747,476.00
22.03.2011	34,000	0.50	Exercise of Warrants 2010/2015	282,764,476.00
23.03.2011	130,000	0.50	Exercise of Warrants 2010/2015	282,829,476.00
24.03.2011	72,000	0.50	Exercise of Warrants 2010/2015	282,865,476.00
25.03.2011	100,200	0.50	Exercise of Warrants 2010/2015	282,915,576.00
29.03.2011	466,075	0.50	Exercise of Warrants 2010/2015	283,148,613.50
01.04.2011	8,000	0.50	Exercise of Warrants 2010/2015	283,152,613.50
06.04.2011	15,000	0.50	Exercise of Warrants 2010/2015	283,160,113.50
20.04.2011	1,875	0.50	Exercise of Warrants 2010/2015	283,161,051.00
06.05.2011	2,700	0.50	Exercise of Warrants 2010/2015	283,162,401.00
24.05.2011	6,250	0.50	Exercise of Warrants 2010/2015	283,165,526.00
27.05.2011	50,000	0.50	Exercise of Warrants 2010/2015	283,190,526.00
07.06.2011	227,250	0.50	Exercise of Warrants 2010/2015	283,304,151.00
10.06.2011	277,300	0.50	Exercise of Warrants 2010/2015	283,442,801.00
13.06.2011	228,600	0.50	Exercise of Warrants 2010/2015	283,557,101.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
14.06.2011	171,600	0.50	Exercise of Warrants 2010/2015	283,642,901.00
20.06.2011	241,500	0.50	Exercise of Warrants 2010/2015	283,763,651.00
27.06.2011	146,000	0.50	Exercise of Warrants 2010/2015	283,836,651.00
29.06.2011	418,600	0.50	Exercise of Warrants 2010/2015	284,045,951.00
01.07.2011	224,500	0.50	Exercise of Warrants 2010/2015	284,158,201.00
08.07.2011	129,000	0.50	Exercise of Warrants 2010/2015	284,222,701.00
12.07.2011	72,000	0.50	Exercise of Warrants 2010/2015	284,258,701.00
15.07.2011	244,500	0.50	Exercise of Warrants 2010/2015	284,380,951.00
20.07.2011	118,000	0.50	Exercise of Warrants 2010/2015	284,439,951.00
22.07.2011	254,100	0.50	Exercise of Warrants 2010/2015	284,567,001.00
27.07.2011	150,000	0.50	Exercise of Warrants 2010/2015	284,642,001.00
29.07.2011	351,500	0.50	Exercise of Warrants 2010/2015	284,817,751.00
03.08.2011	36,000	0.50	Exercise of Warrants 2010/2015	284,835,751.00
04.08.2011	583,800	0.50	Exercise of Warrants 2010/2015	285,127,651.00
08.08.2011	162,000	0.50	Exercise of Warrants 2010/2015	285,208,651.00
10.08.2011	758,101	0.50	Exercise of Warrants 2010/2015	285,587,701.50
11.08.2011	245,000	0.50	Exercise of Warrants 2010/2015	285,710,201.50
12.08.2011	530,000	0.50	Exercise of Warrants 2010/2015	285,975,201.50
15.08.2011	683,301	0.50	Exercise of Warrants 2010/2015	286,316,852.00
18.08.2011	1,134,900	0.50	Exercise of Warrants 2010/2015	286,884,302.00
22.08.2011	966,101	0.50	Exercise of Warrants 2010/2015	287,367,352.50
24.08.2011	440,301	0.50	Exercise of Warrants 2010/2015	287,587,503.00
25.08.2011	1,261,801	0.50	Exercise of Warrants 2010/2015	288,218,403.50

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
05.09.2011	532,250	0.50	Exercise of Warrants 2010/2015	288,484,528.50
08.09.2011	908,901	0.50	Exercise of Warrants 2010/2015	288,938,979.00
09.09.2011	174,600	0.50	Exercise of Warrants 2010/2015	289,026,279.00
15.09.2011	827,333	0.50	Exercise of Warrants 2010/2015	289,439,945.50
15.09.2011	533,600	0.50	Exercise of Warrants 2010/2015	289,706,745.50
19.09.2011	136,000	0.50	Exercise of Warrants 2010/2015	289,774,745.50
21.09.2011	233,625	0.50	Exercise of Warrants 2010/2015	289,891,558.00
14.10.2011	45,000	0.50	Exercise of Warrants 2010/2015	289,914,058.00
19.10.2011	579,001	0.50	Exercise of Warrants 2010/2015	290,203,558.50
20.10.2011	138,500	0.50	Exercise of Warrants 2010/2015	290,272,808.50
21.10.2011	120,001	0.50	Exercise of Warrants 2010/2015	290,332,809.00
25.10.2011	10,000	0.50	Exercise of Warrants 2010/2015	290,337,809.00
28.10.2011	97,400	0.50	Exercise of Warrants 2010/2015	290,386,509.00
31.10.2011	30,000	0.50	Exercise of Warrants 2010/2015	290,401,509.00
08.11.2011	27,500	0.50	Exercise of Warrants 2010/2015	290,415,259.00
11.11.2011	36,000	0.50	Exercise of Warrants 2010/2015	290,433,259.00
17.11.2011	15,000	0.50	Exercise of Warrants 2010/2015	290,440,759.00
22.11.2011	187,500	0.50	Exercise of Warrants 2010/2015	290,534,509.00
25.11.2011	511,519	0.50	Exercise of Warrants 2010/2015	290,790,268.50
02.12.2011	310,000	0.50	Exercise of Warrants 2010/2015	290,945,268.50
07.12.2011	35,000	0.50	Exercise of Warrants 2010/2015	290,962,768.50
09.12.2011	853,493	0.50	Exercise of Warrants 2010/2015	291,389,515.00
14.12.2011	330,600	0.50	Exercise of Warrants 2010/2015	291,554,815.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
15.12.2011	430,326	0.50	Exercise of Warrants 2010/2015	291,769,978.00
16.12.2011	287,200	0.50	Exercise of Warrants 2010/2015	291,913,578.00
21.12.2011	511,005	0.50	Exercise of Warrants 2010/2015	292,169,080.50
21.12.2011	351,800	0.50	Exercise of Warrants 2010/2015	292,344,980.50
23.12.2011	60,000	0.50	Exercise of Warrants 2010/2015	292,374,980.50
27.12.2011	165,201	0.50	Exercise of Warrants 2010/2015	292,457,581.00
29.12.2011	70,000	0.50	Exercise of Warrants 2010/2015	292,492,581.00
05.01.2012	858,201	0.50	Exercise of Warrants 2010/2015	292,921,681.50
06.01.2012	516,001	0.50	Exercise of Warrants 2010/2015	293,179,682.00
10.01.2012	525,300	0.50	Exercise of Warrants 2010/2015	293,442,332.00
12.01.2012	620,700	0.50	Exercise of Warrants 2010/2015	293,752,682.00
16.01.2012	657,301	0.50	Exercise of Warrants 2010/2015	294,081,332.50
17.01.2012	1,266,888	0.50	Exercise of Warrants 2010/2015	294,714,776.50
19.01.2012	1,466,100	0.50	Exercise of Warrants 2010/2015	295,447,826.50
20.01.2012	1,273,800	0.50	Exercise of Warrants 2010/2015	296,084,726.50
26.01.2012	378,251	0.50	Exercise of Warrants 2010/2015	296,273,852.00
27.01.2012	399,900	0.50	Exercise of Warrants 2010/2015	296,473,802.00
31.01.2012	1,287,501	0.50	Exercise of Warrants 2010/2015	297,117,552.50
01.02.2012	547,562	0.50	Exercise of Warrants 2010/2015	297,391,333.50
03.02.2012	365,000	0.50	Exercise of Warrants 2010/2015	297,573,833.50
03.02.2012	564,101	0.50	Exercise of Warrants 2010/2015	297,855,884.00
09.02.2012	1,031,501	0.50	Exercise of Warrants 2010/2015	298,371,634.50

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
10.02.2012	331,000	0.50	Exercise of Warrants 2010/2015	298,537,134.50
14.02.2012	132,000	0.50	Exercise of Warrants 2010/2015	298,603,134.50
14.02.2012	188,000	0.50	Exercise of Warrants 2010/2015	298,697,134.50
16.02.2012	677,201	0.50	Exercise of Warrants 2010/2015	299,035,735.00
16.02.2012	338,000	0.50	Exercise of Warrants 2010/2015	299,204,735.00
20.02.2012	564,101	0.50	Exercise of Warrants 2010/2015	299,486,785.50
21.02.2012	687,000	0.50	Exercise of Warrants 2010/2015	299,830,285.50
22.02.2012	108,500	0.50	Exercise of Warrants 2010/2015	299,884,535.50
22.02.2012	815,100	0.50	Exercise of Warrants 2010/2015	300,292,085.50
27.02.2012	1,108,501	0.50	Exercise of Warrants 2010/2015	300,846,336.00
29.02.2012	596,900	0.50	Exercise of Warrants 2010/2015	301,144,786.00
02.03.2012	448,401	0.50	Exercise of Warrants 2010/2015	301,368,986.50
05.03.2012	967,401	0.50	Exercise of Warrants 2010/2015	301,852,687.00
07.03.2012	970,201	0.50	Exercise of Warrants 2010/2015	302,337,787.50
07.03.2012	400,937	0.50	Exercise of Warrants 2010/2015	302,538,256.00
07.03.2012	654,001	0.50	Exercise of Warrants 2010/2015	302,865,256.50
12.03.2012	775,701	0.50	Exercise of Warrants 2010/2015	303,253,107.00
13.03.2012	217,500	0.50	Exercise of Warrants 2010/2015	303,361,857.00
13.03.2012	471,000	0.50	Exercise of Warrants 2010/2015	303,597,357.00
15.03.2012	105,000	0.50	Exercise of Warrants 2010/2015	303,649,857.00
16.03.2012	41,000	0.50	Exercise of Warrants 2010/2015	303,670,357.00
20.03.2012	17,500	0.50	Exercise of Warrants 2010/2015	303,679,107.00
20.03.2012	6,172,200	0.50	Exercise of Warrants 2010/2015	306,765,207.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
23.03.2012	178,100	0.50	Exercise of Warrants 2010/2015	306,854,257.00
26.03.2012	1,893,001	0.50	Exercise of Warrants 2010/2015	307,800,757.50
29.03.2012	526,001	0.50	Exercise of Warrants 2010/2015	308,063,758.00
30.03.2012	780,000	0.50	Exercise of Warrants 2010/2015	308,453,758.00
03.04.2012	472,501	0.50	Exercise of Warrants 2010/2015	308,690,008.50
04.04.2012	278,000	0.50	Exercise of Warrants 2010/2015	308,829,008.50
06.04.2012	478,001	0.50	Exercise of Warrants 2010/2015	309,068,009.00
12.04.2012	291,000	0.50	Exercise of Warrants 2010/2015	309,213,509.00
18.04.2012	70,000	0.50	Exercise of Warrants 2010/2015	309,248,509.00
03.05.2012	8,125	0.50	Exercise of Warrants 2010/2015	309,252,571.50
11.05.2012	548,509	0.50	Exercise of Warrants 2010/2015	309,526,826.00
15.05.2012	474,650	0.50	Exercise of Warrants 2010/2015	309,764,151.00
18.05.2012	189,000	0.50	Exercise of Warrants 2010/2015	309,858,651.00
22.05.2012	270,000	0.50	Exercise of Warrants 2010/2015	309,993,651.00
25.05.2012	303,700	0.50	Exercise of Warrants 2010/2015	310,145,501.00
30.05.2012	197,725	0.50	Exercise of Warrants 2010/2015	310,244,363.50
01.06.2012	180,000	0.50	Exercise of Warrants 2010/2015	310,334,363.50
06.06.2012	62,400	0.50	Exercise of Warrants 2010/2015	310,365,563.50
08.06.2012	566,500	0.50	Exercise of Warrants 2010/2015	310,648,813.50
12.06.2012	297,500	0.50	Exercise of Warrants 2010/2015	310,797,563.50
13.06.2012	1,089,600	0.50	Exercise of Warrants 2010/2015	311,342,363.50



## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
14.06.2012	488,000	0.50	Exercise of Warrants 2010/2015	311,586,363.50
18.06.2012	386,312	0.50	Exercise of Warrants 2010/2015	311,779,519.50
19.06.2012	107,000	0.50	Exercise of Warrants 2010/2015	311,833,019.50
21.06.2012	97,000	0.50	Exercise of Warrants 2010/2015	311,881,519.50
25.06.2012	702,500	0.50	Exercise of Warrants 2010/2015	312,232,769.50
27.06.2012	319,375	0.50	Exercise of Warrants 2010/2015	312,392,457.00
29.06.2012	463,000	0.50	Exercise of Warrants 2010/2015	312,623,957.00
03.07.2012	6,087,000	0.50	Exercise of Warrants 2010/2015	315,667,457.00
05.07.2012	603,000	0.50	Exercise of Warrants 2010/2015	315,968,957.00
06.07.2012	232,500	0.50	Exercise of Warrants 2010/2015	316,085,207.00
12.07.2012	212,000	0.50	Exercise of Warrants 2010/2015	316,191,207.00
13.07.2012	274,000	0.50	Exercise of Warrants 2010/2015	316,328,207.00
17.07.2012	159,100	0.50	Exercise of Warrants 2010/2015	316,407,757.00
19.07.2012	176,500	0.50	Exercise of Warrants 2010/2015	316,496,007.00
19.07.2012	96,000	0.50	Exercise of Warrants 2010/2015	316,544,007.00
24.07.2012	314,000	0.50	Exercise of Warrants 2010/2015	316,701,007.00
26.07.2012	36,000	0.50	Exercise of Warrants 2010/2015	316,719,007.00
30.07.2012	157,000	0.50	Exercise of Warrants 2010/2015	316,797,507.00
31.07.2012	158,300	0.50	Exercise of Warrants 2010/2015	316,876,657.00
02.08.2012	434,250	0.50	Exercise of Warrants 2010/2015	317,093,782.00
03.08.2012	650,000	0.50	Exercise of Warrants 2010/2015	317,418,782.00
07.08.2012	361,000	0.50	Exercise of Warrants 2010/2015	317,599,282.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
10.08.2012	157,100	0.50	Exercise of Warrants 2010/2015	317,677,832.00
13.08.2012	90,000	0.50	Exercise of Warrants 2010/2015	317,722,832.00
14.08.2012	414,500	0.50	Exercise of Warrants 2010/2015	317,930,082.00
14.08.2012	201,900	0.50	Exercise of Warrants 2010/2015	318,031,032.00
14.08.2012	182,200	0.50	Exercise of Warrants 2010/2015	318,122,132.00
16.08.2012	70,000	0.50	Exercise of Warrants 2010/2015	318,157,132.00
28.08.2012	171,000	0.50	Exercise of Warrants 2010/2015	318,242,632.00
04.09.2012	241,000	0.50	Exercise of Warrants 2010/2015	318,363,132.00
06.09.2012	321,400	0.50	Exercise of Warrants 2010/2015	318,523,832.00
06.09.2012	36,562	0.50	Exercise of Warrants 2010/2015	318,542,113.00
07.09.2012	66,000	0.50	Exercise of Warrants 2010/2015	318,575,113.00
10.09.2012	302,500	0.50	Exercise of Warrants 2010/2015	318,726,363.00
11.09.2012	59,500	0.50	Exercise of Warrants 2010/2015	318,756,113.00
12.09.2012	369,000	0.50	Exercise of Warrants 2010/2015	318,940,613.00
19.09.2012	281,900	0.50	Exercise of Warrants 2010/2015	319,081,563.00
21.09.2012	219,000	0.50	Exercise of Warrants 2010/2015	319,191,063.00
24.09.2012	300,000	0.50	Exercise of Warrants 2010/2015	319,341,063.00
26.09.2012	58,500	0.50	Exercise of Warrants 2010/2015	319,370,313.00
01.10.2012	269,000	0.50	Exercise of Warrants 2010/2015	319,504,813.00
04.10.2012	193,000	0.50	Exercise of Warrants 2010/2015	319,601,313.00
08.10.2012	446,000	0.50	Exercise of Warrants 2010/2015	319,824,313.00
11.10.2012	21,500	0.50	Exercise of Warrants 2010/2015	319,835,063.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
12.10.2012	260,000	0.50	Exercise of Warrants 2010/2015	319,965,063.00
17.10.2012	363,000	0.50	Exercise of Warrants 2010/2015	320,146,563.00
23.10.2012	304,000	0.50	Exercise of Warrants 2010/2015	320,298,563.00
29.10.2012	43,000	0.50	Exercise of Warrants 2010/2015	320,320,063.00
29.10.2012	19,375	0.50	Exercise of Warrants 2010/2015	320,329,750.50
12.11.2012	166,500	0.50	Exercise of Warrants 2010/2015	320,413,000.50
16.11.2012	904,000	0.50	Exercise of Warrants 2010/2015	320,865,000.50
19.11.2012	305,000	0.50	Exercise of Warrants 2010/2015	321,017,500.50
21.11.2012	951,000	0.50	Exercise of Warrants 2010/2015	321,493,000.50
23.11.2012	955,250	0.50	Exercise of Warrants 2010/2015	321,970,625.50
27.11.2012	492,100	0.50	Exercise of Warrants 2010/2015	322,216,675.50
30.11.2012	81,875	0.50	Exercise of Warrants 2010/2015	322,257,613.00
05.12.2012	600,000	0.50	Exercise of Warrants 2010/2015	322,557,613.00
10.12.2012	314,362	0.50	Exercise of Warrants 2010/2015	322,714,794.00
12.12.2012	716,000	0.50	Exercise of Warrants 2010/2015	323,072,794.00
24.12.2012	36,000	0.50	Exercise of Warrants 2010/2015	323,090,794.00
07.01.2013	30,000	0.50	Exercise of Warrants 2010/2015	323,105,794.00
11.01.2013	48,820	0.50	Exercise of Warrants 2010/2015	323,130,204.00
18.01.2013	988,500	0.50	Exercise of Warrants 2010/2015	323,624,454.00
21.01.2013	509,000	0.50	Exercise of Warrants 2010/2015	323,878,954.00
25.01.2013	990,000	0.50	Exercise of Warrants 2010/2015	324,373,954.00
30.01.2013	67,000	0.50	Exercise of Warrants 2010/2015	324,407,454.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
04.02.2013	43,680	0.50	Exercise of Warrants 2010/2015	324,429,294.00
08.02.2013	74,000	0.50	Exercise of Warrants 2010/2015	324,466,294.00
14.02.2013	41,600	0.50	Exercise of Warrants 2010/2015	324,487,094.00
20.02.2013	316,000	0.50	Exercise of Warrants 2010/2015	324,645,094.00
25.02.2013	18,500	0.50	Exercise of Warrants 2010/2015	324,654,344.00
27.02.2013	60,300	0.50	Exercise of Warrants 2010/2015	324,684,494.00
06.03.2013	237,000	0.50	Exercise of Warrants 2010/2015	324,802,994.00
08.03.2013	111,300	0.50	Exercise of Warrants 2010/2015	324,858,644.00
13.03.2013	530,000	0.50	Exercise of Warrants 2010/2015	325,123,644.00
18.03.2013	24,100	0.50	Exercise of Warrants 2010/2015	325,135,694.00
20.03.2013	109,375	0.50	Exercise of Warrants 2010/2015	325,190,381.50
21.03.2013	26,125	0.50	Exercise of Warrants 2010/2015	325,203,444.00
26.03.2013	13,000	0.50	Exercise of Warrants 2010/2015	325,209,944.00
02.04.2013	24,000	0.50	Exercise of Warrants 2010/2015	325,221,944.00
08.04.2013	20,000	0.50	Exercise of Warrants 2010/2015	325,231,944.00
10.04.2013	29,800	0.50	Exercise of Warrants 2010/2015	325,246,844.00
12.04.2013	217,500	0.50	Exercise of Warrants 2010/2015	325,355,594.00
15.04.2013	50,000	0.50	Exercise of Warrants 2010/2015	325,380,594.00
18.04.2013	247,000	0.50	Exercise of Warrants 2010/2015	325,504,094.00
24.04.2013	71,500	0.50	Exercise of Warrants 2010/2015	325,539,844.00
26.04.2013	322,500	0.50	Exercise of Warrants 2010/2015	325,701,094.00
30.04.2013	93,100	0.50	Exercise of Warrants 2010/2015	325,747,644.00

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
06.05.2013	121,000	0.50	Exercise of Warrants 2010/2015	325,808,144.00
13.05.2013	22,600	0.50	Exercise of Warrants 2010/2015	325,819,444.00
15.05.2013	267,000	0.50	Exercise of Warrants 2010/2015	325,952,944.00
17.05.2013	218,000	0.50	Exercise of Warrants 2010/2015	326,061,944.00
27.05.2013	1,000	0.50	Exercise of Warrants 2010/2015	326,062,444.00
29.05.2013	26,250	0.50	Exercise of Warrants 2010/2015	326,075,569.00
03.06.2013	210,000	0.50	Exercise of Warrants 2010/2015	326,180,569.00
06.06.2013	315,625	0.50	Exercise of Warrants 2010/2015	326,338,381.50
10.06.2013	101,900	0.50	Exercise of Warrants 2010/2015	326,389,331.50
14.06.2013	274,200	0.50	Exercise of Warrants 2010/2015	326,526,431.50
19.06.2013	11,500	0.50	Exercise of Warrants 2010/2015	326,532,181.50
21.06.2013	26,250	0.50	Exercise of Warrants 2010/2015	326,545,306.50
09.07.2013	62,500	0.50	Exercise of Warrants 2010/2015	326,576,556.50
17.07.2013	806,025	0.50	Exercise of Warrants 2010/2015	326,979,569.00
22.07.2013	7,500	0.50	Exercise of Warrants 2010/2015	326,983,319.00
01.08.2013	5,000	0.50	Exercise of Warrants 2010/2015	326,985,819.00
16.08.2013	10,625	0.50	Exercise of Warrants 2010/2015	326,991,131.50
21.08.2013	13,625	0.50	Exercise of Warrants 2010/2015	326,997,944.00
23.08.2013	5,900	0.50	Exercise of Warrants 2010/2015	327,000,894.00
26.08.2013	4,375	0.50	Exercise of Warrants 2010/2015	327,003,081.50
04.09.2013	7,500	0.50	Exercise of Warrants 2010/2015	327,006,831.50
06.09.2013	4,300	0.50	Exercise of Warrants 2010/2015	327,008,981.50

## INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of shares allotted	Par value (RM)	Consideration/ Type of issue	Cumulative (RM)
11.09.2013	132,000	0.50	Exercise of Warrants 2010/2015	327,074,981.50
17.09.2013	77,625	0.50	Exercise of Warrants 2010/2015	327,113,794.00
23.09.2013	47,275	0.50	Exercise of Warrants 2010/2015	327,137,431.50
25.09.2013	3,000	0.50	Exercise of Warrants 2010/2015	327,138,931.50
01.10.2013	17,400	0.50	Exercise of Warrants 2010/2015	327,147,631.50
23.10.2013	61,250	0.50	Exercise of Warrants 2010/2015	327,178,256.50
31.10.2013	1,900	0.50	Exercise of Warrants 2010/2015	327,179,206.50
14.11.2013	12,500	0.50	Exercise of Warrants 2010/2015	327,185,456.50
20.11.2013	1,250	0.50	Exercise of Warrants 2010/2015	327,186,081.50
26.11.2013	1,250	0.50	Exercise of Warrants 2010/2015	327,186,706.50
28.11.2013	15,000	0.50	Exercise of Warrants 2010/2015	327,194,206.50

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### INFORMATION ON OUR COMPANY (Cont'd)

#### 4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

For illustrative purposes, the proforma effects of the Bonus Issue and the Rights Issue on the substantial shareholders' shareholdings in our Company are set out below:-

##### Minimum Scenario

Substantial shareholders	Shareholdings as at the LPD				Proforma I After the Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
JCorp	228,427,980	34.91	<sup>(3)</sup> 66,663,477	10.19	342,641,970	34.91	<sup>(3)</sup> 99,995,215	10.19
WANCorp	46,687,602	7.14	-	-	70,031,403	7.14	-	-
EPF	79,672,874	12.18	<sup>(4)</sup> 2,887,800	0.44	119,509,311	12.18	<sup>(4)</sup> 4,331,700	0.44
LTH	54,924,900	8.39	-	-	82,387,350	8.39	-	-

  

Substantial shareholders	Proforma II <sup>(2)</sup> After Proforma I and the Rights Issue				Proforma III <sup>(2)</sup> After Proforma II and assuming full exercise of the New Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
JCorp	357,870,502	34.91	<sup>(3)</sup> 104,439,443	10.19	388,327,566	34.91	<sup>(3)</sup> 113,327,904	10.19
WANCorp	73,143,909	7.14	-	-	79,368,922	7.14	-	-
EPF	124,820,835	12.18	<sup>(4)</sup> 4,524,220	0.44	135,443,884	12.18	<sup>(4)</sup> 4,909,260	0.44
LTH	86,049,010	8.39	-	-	93,372,330	8.39	-	-

## INFORMATION ON OUR COMPANY (Cont'd)

## Notes:-

- (1) Excluding 70,000 Treasury Shares held by our Company as at the LPD.  
 (2) Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.  
 (3) Deemed interested by virtue of its shareholdings through RHB Nominees (Tempatan) Sdn Bhd, WANCorp, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Sindora Berhad, Perbadanan Johor (Skim Prishatin) and Johor Land Berhad pursuant to Section 6A of the Act.  
 (4) Deemed interested by virtue of its shareholdings through Citigroup Nominees (Tempatan) Sdn Bhd.

## Maximum Scenario

Substantial shareholders	Shareholdings as at the LPD				Proforma I Assuming all Treasury Shares are resold and full exercise of the Outstanding Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	%	No. of Shares	%
JCorp	228,427,980	34.91	<sup>(3)</sup> 66,663,477	10.19	228,440,480	34.64	<sup>(3)</sup> 66,761,195	10.12
WANCorp	46,687,602	7.14	-	-	46,687,602	7.08	-	-
EPF	79,672,874	12.18	<sup>(4)</sup> 2,887,800	0.44	79,672,874	12.08	<sup>(4)</sup> 2,887,800	0.44
LTH	54,924,900	8.39	-	-	54,924,900	8.33	-	-

  

Substantial shareholders	Proforma II After Proforma I and the Bonus Issue				Proforma III <sup>(2)</sup> After Proforma II and the Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
JCorp	342,660,720	34.64	<sup>(3)</sup> 100,141,792	10.12	357,890,085	34.64	<sup>(3)</sup> 104,592,534	10.12
WANCorp	70,031,403	7.08	-	-	73,143,909	7.08	-	-
EPF	119,509,311	12.08	<sup>(4)</sup> 4,331,700	0.44	124,820,835	12.08	<sup>(4)</sup> 4,524,220	0.44
LTH	82,387,350	8.33	-	-	86,049,010	8.33	-	-



## INFORMATION ON OUR COMPANY (Cont'd)

Substantial shareholders	Proforma IV <sup>(2)</sup> After Proforma III and assuming full exercise of the New Warrants				
	Direct		Indirect		%
	No. of Shares	%	No. of Shares	%	
JCorp	388,348,815	34.64	<sup>(3)</sup> 113,494,024	10.12	
WANCorp	79,368,922	7.08	-	-	
EPF	135,443,884	12.08	<sup>(4)</sup> 4,909,260	0.44	
LTH	93,372,330	8.33	-	-	

## Notes:-

- (1) Excluding 70,000 Treasury Shares held by our Company as at the LPD.
- (2) Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.
- (3) Deemed interested by virtue of its shareholdings through RHB Nominees (Tempatan) Sdn Bhd, WANCorp, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Sindora Berhad, Perbadanan Johor (Skim Prinsipatim) and Johor Land Berhad pursuant to Section 6A of the Act.
- (4) Deemed interested by virtue of its shareholdings through Citigroup Nominees (Tempatan) Sdn Bhd.

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## INFORMATION ON OUR COMPANY (Cont'd)

## 5. OUR BOARD OF DIRECTORS

## 5.1 Details of our Directors

The particulars of our Directors as at the LPD are as follows:-

Name*	Age	Profession	Designation	Address
Dato' Kamaruzzaman Abu Kassim	49	Company Director	Chairman	No. 334, Jalan Sentosa, Kampung Dato Onn, Larkin, 80360 Johor Bahru, Johor
Amiruddin Abdul Satar	49	Company Director	President / Managing Director	28, Jalan Ubin, Taman Melewar, 68100 Kuala Lumpur
Datin Paduka Siti Sa'diah Sheikh Bakir	61	Company Director	Corporate Adviser / Non-Executive Director	Unit 2-1, No 8 Jalan Perumahan Gumei, 54000 Kuala Lumpur
Tan Sri Dato' Dr Yahya Awang	63	Company Director	Independent Non-Executive Director	33, Jalan Tengku Ampuan, Taman Duta, 50480 Kuala Lumpur
Datuk Azzat Kamaluddin	68	Company Director	Independent Non-Executive Director	40, Jalan PJU 7/26, Mutiara Damansara, 47800 Petaling Jaya, Selangor
Zainah Mustafa	58	Company Director	Independent Non-Executive Director	Pangsapuri Bukit Saujana, Blok Bendahara B, #01-17, Jalan Pahlawan, 80100 Johor Bahru, Johor
Ahamad Mohamad	60	Company Director	Non-Independent / Non-Executive Director	Ladang Ulu Tiram, K.B. 705, 80990 Johor Bahru, Johor
Rozan Mohd Sa'at	54	Company Director	Non-Independent / Non-Executive Director	No. 35, Jalan Padi Huma 1, Bandar Baru UDA, 81200 Johor Bahru, Johor
Dr. Kok Chin Leong	56	Company Director	Independent Non-Executive Director	41-C, Jalan Abdul Samad, 80100 Johor Bahru, Johor
Dr. Yoong Fook Ngian	72	Company Director	Independent Non-Executive Director	No. 3, Tasek Crescent, Canning Garden, 31400 Ipoh, Perak

**Note:-**

\* All Directors are Malaysian.

## INFORMATION ON OUR COMPANY (Cont'd)

## 5.2 Directors' shareholdings

The proforma effects of the Rights Issue on our Directors' shareholdings as stated in Section 9 of this AP in KPJ is set out below:-

*Minimum Scenario*

Directors*	Shareholdings as at the LPD				Proforma I After the Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Amiruddin Abdul Satar	4,000	^	-	-	6,000	^	-	-
Datin Paduka Siti Sa'diah Sheikh Bakir	728,250	0.11	(3)12,500	^	1,092,375	0.11	(3)18,750	^
Datuk Azzat Kamaluddin	60,000	0.01	-	-	90,000	0.01	-	-
Ahamad Mohamad	750	^	-	-	1,125	^	-	-
Rozan Mohd Sa'at	500	^	-	-	750	^	-	-
Dr. Kok Chin Leong	159,000	0.02	-	-	238,500	0.02	-	-
Dr. Yoong Fook Ngian	280,000	0.04	-	-	420,000	0.04	-	-

  

Directors*	Proforma II <sup>(2)</sup> After Proforma I and the Rights Issue				Proforma III <sup>(2)</sup> After Proforma II and assuming full exercise of the New Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Amiruddin Abdul Satar	6,266	^	-	-	6,798	^	-	-
Datin Paduka Siti Sa'diah Sheikh Bakir	1,140,925	0.11	(3)19,583	^	1,238,025	0.11	(3)21,249	^
Datuk Azzat Kamaluddin	94,000	0.01	-	-	102,000	0.01	-	-
Ahamad Mohamad	1,175	^	-	-	1,275	^	-	-
Rozan Mohd Sa'at	783	^	-	-	849	^	-	-
Dr. Kok Chin Leong	249,100	0.02	-	-	270,300	0.02	-	-
Dr. Yoong Fook Ngian	438,666	0.04	-	-	475,998	0.04	-	-

## INFORMATION ON OUR COMPANY (Cont'd)

## Notes:-

- \* Directors with shareholdings in our Company only.  
 ^ Negligible.  
 (1) Excluding 70,000 Treasury Shares held by our Company as at the LPD.  
 (2) Assuming all Entitled Shareholders fully subscribe for their entitlements under the Rights Issue.  
 (3) Deemed interested by virtue of her daughter's shareholdings in KPJ.

**Maximum Scenario**

	Shareholdings as at the LPD				Proforma I Assuming all Treasury Shares are resold and full exercise of the Outstanding Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	%	No. of Shares	%
<b>Directors*</b>								
Amiruddin Abdul Satar	4,000	^	-	-	4,000	^	-	-
Datin Paduka Siti Sa'diah Sheikh Bakir	728,250	0.11	(3)12,500	^	728,250	0.11	(3)12,500	^
Datuk Azzat Kamaluddin	60,000	0.01	-	-	60,000	0.01	-	-
Ahamad Mohamad	750	^	-	-	837	^	-	-
Rozan Mohd Sa'at	500	^	-	-	625	^	-	-
Dr. Kok Chin Leong	159,000	0.02	-	-	159,000	0.02	-	-
Dr. Yoong Fook Ngian	280,000	0.04	-	-	280,000	0.04	-	-