



ANNOUNCEMENT TO BURSA MALAYSIA

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

DISPOSAL OF 65% EQUITY SHAREHOLDING IN TERAJU FARMA SDN BHD (“TFSB”) TO HAJI ZAINAL ABIDIN BIN LAJAT (“ZAL” or “PURCHASER”) BY KUMPULAN PERUBATAN (JOHOR) SDN BHD (“KPJSB”), A WHOLLY-OWNED SUBSIDIARY OF KPJ

1. INTRODUCTION

- 1.1** The Board of Directors of KPJ (“Board”) wishes to announce that KPJSB had on 15 November 2021 entered into a Share Sale Agreement (“SSA”) with the Purchaser for the disposal of Sixty Five percent (65%) equity shareholding of TFSB amounting to Nine Hundred Seventy Five Thousand (975,000) ordinary shares of Ringgit Malaysia One (RM1.00) only each in TFSB (“Sale Shares”) at a total cash consideration of Ringgit Malaysia One Million Five Hundred Sixty Thousand (RM1,560,000.00) (“Purchase Price”) only subject to the terms and conditions as contained in the SSA (“Disposal”).

As a result of the Disposal, TFSB will cease to be a subsidiary of KPJ.

2. DETAILS OF THE DISPOSAL

2.1 Information on TFSB

TFSB is a company incorporated in Malaysia having its registered address at Level 13, Menara KPJ, 238 Jalan Tun Razak, 50400 Kuala Lumpur.

TFSB has a paid-up capital of RM1,500,000. The principal activity of TFSB is in the business of marketing and distribution of pharmaceutical and medical products.

2.2 Information on KPJSB

KPJSB is a company incorporated in Malaysia having its registered address at Level 13, Menara KPJ, 238 Jalan Tun Razak, 50400 Kuala Lumpur.

KPJSB is a wholly-owned subsidiary of KPJ, with a current paid-up share capital of RM90,000,000.

The principal activity of KPJSB is in the business of management and investment holding company for medical sector.

2.3 Information on ZAL

ZAL is a Malaysian citizen and is the beneficial and registered shareholder of Thirty Five percent (35%) of the equity of TFBSB amounting to Five Hundred Twenty Five Thousand (525,000) of ordinary shares. ZAL is also a director of TFBSB.

2.4 The Settlement of the Purchase Price and Completion

KPJSB has received the Purchase Price in respect of the Sale Shares on 15 November 2021 and the Disposal has been completed.

2.5 Basis of Arriving at the Purchase Price

- (i) The Sale Shares are based on the Adjusted Net Tangible Asset (“NTA”) of TFBSB as per the latest audited account being the Audited Account for the financial year ending 31 December 2020 (“Audited Account”).
- (ii) Based on the Adjusted NTA after dividend distribution from audited account of TFBSB is Ringgit Malaysia Two Million Three Hundred Ninety Five Thousand Nine Hundred Fifty Eight (RM2,397,958.00) only at RM 1.60 per share. Thus, the total cash consideration for 975,000 ordinary shares of the Sale Shares is Ringgit Malaysia One Million Five Hundred Sixty Thousand (RM1,560,000.00) only.

2.6 Encumbrances and Liabilities to be Assumed

There are no liabilities, including contingent liabilities and/or guarantees to be assumed by KPJSB arising from the Disposal.

3. RATIONALE FOR THE DISPOSAL

The Disposal is arising from internal re-organisation of KPJ group of companies (“Group”) where non-core activities within the Group are to be wound-down or disposed for the Group to be more focused on its core business operations and activities.

4. EFFECTS OF THE PROPOSAL

4.1 Share Capital

The Disposal will not have any effect on the share capital and substantial shareholders’ shareholding of KPJ.

4.2 Earnings

The Disposal will not have any material financial impact on KPJ’s earnings in the current financial year.

4.3 Net Assets and Gearing

The Disposal will not have any material financial impact on KPJ’s net assets and gearing.

5. APPROVALS REQUIRED

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

6. DIRECTOR'S AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors or major shareholders of KPJ or persons connected with them has any interest, direct or indirect, in the Disposal.

7. DIRECTOR'S STATEMENT

Having considered all aspects of the Disposal, the Board is of the opinion that the Disposal is in the best interests of KPJ Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA is available for inspection at the registered office of KPJ at Level 13, Menara KPJ, 238, Jalan Tun Razak, 50400 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this Announcement.

This announcement is dated 15 November 2021