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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused Part A and Part C of this Circular prior to its issuance as they fall under the category of Exempt Circulars pursuant to Practice Note No. 18 of the Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**KPJ HEALTHCARE BERHAD**

(Company No. 247079-M)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under Companies Act, 2016)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

**PART B**

**PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**PART C**

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**

**IN CONJUNCTION WITH THE SPECIAL BUSINESS AT THE TWENTY-FIFTH  
ANNUAL GENERAL MEETING**

*Adviser for Part A and B*



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Company No. 23742-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Twenty-Fifth (25<sup>th</sup>) Annual General Meeting (“**AGM**”) of KPJ to be held at the Tanjung Puteri 302, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor, on Monday, 23 April 2018 at 12.00 p.m. together with the Form of Proxy are set out in our 2017 Annual Report.

A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. The Form of Proxy should be lodged at the Registered Office of the Company at Level 16, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor not less than twenty-four (24) hours before the time of the AGM. The last day and time for lodging the Form of Proxy is on Sunday, 22 April 2018 at 12.00 p.m. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 22 April 2018 at 12.00 p.m.

Date and time of AGM : Monday, 23 April 2018 at 12.00 p.m.

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## DEFINITIONS

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For the purpose of this document, except where the context otherwise requires, the following definitions shall apply throughout Part A and Part B of this Circular:-

<b>Act</b>	: The Companies Act, 2016, as amended from time to time and any re-enactment thereof
<b>AGM</b>	: Annual General Meeting
<b>AmInvestment Bank</b>	: AmInvestment Bank Berhad (23742-V)
<b>Annual Report</b>	: The annual report of KPJ for FY 2017
<b>Board</b>	: The Board of Directors of KPJ
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (635998-W)
<b>Circular</b>	: This circular/statement to shareholders of KPJ dated 22 March 2018
<b>CMSA</b>	: Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
<b>Constitution</b>	: The Constitution of KPJ , as amended from time to time
<b>Director</b>	: Shall have the same meaning given in Section 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive officer of the listed issuer, its subsidiary or holding company
<b>EPS</b>	: Earnings per Share
<b>ESOS</b>	: Employee share option scheme of KPJ, being the scheme for the granting of ESOS Options to eligible employees (including Executive Directors and Non-Executive Directors of KPJ) of the KPJ Group to subscribe for new KPJ Shares pursuant to terms and conditions of the by-laws
<b>ESOS Option(s)</b>	: Options offered to eligible employees of KPJ Group to subscribe for the new KPJ Shares pursuant to the ESOS
<b>FY(s)</b>	: Financial year(s) ended / ending, as the case may be
<b>JCorp</b>	: Johor Corporation, a body corporate established under the Johor Corporation Enactment No.4, 1968 (as amended by Enactment No. 5, 1995)
<b>KPJ or the Company</b>	: KPJ Healthcare Berhad (247079-M)
<b>KPJ Group or the Group</b>	: KPJ and its subsidiary companies
<b>KPJ Share(s) or Share(s)</b>	: Ordinary share(s) in KPJ
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 28 February 2018, being the latest practicable date prior to the printing of the Circular

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**DEFINITIONS (CONT'D)**

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<b>Maximum Scenario</b>	: Assuming that all of the Outstanding Warrants and Outstanding ESOS Options are exercised
<b>Major Shareholder</b>	: Any person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of the share, or the aggregate of the nominal amounts of those shares, is:-  (i) 10% or more of the aggregate of the total number of voting shares in the corporation; or  (ii) 5% or more of the aggregate of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation,  and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of KPJ or any other company which is its subsidiary or holding company.  For the purpose of this definition, “interests in shares” has the meaning given in Section 8 of the Act.
<b>Minimum Scenario</b>	: Assuming that none of the Outstanding Warrants and Outstanding ESOS Options are exercised
<b>NA</b>	: Net assets
<b>Outstanding ESOS Options</b>	: 195,860,092 outstanding ESOS Options that are exercisable as at LPD.
<b>Outstanding Warrants</b>	: 345,634,680 outstanding warrants as at LPD. The warrants which were issued on 29 January 2014 by KPJ and subsequently additional warrants of 259,226,010 being issued due to subdivision of share on 27 September 2017. Each warrant is convertible into one (1) Share at an exercise price of RM1.01 per KPJ Share.
<b>PAT</b>	: Profit after taxation
<b>PBT</b>	: Profit before taxation
<b>Proposed Share Buy-Back</b>	: Proposed purchase by the Company of its own shares of up to ten percent (10%) of its total number of issued KPJ Shares in the Company
<b>Proposed RRPT Mandate</b>	: Proposed shareholders’ mandate for RRPT
<b>Related Party / (ies)</b>	: A director, major shareholder and/or person(s) connected with such director or major shareholder as defined under the Listing Requirements
<b>RM and sen</b>	: Ringgit Malaysia and sen respectively
<b>RRPT</b>	: Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to day operations of the Group and which are in the ordinary course of business of the Group
<b>Rules</b>	: Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016
<b>SC</b>	: Securities Commission Malaysia

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**DEFINITIONS (CONT'D)**

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**Treasury Shares** : The treasury shares held by KPJ

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

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

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**PART A**

**SHARE BUY-BACK STATEMENT IN RELATION TO THE  
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**



# **KPJ HEALTHCARE BERHAD**

(Company No. 247079-M)

(Incorporated in Malaysia under the Companies Act, 1965, and deemed registered under the Companies Act, 2016)

## **SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (“SHARE BUY-BACK STATEMENT”)**

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### **1. INTRODUCTION**

At the Twenty-Fourth (24<sup>th</sup>) AGM of the Company held on 20 April 2017, the shareholders of KPJ had, inter-alia, approved the renewal of the authority granted to the Company to purchase up to ten per cent (10%) of its enlarged issued share capital of the Company.

In accordance with the Listing Requirements, the aforesaid authority is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM, unless renewed by the shareholders of KPJ.

On 26 February 2018, the Board announced that the Company is proposing to renew the authority granted to the Company by its shareholders to purchase up to ten per cent (10%) of its total number of issued KPJ Shares in the Company.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AS A SPECIAL BUSINESS AT THE FORTHCOMING AGM.**

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS SHARE BUY-BACK STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING AGM.**

### **2. DETAILS OF THE PROPOSED SHARE BUY-BACK**

#### **2.1 Quantum and Funding**

The Board is proposing to seek a renewal of mandate from the shareholders to purchase up to ten per cent (10%) of the total number of issued shares in the Company at any point in time subject to the compliance with the provisions of the Act and the requirements of Bursa Securities and/or any other relevant authorities.



For illustration purposes, the maximum number of KPJ Shares that may be purchased under the Proposed Share Buy-Back based on the existing total number of issued KPJ Shares as at LPD and assuming full exercise of all Outstanding Warrants and Outstanding ESOS Options are as follows:-

	<u>No. of Shares</u>
Total number of issued KPJ Shares as at LPD (including Treasury Shares)	4,281,823,992
Assuming full exercise of all Outstanding Warrants	345,634,680
Assuming full exercise of Outstanding ESOS Options <sup>(a)</sup>	<u>195,860,092</u>
Total number of issued KPJ Shares	4,823,318,764
10% of the total number of issued KPJ Shares	482,331,876
Less: Treasury Shares held as at LPD	(65,770,600)
<b>Maximum number of KPJ Shares that may be purchased pursuant to the Proposed Share Buy-Back</b>	<b><u>416,561,276</u></b>

**Note:-**

(a) Based on the outstanding ESOS Options that are exercisable as at LPD. Each ESOS Option is exercisable into one (1) KPJ Share at an exercise price of RM0.91 each.

The purchase of the KPJ Shares by the Company from the open market on Bursa Securities will be made through stockbroker(s) to be appointed by the Company.

Pursuant to the Listing Requirements, the maximum amount of funds to be allocated for any purchase of its own KPJ Shares should not exceed the retained profits of the Company. The retained profits of the Company based on the latest audited balance sheet of the Company as at 31 December 2017 is RM120.15 million.

The Proposed Share Buy-Back will be financed through internally generated funds and/or external borrowings, the proportion of which will depend on the quantum of the purchase consideration as well as the availability of the internally generated funds and/or external borrowings at the time of the purchase(s). The actual number of KPJ Shares to be purchased will depend on the market conditions, the share market sentiments, the sufficiency of retained profits as well as the availability of the financial resources available to the Company.

In the event the Company decides to utilise external borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the external borrowings and that the external borrowings will not have any material impact on the cash flow of the Company.

## **2.2 Effective Period**

The Proposed Share Buy-Back, if approved by the shareholders at the forthcoming AGM of KPJ, will be effective immediately from the passing of the ordinary resolution for the Proposed Share Buy-Back and shall continue to be in force until: -

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurring first.

## **2.3 Treatment of Shares Purchased by KPJ**

The KPJ Shares purchased by the Company will be dealt with by the Directors in accordance with Section 127 of the Act, in the following manner:-

- (i) cancel the purchased KPJ Shares; or
- (ii) retain the purchased KPJ Shares as treasury shares and held by the Company; or
- (iii) retain part of the purchased KPJ Shares as treasury shares and cancel the remainder; or
- (iv) distribute all or part of the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
- (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

In the event the Company wishes to purchase its own KPJ Shares, the Company is required to comply with Sections 112, 113 and 127 of the Act and the Company is required to release an immediate announcement on the day the purchase is made.

An appropriate announcement will also be made to Bursa Securities in respect of the intention of the Board whether to retain the KPJ Shares so purchased as treasury shares or cancel them or both.

While the purchased KPJ Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of KPJ Shares or of a class of KPJ Shares, in the Company for any purposes including substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

## 2.4 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company shall purchase its own Shares on Bursa Securities at a price which is not more than 15% above the weighted average market price of the Company's Shares for the 5 market days immediately before the purchase.

In addition, pursuant to Paragraph 12.18 of the Listing Requirements, in the case of a re-sale or transfer of treasury shares, the Company may only re-sell the purchased KPJ Shares held as treasury shares on Bursa Securities or transfer the treasury shares at:-

- (i) a price which is not less than the weighted average market price for the KPJ Shares for the 5 market days immediately before the re-sale or transfer; or
- (ii) a discounted price of not more than 5% to the weighted average market price for KPJ Shares for the 5 market days immediately before the re-sale provided that:-
  - (a) the re-sale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
  - (b) the re-sale or transfer price is not less than the cost of purchase of KPJ Shares being resold or transferred.

## 2.5 Public Shareholding Spread

As at LPD, the Company's public shareholding spread stood at 55.65% comprising of 6,629 public shareholders holding 2,346,373,198 KPJ Shares.

Assuming that the Company purchases up to a maximum of 362,411,799 KPJ Shares from the public shareholders, representing up to 10% of the total number of issued KPJ Shares as at the LPD (less Treasury Shares), assuming none of the Outstanding Warrants and Outstanding ESOS Options are exercised, and that all treasury shares purchased are cancelled, the public shareholding spread will be approximately 51.48%.

The Directors will ensure that the Company complies with the public shareholding spread requirement and will not buy back the KPJ Shares if the purchase results in the Company not meeting the public shareholding spread requirement.

## 2.6 Purchase and Re-sale Made in the Previous Twelve (12) Months

The details of the purchases in the previous twelve (12) months up to LPD are as follows:-

<b>Month/Year</b>	<b>Total Number of Share Purchased</b>	<b>Highest Price Paid RM</b>	<b>Average Price Paid RM</b>	<b>Lowest Price Paid RM</b>	<b>Total Consideration Paid RM</b>
December 2017	787,000	1.00	0.95	0.90	736,550.62
January 2018	400,000	1.00	0.98	0.96	394,275.76
February 2018	3,273,600	0.99	0.93	0.88	3,026,312.14

There is no re-sale and cancellation of shares in the previous twelve (12) months up to LPD.

### **3. RATIONALE / POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if implemented, may potentially benefit the Company in the following ways:-

- (i) the Proposed Share Buy-Back enables the Company to utilise its financial resources to purchase the KPJ Shares when the KPJ Shares are undervalued, which in turn would stabilise the supply and demand of the KPJ Shares and thereby, supporting the fundamental value of its KPJ Shares;
- (ii) all other things being equal, the Proposed Share Buy-Back will result in a lower number of KPJ Shares being used for the purpose of computing EPS, if the KPJ Shares purchased are subsequently cancelled or are held as treasury shares. Therefore, the Proposed Share Buy-Back will enhance the EPS of the Company, which in turn is expected to have a positive impact on the market price of the KPJ Shares; and
- (iii) if the KPJ Shares so purchased are kept as treasury shares, the Company may have the opportunity to realise capital gains if these are resold on Bursa Securities at price(s) higher than their purchase price(s). Alternatively, the KPJ Shares so purchased may be distributed as share dividends to reward the shareholders of the Company, or transferred for purposes of an employees' share scheme, or as purchase consideration.

However, the Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group's foregoing future investment opportunities and/or any income that may be derived from alternative uses of such funds. It may also reduce the financial resources available for distribution to the shareholders of the Company in the foreseeable future.

The financial resources of the Group may increase pursuant to the re-sale of the purchased KPJ Shares held as treasury shares at prices higher than the purchase price. In that regard, the Company would buy back the KPJ Shares only after the Board has given due consideration to the potential impact on the Group's earnings and financial position and the Board is of the opinion that it will be in the interest of the Company and minority shareholders to do so.

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#### 4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

Pursuant to the Company's ESOS, Outstanding ESOS Options are exercisable as at the LPD. Each ESOS Option is exercisable into one (1) KPJ Share at an exercise price of RM0.91 each.

##### 4.1 Share Capital

The effect of the Proposed Share Buy-Back on the share capital of the Company will depend on the treatment of the KPJ Shares purchased, whether such Shares purchased are cancelled, retained as treasury shares, resold on the open market, distributed as share dividends, or transferred for purposes of an employees' share scheme or as purchase consideration.

The Proposed Share Buy-Back will result in the reduction of the number of KPJ Shares if all KPJ Shares purchased are cancelled as shown below:-

**Minimum Scenario** : Representing the scenario assuming that none of the Outstanding Warrants and Outstanding ESOS Options are exercised

**Maximum Scenario** : Representing the scenario assuming that all of the Outstanding Warrants and Outstanding ESOS Options are exercised

<b>Total Number of Issued Shares</b>	<b>Minimum Scenario No. of Shares</b>	<b>Maximum Scenario No. of Shares</b>
Existing as at LPD (including Treasury Shares)	4,281,823,992	4,281,823,992
Assuming full exercise of Outstanding Warrants and Outstanding ESOS Options	-	541,494,772
Enlarged total number of issued shares	4,281,823,992	4,823,318,764
Assuming cancellation of KPJ Shares purchased under the Proposed Share Buy-Back	(362,411,799) <sup>(a)</sup>	(416,561,276) <sup>(a)</sup>
Assuming the cancellation of the Treasury Shares held as at LPD	(65,770,600)	(65,770,600)
<b>Upon completion of the Proposed Share Buy-Back</b>	<b>3,853,641,593</b>	<b>4,340,986,888</b>

**Note:-**

(a) Being 10% of the total number of issued KPJ Shares less 65,770,600 Treasury Shares held by the Company as at LPD.

However, the Proposed Share Buy-Back will have no effect on the total number of issued shares of KPJ if all the KPJ Shares purchased are retained as treasury shares, re-sold on the open market, distributed as share dividends or transferred for purposes of an employees' share scheme or as purchase consideration.

## **4.2 NA**

The effect of the Proposed Share Buy-Back on the consolidated NA per Share will depend on the number of KPJ Shares purchased, the effective funding costs to finance the purchase of the KPJ Shares and the treatment of the KPJ Shares so purchased by the Company.

The Proposed Share Buy-Back is likely to reduce the consolidated NA per Share at the time of purchase if the purchase price exceeds the consolidated NA per Share and conversely will increase the consolidated NA per Share at the time of purchase if the purchase price is less than the consolidated NA per Share.

Should the KPJ Shares purchased under the Proposed Share Buy-Back be held as treasury shares and later resold, the consolidated NA per Share will increase if the Company realises a gain from the resale, and vice versa.

## **4.3 Working Capital**

The Proposed Share Buy-Back will reduce the cash flow and financial resources available for working capital depending on the purchase price and the number of the KPJ Shares purchased.

However, the cash flow position and financial resources of the Company will be restored if the purchased KPJ Shares are resold at least at the purchase price.

## **4.4 Earnings**

The effect of the Proposed Share Buy-Back on the earnings and EPS of the Group is dependent on the purchase price(s) of the KPJ Shares, the number of KPJ Shares purchased, and loss in interest income to the Group, or the opportunity cost in relation to other investment opportunities.

On the assumption that the KPJ Shares so purchased are treated as treasury shares and subsequently resold, the extent of the effect on earnings of the KPJ Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest saving arising.

## **4.5 Dividends**

The Proposed Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends to the shareholders of the Company. However, as stated in Section 3(iii) above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

## **4.6 Gearing**

The utilisation of external borrowings to implement the Proposed Share Buy-Back will increase the gearing of the Group, if any.

## 5. HISTORICAL SHARE PRICE

The monthly highest and lowest prices of KPJ Shares as traded on the Main Market of Bursa Securities for the last 12 months from March 2017 to February 2018 are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b><u>2017</u></b>		
March	1.04	1.00
April	1.06	0.99
May	1.05	1.04
June	1.06	1.04
July	1.07	1.04
August	1.06	1.04
September	1.09	1.03
October	1.05	1.02
November	1.04	0.97
December	1.00	0.90
<b><u>2018</u></b>		
January	0.99	0.96
February	0.99	0.88

The last transacted price of KPJ Shares on 16 March 2018, being the last day on which KPJ Shares were traded, prior to the printing of this Circular, was RM0.92.

*(Source: Bloomberg)*

## 6. IMPLICATIONS RELATING TO THE RULES

In the event that the Proposed Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her obtaining control in a Company pursuant to the Rules, the affected major shareholder and/or persons acting in concert with him/her will be obliged to make a mandatory offer for the remaining KPJ Shares not held by him/her.

In the event the Proposed Share Buy-Back results in any major shareholder and/or persons acting in concert with him/her who already holds more than 33% but less than 50% of the voting shares of the Company increasing by more than 2% in any six (6) months period, pursuant to the Rules, the affected major shareholder and/or persons acting in concert with him/her will be obliged to make a mandatory offer for the remaining KPJ Shares not held by him/her.

It is not the intention of the Company to cause any shareholders to trigger an obligation to undertake a mandatory general offer under the Rules and the Company will be mindful of the above implications of the Rules in making any purchase of its own KPJ Shares pursuant to the Proposed Share Buy-Back.

However, the affected major shareholder and/or persons acting in concert with him/her may apply for a waiver from the SC under the Paragraph 4.15 of the Rules.

## 7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the directors or substantial shareholders of the Company or persons connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back. The percentage shareholdings of directors and substantial shareholders will however increase as a consequence of the Proposed Share Buy-Back.

The proforma effects of the Proposed Share Buy-Back on the directors and substantial shareholders' shareholdings in the Company based on the Register of Directors and Register of Substantial Shareholders as at LPD respectively, assuming all KPJ Shares purchased are not purchased from its substantial shareholders and are cancelled, are as follows:-

### Minimum Scenario

	(I)				(II)			
	As at LPD				After Proposed Share Buy-Back			
	Direct No. of Shares	% <sup>(a)</sup>	Indirect No. of Shares	% <sup>(a)</sup>	Direct No. of Shares	% <sup>(a)</sup>	Indirect No. of Shares	% <sup>(a)</sup>
<b><u>Substantial Shareholders</u></b>								
JCorp	1,533,915,544	36.38	325,979,376 <sup>(b)</sup>	7.73	1,533,915,544	39.80	325,979,376 <sup>(b)</sup>	8.46
Waqaf An-Nur Corporation Berhad	304,575,636	7.22	-	-	304,575,636	7.90	-	-
Employees Provident Fund Board	543,591,780	12.89	-	-	543,591,780	14.11	-	-
<b><u>Directors</u></b>								
Dato' Kamaruzzaman Abu Kassim	254,500	0.01	-	-	254,500	0.01	-	-
Dato' Amiruddin Abdul Satar	25,064	*	-	-	25,064	*	-	-
Tan Sri Datin Paduka Siti Sa'diah Sh Bakir	4,800,000	0.11	-	-	4,800,000	0.12	-	-
Aminudin Dawam	44,788	*	-	-	44,788	*	-	-
Zainah Mustafa	1,000,000	0.02	-	-	1,000,000	0.03	-	-
Datuk Azzat Kamaludin	1,200,000	0.03	-	-	1,200,000	0.03	-	-
Dr Kok Chin Leong	1,516,400	0.04	-	-	1,516,400	0.04	-	-
Zulkifli Ibrahim	-	-	-	-	-	-	-	-
Prof Dato' Dr Azizi Haji Omar	-	-	-	-	-	-	-	-
Dato' Dr Zaki Morad Mohamad Zaher	80,000	*	-	-	80,000	*	-	-
Mohd Sahir Rahmat	860,000	0.02	-	-	860,000	0.02	-	-

### **Notes:-**

- \* Negligible
- (a) Based on the total number of issued shares of KPJ (excluding Treasury Shares)
- (b) Deemed interested by virtue of its shareholdings in Waqaf An-Nur Corporation Berhad, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Johor Land Berhad pursuant to Section 8 of Act



**Maximum Scenario**

	(I)		(II)				(III)					
	As at LPD		After (I) and assuming full exercise of Outstanding Warrants and ESOS Options				After (II) and Proposed Share Buy-Back					
	Direct No. of Shares	% (a)	Direct No. of Shares	% (a)	Indirect No. of Shares	% (a)	Direct No. of Shares	% (a)	Indirect No. of Shares	% (a)		
<b>Substantial Shareholders</b>												
JCorp	1,533,915,544	36.38	325,979,376 <sup>(b)</sup>	7.73	1,680,964,320	35.33	453,692,336 <sup>(b)</sup>	9.54	1,680,964,320	38.72	453,692,336 <sup>(b)</sup>	10.45
Waqaf An-Nur Corporation Berhad	304,575,636	7.22	-	-	312,585,012	6.57	-	-	312,585,012	7.20	-	-
Employee Provident Fund Board	543,591,780	12.89	-	-	543,591,780	11.43	-	-	543,591,780	12.52	-	-
<b>Directors</b>												
Dato' Kamaruzzaman Abu Kassim	254,500	0.01	-	-	477,500	0.01	-	-	477,500	0.01	-	-
Dato' Amiruddin Abdul Satar	25,064	*	-	-	2,027,192	0.04	-	-	2,027,192	0.05	-	-
Tan Sri Datin Paduka Siti Sa'diah Sh Bakir	4,800,000	0.11	-	-	5,237,992	0.11	664 <sup>(c)</sup>	*	5,237,992	0.12	664 <sup>(c)</sup>	*
Aminudin Dawam	44,788	*	-	-	844,788	0.02	-	-	844,788	0.02	-	-
Zainah Mustafa	1,000,000	0.02	-	-	1,000,000	0.02	-	-	1,000,000	0.02	-	-
Datuk Azzat Kamaludin	1,200,000	0.03	-	-	1,232,000	0.03	-	-	1,232,000	0.03	-	-
Dr Kok Chin Leong	1,516,400	0.04	-	-	1,601,200	0.03	-	-	1,601,200	0.04	-	-
Zulkifli Ibrahim	-	-	-	-	-	-	-	-	-	-	-	-
Prof Dato' Dr Azizi Haji Omar	-	-	-	-	330,000	0.01	-	-	330,000	0.01	-	-
Dato' Dr Zaki Morad Mohamad Zaher	80,000	*	-	-	80,000	*	-	-	80,000	*	-	-
Mohd Sahir Rahmat	860,000	0.02	-	-	1,304,800	0.03	-	-	1,304,800	0.03	-	-

**Notes:-**

- \* Negligible
- (a) Based on the total number of issued shares of KPJ (excluding Treasury Shares)
- (b) Deemed interested by virtue of its shareholdings in Waqaf An-Nur Corporation Berhad, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Johor Land Berhad pursuant to Section 8 of the Act
- (c) Deemed interested by virtue of her daughter, Amy Nadzlina Binti Mohamed's shareholdings in KPJ pursuant to Section 8 of the Act

**8. APPROVALS REQUIRED**

The renewal of the authority for the Proposed Share Buy-Back is subject to and conditional upon approvals being obtained from the following:-

- (i) the shareholders of the Company; and
- (ii) any other relevant parties or regulatory authorities, where applicable.

**9. DIRECTORS' RECOMMENDATION**

The Board is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company, and therefore recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming AGM.

**10. AGM**

The AGM, (the notice of which is set out in KPJ's 2017 Annual Report and an extract of which is also enclosed in this Circular), will be held at the Tanjung Puteri 302, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Monday, 23 April 2018 at 12.00 p.m. for the purpose of considering, and if thought fit, passing the resolution to give effect to the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the AGM, you may complete and return the Form of Proxy in enclosed in the 2017 Annual Report accordance with the instructions therein as soon as possible and in any event so as to arrive at the Registered Office of the Company at Level 16, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor at least twenty-four (24) hours before the time set for the AGM. The lodging of a Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**11. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

This statement is dated 22 March 2018.

**PART B**

**LETTER TO THE SHAREHOLDERS OF KPJ IN RELATION TO THE  
PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING  
NATURE**



## KPJ HEALTHCARE BERHAD

(Company No. 247079-M)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under Companies Act, 2016)

### Registered Office:

Level 16  
Menara KOMTAR  
Johor Bahru City Centre  
80000 Johor Bahru  
Johor

22 March 2018

### Board of Directors:

Dato' Kamaruzzaman Abu Kassim	<i>(Non-Executive Chairman)</i>
Dato' Amiruddin Abdul Satar	<i>(President/Managing Director)</i>
Tan Sri Datin Paduka Siti Sa'diah Sh Bakir	<i>(Independent Non-Executive Director)</i>
Aminudin Dawam	<i>(Executive Director)</i>
Zainah Mustafa	<i>(Independent Non-Executive Director)</i>
Datuk Azzat Kamaludin	<i>(Independent Non-Executive Director)</i>
Dr Kok Chin Leong	<i>(Independent Non-Executive Director)</i>
Zulkifli Ibrahim	<i>(Non-Independent Non-Executive Director)</i>
Prof Dato' Dr Azizi Haji Omar	<i>(Independent Non-Executive Director)</i>
Dato' Dr Zaki Morad Mohamad Zaher	<i>(Independent Non-Executive Director)</i>
Mohd Sahir Rahmat	<i>(Non-Independent Non-Executive Director)</i>

### To: The Shareholders of KPJ

Dear Sir/Madam,

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

#### 1. INTRODUCTION

At the Twenty-Fourth (24<sup>th</sup>) AGM of the Company held on 20 April 2017, the Company obtained a general mandate from its shareholders for the Company and/or its subsidiaries to enter into recurrent related party transactions with Related Parties that are necessary for the day-to-day operations in the ordinary course of business carried out on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public.

In accordance with the Listing Requirements, the aforesaid authority is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM, unless renewed by the shareholders of KPJ.

On 26 February 2018, the Company announced that it will be seeking its shareholders' approval for a general mandate in relation to RRPT in line with Paragraph 10.09 of the Listing Requirements.

**THE PURPOSE OF PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED RRPT MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING THERETO TO BE TABLED AT A SPECIAL BUSINESS AT THE FORTHCOMING AGM.**

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RRPT MANDATE TO BE TABLED AT THE FORTHCOMING AGM.**

## **2. PROPOSED RRPT MANDATE**

### **2.1 Details of the Proposed RRPT Mandate**

The Company proposes to seek a general mandate from the shareholders for the Company and/or its subsidiaries to enter into arrangements or transactions with the Related Parties, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made available to the public.

### **2.2 Principal Activities of the Group**

KPJ is principally an investment holding company while the principal activities of its subsidiaries include the operation of specialist hospitals, trading of pharmaceutical and consumer healthcare products, provision of pathology and laboratory services and a private nursing university college. Details of the subsidiaries and associates of the Company as of LPD are set out below:-

<u>Name of company</u>	<u>Group effective equity interest %</u>	<u>Principal activities</u>
Johor Specialist Hospital Sdn Bhd (“ <b>JSHSB</b> ”)	100	Operating as a specialist hospital
Ipoh Specialist Hospital Sdn Bhd (“ <b>ISHSB</b> ”)	98	Operating as a specialist hospital
Kumpulan Perubatan (Johor) Sdn Bhd (“ <b>KPJSB</b> ”)	100	Management and investment holding company for medical sector
Puteri Specialist Hospital (Johor) Sdn Bhd (“ <b>PSHJSB</b> ”)	100	Dormant
Tawakal Holdings Sdn Bhd (“ <b>THSB</b> ”)	100	Investment holding company
Point Zone (M) Sdn Bhd	100	Providing treasury management services to the companies within the group
<b><u>Subsidiary of JSHSB</u></b>		
Bandar Dato Onn Specialist Hospital Sdn Bhd	100	To be operating as specialist hospital

<b>Name of company</b>	<b>Group effective equity interest %</b>	<b>Principal activities</b>
<b>Subsidiary of KPJSB</b>		
Ampang Puteri Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Kuantan Specialist Hospital Sdn Bhd	100	Operating as a dialysis centre
KPJ HealthShoppe Sdn Bhd	100	Operating as a pharmacy retail outlet
Perdana Specialist Hospital Sdn Bhd	61	Operating as a specialist hospital
Damansara Specialist Hospital Sdn Bhd	100	Dormant
Seremban Specialist Hospital Sdn Bhd	100	Dormant
Bayan Baru Specialist Hospital Sdn Bhd	55	Dormant
Bandar Baru Klang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Sterile Services Sdn Bhd	100	Providing sterile services
Kuching Specialist Hospital Sdn Bhd	70	Operating as a specialist hospital
Kota Kinabalu Specialist Hospital Sdn Bhd	97	Operating as a specialist hospital
Selangor Specialist Hospital Sdn Bhd ("SlgSHSB")	60	Operating as a specialist hospital
Sentosa Medical Centre Sdn Bhd	100	Operating as a specialist hospital
Kajang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Teraju Farma Sdn Bhd	65	Marketing and distributing of medical and pharmaceutical products
KPJ Healthcare University College Sdn Bhd (formerly known as Puteri Nursing College Sdn Bhd) ("KPJUC")	100	Operating as a private university college of nursing and allied health
Lablink (M) Sdn Bhd	100	Providing pathology and laboratory services
Diaper Technology Industries Sdn Bhd	94	Providing information technology related services and rental of software
Pharmaserv Alliances Sdn Bhd ("PASB")	100	Marketing and distributing medical and pharmaceutical products
Freewell Sdn Bhd	80	Dormant
Pharmacare Surgical Technologies (M) Sdn Bhd	100	Dormant

<b>Name of company</b>	<b>Group effective equity interest %</b>	<b>Principal activities</b>
<b>Subsidiary of KPJSB - cont'd</b>		
Maharani Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
PharmaCARE Sdn Bhd (“ <b>Pharmacare</b> ”)	100	Providing human resource, training services and rental of human resource information system
Fabricare Laundry Sdn Bhd	95	Providing laundry services
KPJ Medik TV Sdn Bhd	100	To be operating as medical service provider
PT Khasanah Putera Jakarta Medica	75	Operating as a specialist hospital
PT Khidmat Perawatan Jasa Medika	80	Operating as a specialist hospital
Taiping Medical Centre Sdn Bhd	100	Dormant
Penang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Pusat Pakar Kluang Utama Sdn Bhd	100	Operating as a specialist hospital
Pasir Gudang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Sibu Medical Centre Corporation Sdn Bhd	100	Operating as a specialist hospital
Healthcare IT Solutions Sdn Bhd	70	Providing healthcare information technology services
Skop Yakin (M) Sdn Bhd	70	Marketing and distributing general merchandise
Pahang Specialist Hospital Sdn Bhd	70	Operating as a specialist hospital
SMC Healthcare Sdn Bhd (“ <b>SMCHSB</b> ”)	100	Operating as a specialist hospital
KPJ Eyecare Specialist Sdn Bhd	100	Providing medical and consultancy services
Jeta Gardens (Qld) Pty Ltd (“ <b>JGPL</b> ”)	57	Providing retirement village and aged care services
Total Meal Solution Sdn Bhd	70	Providing central kitchen services
Sibu Geriatric Health & Nursing Centre Sdn Bhd	100	Operating and managing an aged care facilities
Perlis Specialist Hospital	60	To be operating as a specialist hospital
KPJ Education Services Sdn Bhd	100	Dormant

<b>Name of company</b>	<b>Group effective equity interest %</b>	<b>Principal activities</b>
<b><u>Subsidiary of KPJSB - cont'd</u></b>		
Advanced Health Care Solution Sdn Bhd	100	Providing healthcare information system services
Miri Specialist Hospital Sdn Bhd	70	To be operating as a specialist hospital
Energy Excellent Sdn Bhd	100	Dormant
Rawang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Massive Hybrid Sdn Bhd	100	To be operating as a specialist hospital
BDC Specialist Hospital Sdn Bhd	100	To be operating as a specialist hospital
KPJ Dhaka (Pte) Ltd	100	Providing management services to a specialist hospital
UTM KPJ Specialist Hospital Sdn Bhd	100	To be operating as a specialist hospital
Pride Outlet Sdn Bhd	90	Providing maintenance services for medical equipment
Crossborder Aim (M) Sdn Bhd	100	Investment holding company
Crossborder Hall (M) Sdn Bhd	100	Investment holding company
PT Al-Aqar Bumi Serpong Damai	100	Operating as building management company
PT Al-Aqar Permata Hijau	100	Operating as building management company
<b><u>Subsidiary of ISHSB</u></b>		
Sri Manjung Specialist Centre Sdn Bhd	100	Operating as a specialist hospital
<b><u>Subsidiary of SlgSHSB</u></b>		
Hospital Pusrawi SMC Sdn Bhd	51	Dormant
<b><u>Subsidiary of Pharmacare</u></b>		
Open Access Sdn Bhd	100	Dormant
<b><u>Subsidiary of THSB</u></b>		
Pusat Pakar Tawakal Sdn Bhd	100	Operating as a specialist hospital



<b>Name of company</b>	<b>Group effective equity interest %</b>	<b>Principal activities</b>
<b><u>Subsidiary of PASB</u></b>		
FP Marketing (S) Pte Ltd	100	Dormant
Medical Supplies (Sarawak) Sdn Bhd	75	Marketing and distributing medical pharmaceutical products
Malaysian Institute of Healthcare Management Sdn Bhd	75	Dormant
<b><u>Subsidiary of SMCHSB</u></b>		
Amity Development Sdn Bhd	100	Dormant
<b><u>Subsidiary of KPJUC</u></b>		
KPJ Education (M) Sdn Bhd (formerly known as KFCH Education (M) Sdn Bhd)	100	Operating as a college and training centre
<b><u>Subsidiary of JGPL</u></b>		
Jeta Gardens Aged Care (Qld) Pty Ltd	100	Operating and managing an aged care facility
Jeta Gardens Management (Qld) Pty Ltd	100	Providing management to an aged care facility
<b><u>Associate of KPJ</u></b>		
Damansara REIT Managers Sdn Berhad <sup>(a)</sup>	-	Manager of Al-'Aqar Healthcare REIT
Al-'Aqar Healthcare REIT	37	Real estate investment trust
<b><u>Associate of KPJSB</u></b>		
Kedah Medical Centre Sdn Bhd	46	Operating as a specialist hospital
Healthcare Technical Services Sdn Bhd	30	Providing management and engineering maintenance services for specialist hospital
Vejthani Public Company Limited	23	Operating as an international specialist hospital

**Notes:**

- (a) Entity over which the Company exercises significant influence by virtue of its' board representation in Damansara REIT Managers Sdn Berhad., which controls Al-'Aqar Healthcare REIT.

## 2.3 Classes of RRPT for the Proposed RRPT Mandate

The Proposed RRPT Mandate applies to the following classes of Related Parties:-

<u>Nature of RRPT</u>	<u>Transacting Party</u>	<u>Classes of Related Party and Nature of Interest</u>
Rental income for renting of land for car park	Metro Parking (M) Sdn Bhd (“ <b>MPSB</b> ”), a 100%-owned subsidiary of Damansara Realty Berhad, (“ <b>DBhd</b> ”), of which JCorp has an interest in DBhd via its indirect shareholdings 13.98% <sup>(a)</sup> in DBhd.	<p><u>Major Shareholder:-</u></p> <ul style="list-style-type: none"> <li>▪ JCorp</li> </ul> <p>KPJ is a 44.09% associate company of JCorp as at LPD.</p> <p><u>Directors:-</u></p> <ul style="list-style-type: none"> <li>▪ Dato’ Kamaruzzaman Abu Kassim</li> <li>▪ Dato’ Amiruddin Abdul Satar</li> <li>▪ Aminudin Dawam</li> <li>▪ Zulkifli Ibrahim</li> <li>▪ Mohd Sahir Rahmat</li> </ul> <p>Dato’ Kamaruzzaman Abu Kassim, Dato’ Amiruddin Abdul Satar, Aminudin Dawam, Zulkifli Ibrahim and Mohd Sahir Rahmat are deemed as persons connected to JCorp by virtue of them being Directors of the Company nominated by JCorp and being part of the senior management of JCorp.</p>
Rental payable for renting of retirement village building and aged care facility in Australia	Al-‘Aqar Australia Pty Ltd (“ <b>Al-‘Aqar Australia</b> ”), a wholly-owned subsidiary of Al-‘Aqar Healthcare REIT (“ <b>Al-‘Aqar</b> ”), a listed trust fund managed by Damansara REIT Managers Sdn Berhad, a wholly - owned subsidiary of Damansara Assets Sdn Bhd (“ <b>DASB</b> ”), which in turn is a wholly-owned subsidiary of JCorp.	
Housekeeping contract fees payable	HC Duraclean Sdn Bhd (“ <b>HCD</b> ”), a 75%-owned subsidiary of DBhd, of which JCorp has an interest in DBhd via its indirect shareholdings 13.98% <sup>(a)</sup> in DBhd.	
Registrar fees payable	Pro Corporate Management Services Sdn Bhd (“ <b>PCMS</b> ”), a wholly-owned subsidiary of JCorp Hotels and Resorts Sdn Bhd (“ <b>JCorp Hotels</b> ”), which in turn is a wholly-owned subsidiary company of JCorp.	
Registrar fees payable	JCorp	
Secretarial fees payable	JCorp	
Security services fees payable	Teraju Fokus Sdn Bhd (“ <b>TFSB</b> ”), a 30% associated company of JCorp.	

Nature of RRPT	Transacting Party	Classes of Related Party and Nature of Interest
Fees payable for both project management services for the construction of hospital buildings and maintenance of non-medical equipment such as lifts and fire fighting equipment	Healthcare Technical Services Sdn Bhd (“ <b>HTS</b> ”), a 70%-owned subsidiary of DBhd, of which JCorp has an interest in DBhd via its indirect shareholdings 13.98% <sup>(a)</sup> in DBhd.	
Insurance coverage payable	MIT Insurance Brokers Sdn Bhd (“ <b>MIT</b> ”) is a 75%-subsidiary of Sindora Berhad, which in turn is a wholly-owned subsidiary of Kulim (M) Berhad, which in turn is a wholly-owned subsidiary of JCorp.	
Building management service fees payable for Menara KPJ in Kuala Lumpur	DASB is a wholly-owned subsidiary of JCorp.	
Rental payable for renting Malaysian College of Hospitality and Management	Al-Salām Real Estate Investment Trust (“ <b>Al-Salām REIT</b> ”), is a 66.75%-owned subsidiary of JCorp via its direct (4.13%) and indirect interest (62.62%) <sup>(b)</sup>	
Contract management and advisory fees of KPJ projects development	JCorp	
Rental payable for renting multi-storey car park	Al-`Aqar	
Rental payable for the lease of hospital building and land in Batu Pahat, Johor	Johor Land Berhad (“ <b>JLand</b> ”) <sup>(c)</sup> is a wholly-owned subsidiary of JCorp.	

**Notes:-**

- (a) Indirect interest via JCorp’s interest in Kulim (Malaysia) Berhad and Sindora Berhad pursuant to Section 8 of Act
- (b) Indirect interest via JCorp’s interest in KPJ, Kulim (Malaysia) Berhad, DASB, Johor Land Berhad, Kumpulan Bertam Plantation Berhad, Waqaf An-Nur Corporation Berhad and Tenaga Utama (Johor) Berhad
- (c) Al-`Aqar, represented by its trustee, AmanahRaya Trustees Berhad had on 27 February 2018 entered into a memorandum of understanding to acquire the hospital building and land in Batu Pahat from JLand. If the transaction is completed, the lease rental will be payable to Al-`Aqar and hence, the transacting party will be Al-`Aqar, represented by its trustee, AmanahRaya Trustees Berhad. As at this juncture, the expected completion date of the transaction cannot be determined as JLand and Al-`Aqar has yet to enter into binding sale and purchase agreement.

## 2.4 Nature of RRPT for the Proposed RRPT Mandate

Transacting Party	Nature of RRPT	Estimated value from the date of the forthcoming AGM to the date of next AGM (RM'000)	Estimated value approved on the last AGM "Estimated Value" (RM'000)	Actual value transacted from 20 April 2017 (date of last AGM) up to the LPD "Actual Value" (RM'000)
<b>JCorp and its subsidiaries</b>				
(i) JCorp	i) Secretarial fees payable	600	609	476
	ii) Registrar fees payable	300 <sup>(a)</sup>	-	-
	iii) Contract management and advisory fees of KPJ projects development	798 <sup>(b)</sup>	-	-
(ii) PCMS	Registrar fees payable	- <sup>(a)</sup>	300	282
(iii) DASB	Building management service fees payable	1,200	1,103	1,000
(iv) MIT	Insurance coverage payable	5,800	4,800	4,272
(v) JLand	Lease rental payable for renting hospital building	1,850 <sup>(c)</sup>	-	-
MPSB	Rental income for renting of land for car park	1,600	2,300	1,324
HTS	Fees payable for project management and maintenance of non-medical equipment	3,300	8,189	3,808
TFSB	Security services fees payable	6,740	6,000	5,151
Al-Salām REIT	Rental payable for renting Malaysian College of Hospitality and Management	2,550	2,532	2,110
HCD	Housekeeping contract fees payable	18,300	16,638	14,536
Al-Aqar Australia	Rental payable for renting of retirement village building and aged care facility in Australia	11,500	11,000	9,531
<b>Total</b>		<b>54,538</b>	<b>53,471</b>	<b>42,490</b>

**Notes:-**

- (a) There is a change of company registrar from PCMS to JCorp commencing on 2 February 2018.
- (b) This is a new RRPT in relation to fees for services rendered by JCorp in monitoring and advising of contract management, as well as auditing the progress and development of KPJ's projects.
- (c) This is a new RRPT in relation to the lease rental payable PSHJSB, a wholly-owned subsidiary of KPJ, to JLand for the lease of hospital building and the land in Batu Pahat, Johor ("**Batu Pahat Building**").  
Al-`Aqar, represented by its trustee, AmanahRaya Trustees Berhad had on 27 February 2018 entered into a memorandum of understanding to acquire the Batu Pahat Building. If the transaction is completed, the lease rental will be payable to Al-`Aqar, and hence, the transacting party will be Al-`Aqar, represented by its trustee, AmanahRaya Trustees Berhad. As at this juncture, the expected completion date of the transaction cannot be determined as JLand and Al-`Aqar has yet to enter into binding sale and purchase agreement.

## 2.5 Basis of estimates

The abovementioned estimated value in respect of each transaction referred to in Section 2.4 above are based on prevailing prices obtained from the Related Parties which are reasonably market-competitive prices and are derived from the sums incurred or received during the past years, based on the normal level of transactions entered into by the Group. The estimated amounts are further based on the assumptions that current level of operations will continue and all external conditions remain constant.

The rental sum in respect of the land rented out for car park was arrived at based on the going market rate for the properties at the time the tenancy agreement was executed. The rental for the retirement village building and aged care facility was decided after taking into consideration, inter-alia, cash flows from the retirement village and aged care facility as well as the prevailing interest rate in Australia.

## 2.6 Details of the sums due and owing to KPJ by its Related Parties pursuant to a RRPT which exceeded the credit terms as at FY 2017.

There is no amount due and owing to KPJ by its related parties which has exceeded the credit terms imposed by KPJ on them pursuant to the RRPT.

## 2.7 Review procedures in relation to RRPT

The Company has established the following internal control systems to ensure that the RRPT are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are not more favourable to the interested parties than those extended to third parties/public and are not to the detriment of the minority shareholders:

- (i) in determining the pricing for the RRPT, the Group transacts at the prevailing market rates/prices for services or products, on the service or product providers' usual commercial terms, and otherwise in accordance with applicable industry norms. Other than pricing, the level of service, quality of products and other factors are also considered;
- (ii) at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third party cannot be obtained, the transaction price will be determined by the Group based on that offered by/to other unrelated third parties for the same or substantially similar type of transaction to ensure that the RRPT is not detrimental to the Group;
- (iii) all RRPT of value below RM1,000,000 must be reviewed and approved by the Executive Committee ("EXCO") (comprising fourteen members namely, the President/Managing Director, Executive Director, Vice President 1 & 2 and the Senior Managers of the Company). Where the value exceeds RM1,000,000, the details of the RRPT will be available to the Audit Committee for its review and approval;
- (iv) if any Director of the KPJ Group has a direct or indirect interest in any particular transaction, he or she will have to abstain from any deliberation and also voting in respect of the said transaction. If a member of the Audit Committee is interested in any transactions, that member of the Audit Committee shall abstain from voting in any matter relating to any decision to be taken by the Audit Committee with respect to such transactions;

- (v) proper records shall be maintained to capture all RRPT of a revenue or trading nature entered into pursuant to the shareholders' mandate to ensure accurate disclosure thereof. Disclosure shall be made in the Annual Report of the Company of the aggregate value of transactions conducted in accordance with the given mandate;
- (vi) the Audit Committee shall have overall responsibility for the determination of the review procedures;
- (vii) the Audit Committee shall review the relevant RRPT of a revenue or trading nature and the existing procedures to ascertain that they have been complied with; and
- (viii) if during the review, the Audit Committee is of the view that the abovementioned procedures are no longer sufficient to ensure that the RRPT undertaken on an arm's length basis and on normal commercial terms that are not more favourable to the Related Party than those normally available to the public, the Audit Committee shall have the discretion to request for additional procedures to be imposed on all the RRPT. In that event, such procedures may be implemented without the approval of the shareholders of KPJ Group, provided that they are more stringent than the existing procedures.

## **2.8 Audit Committee Statement**

The Audit Committee has seen and reviewed the procedures set out in Section 2.7 above and is of the view that the procedures are sufficient to ensure that the RRPT are not more favourable to the interested parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee reviews these procedures on an annual basis.

## **2.9 Disclosure in Annual Report**

A disclosure will be made in the Company's Annual Report pursuant to the Proposed RRPT Mandate and in the annual reports of the Company for the subsequent years that the Proposed RRPT Mandate continues to be in force in accordance with the Listing Requirements, which requires a breakdown of the aggregate value of the recurrent related party transactions made during the financial year, based on, amongst others, the following information:-

- (i) the type of RRPT made; and
- (ii) the names of the Related Parties involved in each type of RRPT made and their relationship with the Company.

## **3. RATIONALE FOR THE PROPOSED RRPT MANDATE**

The Proposed RRPT Mandate will eliminate the need to make announcement and convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by the Group into such transactions. This will reduce the associated expenses, improve administrative efficiency and allow manpower, resources and time to be better channelled towards achieving other corporate objectives.

The RRPT entered into by the Group are intended to meet business needs at the best possible terms. It also enhances the ability of the Group to explore beneficial business opportunities and promote cross-selling between the Group and the JCorp group of companies.

#### 4. VALIDITY PERIOD FOR THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate, if approved at the forthcoming AGM, will continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by a resolution passed at the meeting;
  - (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (iii) revoked or varied by resolution passed by the shareholders in a general meeting,
- whichever is earlier.

#### 5. EFFECTS OF THE PROPOSED RRPT MANDATE

The Proposed RRPT Mandate will not have any effects on the issued share capital of the Company, substantial shareholders' shareholdings in the Company, NA per share, gearing, EPS and dividend of the Group.

Nevertheless, the Proposed RRPT Mandate is in relation to transactions which relate to the KPJ Group's day to day operation and hence, it will impact KPJ Group's financial performance.

#### 6. APPROVALS REQUIRED

The Proposed RRPT Mandate is subject to and conditional upon approval being obtained from the shareholders of the Company at the forthcoming AGM.

#### 7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save and except as disclosed below, none of the other Directors, major shareholders and persons connected to them, have any interests, direct or indirect in the Proposed RRPT Mandate:-

##### (i) Major Shareholders' Interest

JCorp ("**Interested Major Shareholder**") will abstain from voting in respect of its direct and indirect interests in the Company on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM. JCorp has undertaken to ensure that persons connected with it shall abstain from voting on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM in respect of their direct or indirect interests in the Company.

##### (ii) Directors' Interests

Dato' Kamaruzzaman Abu Kassim, Dato' Amiruddin Abdul Satar, Aminudin Dawam, Zulkifli Ibrahim and Mohd Sahir Rahmat (collectively referred to as "**Interested Directors**") are deemed interested in the Proposed RRPT Mandate by virtue of them being Directors of the Company nominated by JCorp and persons being part of the senior management of JCorp.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberations and voting on the Proposed RRPT Mandate at all Board meetings. They will also abstain from voting in respect of their direct and indirect interests, if any, on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM.



In addition, the Interested Directors have undertaken to ensure that persons connected with them shall abstain from voting on the resolution pertaining to the Proposed RRPT Mandate at the forthcoming AGM in respect of their direct and indirect interests in the Company.

The direct and indirect shareholdings of the Interested Directors and Interested Major Shareholder in the Company as at LPD are as follows:-

	←-----Direct-----→		←-----Indirect-----→	
	<u>No. of Shares</u>	<u>%<sup>(a)</sup></u>	<u>No. of Shares</u>	<u>%<sup>(a)</sup></u>
<b><u>Interested Major Shareholder</u></b>				
JCorp	1,533,915,544	36.38	325,979,376 <sup>(b)</sup>	7.73
<b><u>Interested Directors</u></b>				
Dato' Kamaruzzaman Abu Kassim	254,500	0.01	-	-
Dato' Amiruddin Abdul Satar	25,064	*	-	-
Aminudin Dawam	44,788	*	-	-
Zulkifli Ibrahim	-	-	-	-
Mohd Sahir Rahmat	860,000	0.02	-	-

**Notes:-**

\* Negligible

(a) Based on the total number of issued shares of KPJ (excluding Treasury Shares)

(b) Deemed interested by virtue of its shareholdings in Waqaf An-Nur Corporation Berhad, Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd and Maybank Nominees (Tempatan) Sdn Bhd for AmanahRaya Investment Management Sdn Bhd for Johor Land Berhad pursuant to Section 8 of Act.

**8. DIRECTORS' RECOMMENDATION**

The Board (save for the Interested Directors mentioned above), having considered all aspects of the Proposed RRPT Mandate, is of the opinion that the Proposed RRPT Mandate is in the best and long term interests of KPJ Group and its shareholders.

Accordingly, the Board (save for the Interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed RRPT Mandate to be tabled at the forthcoming AGM.

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## **9. AGM**

The AGM, (the notice of which is set out in KPJ's 2017 Annual Report and an extract of which is also enclosed in this Circular), will be held at the Tanjung Puteri 302, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Monday, 23 April 2018 at 12.00 p.m. for the purpose of considering, and if thought fit, passing the resolution to give effect to the Proposed RRPT Mandate.

If you are unable to attend and vote in person at the AGM, you may complete and return the Form of Proxy in enclosed in the 2017 Annual Report accordance with the instructions therein as soon as possible and in any event so as to arrive at the Registered Office of the Company at Level 16, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor at least twenty-four (24) hours before the time set for the AGM. The lodging of a Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **10. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

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

**ZAINAH MUSTAFA**  
Independent Non-Executive Director

**PART C**

**PROPOSED ADOPTION OF THE NEW CONSTITUTION  
OF THE COMPANY**

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## DEFINITIONS

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For the purpose of this document, except where the context otherwise requires, the following definitions shall apply throughout the Part C of this Circular:-

<b>Act</b>	: The Companies Act 2016, as amended from time to time and any re-enactment thereof
<b>AGM</b>	: Annual General Meeting
<b>Annual Report</b>	: The annual report of KPJ for FYE 31 December 2017
<b>Board</b>	: The Board of Directors of KPJ
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (635998-W)
<b>CMSA</b>	: Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
<b>Constitution</b>	: The Constitution of KPJ , as amended from time to time
<b>Director</b>	: Shall have the same meaning given in Section 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive officer of the listed issuer, its subsidiary or holding company
<b>FYE(s)</b>	: Financial year(s) ended / ending, as the case may be
<b>KPJ or the Company</b>	: KPJ Healthcare Berhad (247079-M)
<b>KPJ Group or the Group</b>	: KPJ and its subsidiary companies
<b>KPJ Share(s) or Share(s)</b>	: Ordinary share(s) in KPJ
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>M&amp;A</b>	: Memorandum and Articles of Association of KPJ
<b>Proposed Adoption</b>	: Proposed adoption of the new Constitution of KPJ in place of the previous Memorandum and Articles of Association of KPJ
<b>Rules</b>	: Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016
<b>SC</b>	: Securities Commission Malaysia

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

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



**KPJ HEALTHCARE BERHAD**

(Company No. 247079-M)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under Companies Act, 2016)

**Registered Office:**

Level 16  
Menara KOMTAR  
Johor Bahru City Centre  
80000 Johor Bahru  
Johor

22 March 2018

**Board of Directors:**

Dato' Kamaruzzaman Abu Kassim	<i>(Non-Executive Chairman)</i>
Dato' Amiruddin Abdul Satar	<i>(President/Managing Director)</i>
Tan Sri Datin Paduka Siti Sa'diah Sh Bakir	<i>(Independent Non-Executive Director)</i>
Aminudin Dawam	<i>(Executive Director)</i>
Zainah Mustafa	<i>(Independent Non-Executive Director)</i>
Datuk Azzat Kamaludin	<i>(Independent Non-Executive Director)</i>
Dr Kok Chin Leong	<i>(Independent Non-Executive Director)</i>
Zulkifli Ibrahim	<i>(Non-Independent Non-Executive Director)</i>
Prof Dato' Dr Azizi Haji Omar	<i>(Independent Non-Executive Director)</i>
Dato' Dr Zaki Morad Mohamad Zaher	<i>(Independent Non-Executive Director)</i>
Mohd Sahir Rahmat	<i>(Non-Independent Non-Executive Director)</i>

**To: The Shareholders of KPJ**

Dear Sir/Madam,

**PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**

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**1. INTRODUCTION**

On 19 March 2018, the Company announced that it will be seeking its shareholders' approval at the forthcoming AGM on the Proposed Adoption and the purpose of this Circular is to provide you with relevant information on the Proposed Adoption and to seek your approval for the Special Resolution to be tabled at the forthcoming AGM to be convened, the details of which are given in the Notice of AGM in the Annual Report which is sent out together with this Circular.

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED ADOPTION OF THE NEW CONSTITUTION TO BE TABLED AT THE FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED ADOPTION**

The Board proposes that the Company revoke its existing M&A in its entirety with immediate effect and in place thereof, adopt a new Constitution, taking into account the Act which came into effect from 31 January 2017 and to be in line with the amendments to the Listing Requirements that came into effect from 1 January 2018.

A copy of the new Constitution proposed to be adopted by the Company is set forth in the Appendix II of this Circular.

## **3. RATIONALE FOR THE PROPOSED ADOPTION**

The Proposed Adoption is primarily for the purposes of streamlining the Company's existing M&A to be in line with the Act and the Listing Requirements and the prevailing statutory and regulatory requirements applicable to the Company.

The Board proposes the adoption of a new Constitution as the amendments required to be made are numerous and would entail substantial amendments to the existing M&A of the Company.

## **4. EFFECTS OF THE PROPOSED ADOPTION**

The Proposed Adoption will not have any effect on the share capital, substantial shareholders' shareholdings, net assets per share, gearing or earnings per share of KPJ group.

## **5. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS**

None of the Directors, Major Shareholders and persons connected with the Directors and Major Shareholders has any interest in the proposed Adoption.

## **6. APPROVALS REQUIRED**

The Proposed Adoption is subject to the approval of the shareholders of KPJ at the forthcoming AGM.

## **7. DIRECTORS' RECOMMENDATION**

Your Board of Directors having considered all aspects of the Proposed Adoption and after careful deliberation, are of the opinion that the Proposed Adoption are in the best interest of the Company and its shareholders and therefore, recommends that you vote in favour of the Special resolution for the Proposed Adoption to be tabled at the forthcoming AGM of the Company.

## **8. ANNUAL GENERAL MEETING**

The Special Resolution relating to the Proposed Adoption to be voted thereon has been incorporated in the Notice of AGM of KPJ's 2017 Annual Report. The AGM will be held at the Tanjung Puteri 302, Persada Johor International Convention Centre, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor on Monday 23 April 2018 at 12.00 p.m.

If you are unable to attend and vote in person at the AGM, you may complete and return the Form of Proxy as enclosed in the 2017 Annual Report accordance to the instructions therein as soon as possible and in any event so as to arrive at the Registered Office of the Company at Level 16, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor at least twenty-four (24) hours before the time set for the AGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

**9. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for additional information and Appendix II for the new Constitution of the Company.

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

**ZAINAH MUSTAFA**  
Independent Non-Executive Director

## **1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board which individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and, to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would, make any statement in this Circular misleading.

## **2. CONSENT**

The written consent of AmInvestment Bank for the inclusion in this Circular of its name and all references thereto in the form and context in which it appears has been given and has not been subsequently withdrawn.

AmInvestment Bank is not aware of any circumstances that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Principal Adviser to the Company for the Proposed Share Buy-Back and Proposed RRPT Mandate.

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company (“**AmBank Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses.

The AmBank Group has engaged and/or may in the future, engage in transactions with and perform services for the KPJ Group and/or their connected parties, in addition to the roles involved in the Proposed Share Buy-Back and Proposed RRPT Mandate. In the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transactions (on its account or otherwise) with the KPJ Group and/or their connected parties, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of KPJ Group and/or their connected parties. This is a result of the businesses of AmBank Group generally acting independently of each other and accordingly there may be situations where parts of AmBank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of the KPJ Group and/or their connected parties.

## **3. MATERIAL CONTRACTS**

Save as disclosed below, the KPJ Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business), during the two (2) years preceding the LPD:-

- (i) Agreement to Lease dated 17 October 2016 (“**Agreement to Lease**”) entered between JLand and JCorp and PSHJSB, a wholly-owned subsidiary of KPJ, for the proposed construction of a 7 storey 90 beds hospital building with a gross floor gross floor measuring 157,500 square feet with 162 car park bays with a built up area of 21,797.10 square which is to be known as “KPJ Batu Pahat Specialist Hospital” (“**Proposed Hospital**”).

The Proposed Hospital is to be erected at JLand’s own cost and expense on part of a subdivided land owned by JCorp held under title particulars H.S.(D) 69760, PTD 63523, Mukim Simpang Kanan, Daerah Batu Pahat, Negeri Johor (“**Land**”) and JCorp had granted JLand the rights to develop, construct and sell proposed buildings constructed on the Land pursuant to a Development Rights Agreement dated 5 April 2013 entered between JCorp and JLand.



Upon completion of construction and delivery of vacant possession of the Proposed Hospital by JLand, PSHJSB shall take the lease of the Proposed Hospital (“**Demised Premises**”) commencing from the period stated in the Agreement to Lease and for the duration specified in the lease agreement to be entered between JLand (as Lessor) and PSHJSB (as Lessee) (“**Batu Pahat Lease Agreement**”), at the lease rental rate which is to be mutually agreed upon by the parties at a later stage and subject to the terms and conditions set out in the Batu Pahat Lease Agreement.

As at the LPD, the Agreement to Lease is still ongoing. The parties are at the stage of fulfilling the conditions precedent set out under the Agreement to Lease.

- (ii) Tenancy Agreement dated 3 January 2017 (“**Tenancy Agreement**”) entered into between Kluang Specialist Hospital Sdn Bhd and JSHSB, a wholly-owned subsidiary of KPJ, for the lease of all that piece of freehold commercial land measuring approximately 10,117.15 square metres in area and held under title H.S.(D) 75063, No. PT PTD 91374, Mukim Kluang, Daerah Kluang, Negeri Johor for a period of thirty (30) years for the proposed construction of an eight (8) storey building erected thereon (“**Hospital Building**”) for the purpose of operating a private specialist hospital to be known as “Kluang Specialist Hospital Sdn Bhd” (“**Kluang Lease**”) and subject to the terms and conditions set out in the Tenancy Agreement. The commencement of the Kluang Lease shall occur upon date of issuance of the certificate of completion and compliance in respect of the duly completed Hospital Building (“**Commencement Date**”). The Lease shall be for a 3 years from Commencement Date with an irrevocable and automatic extension of 4 terms of 3 years each at a rental to be paid by JSHSB based on the formula set out in the Tenancy Agreement.

As at the LPD, the parties at the stage of complying with the terms and conditions of the Tenancy Agreement and the Tenancy Agreement still ongoing.

- (iii) Sale and Purchase Agreement dated 28 November 2017 (“**the SPA**”) entered between JCorp and Pasir Gudang Specialist Hospital Sdn Bhd (“**PGSHSB**”), a wholly-owned subsidiary of KPJ, in relation to sale by JCorp and the purchase by PGSHSB of all that piece a 99-year leasehold land, (with a leasehold tenure expiring on 21 June 2110) bearing title particulars bearing title particulars HS(D) 494098 PTB 20539 Bandar and measuring approximately 6700 square metres (1.655 acres) together with the building(s) erected thereon located at Jalan Tun Abdul Razak (Susur 5), Johor Bahru for a total cash consideration of RM12,060,000.00 (“**SPA Purchase Consideration**”).

As at the LPD, the completion of the SPA is still pending.

- (iv) Sale and Purchase Agreement dated 8 December 2017 (“**KPJ Selangor Car Park SPA**”) entered into between Al-‘Aqar (being represented by its trustee AmanahRaya Trustees Berhad) (“**REIT Trustee**”) (as purchaser) and SlgSHSB, a 60% owned subsidiary of KPJ (as vendor), in relation to the purchase by Al-‘Aqar from SlgSHSB of a five (5) storey car park block together with a half basement level and an open roof level (building only) (“**Car Park Block**”) which is erected on part of the leasehold land held under title particulars H.S.(D). 112884, Lot No. PT 2, Section 20, Town of Shah Alam, District of Petaling, State of Selangor (owned by Al-‘Aqar”) for a total cash consideration of RM13,000,000 and upon completion of the Acquisition, a lease agreement dated 27 December 2017 (“**Lease Agreement**”) was entered into by Al-‘Aqar (as the lessor), Damansara REIT Managers Sdn Berhad and SlgSHSB (as the lessee) for the lease back of the Car Park Block to SlgSHSB (as the lessee) for a period commencing from 27 December 2017 till 29 June 2021.

As at the LPD, the acquisition has been completed and the Lease Agreement is ongoing.

- (v) Subscription and Share Purchase Agreement dated 23 January 2018 (“SSPA”) entered into between KL Kappa Sdn Bhd (“**KL Kappa**”), Lablink (M) Sdn Bhd (“**Lablink**”) and KPJSB, a wholly-owned subsidiary of KPJ, for the subscription of new shares in Lablink (“**Subscription Shares**”) by KL Kappa (subject to adjustment mechanism contained in the SSPA) and for the purchase of some existing shares in Lablink (“**Sale Shares**”) by KL Kappa from KPJSB for a total cash consideration of RM119,920,226 (“**SSPA Consideration**”).

Under the SSPA, the initial completion of the SSPA which occur before 5pm on the 30<sup>th</sup> business day following and conditional upon satisfaction or waiver of the conditions as outlined in the SSPA or on such other days as may be mutually agreed upon by the parties to the SSPA (“**Initial Completion**”). On Initial Completion, against completion of certain terms under the SSPA, KL Kappa shall deliver:

- (a) payment of the SSPA Consideration to Lablink and KPJSB ; and
- (b) the shareholders agreement duly executed by KL Kappa .

As a result KL Kappa will have a 49% equity interest in Lablink’s enlarged share capital, with 51% of the remaining shares of Lablink will be held by KPJSB. As at the LPD, the completion of the SSPA is still pending.

#### **4. MATERIAL LITIGATION**

As at LPD, there are no material litigations, claims or arbitration, either as a plaintiff or a defendant, which will have a material and/or adverse effect on the financial position or business of our Group and our Board is not aware of any proceedings pending or threatened against our Group or of any fact which is likely to give rise to any proceedings which may materially and/or adversely affect the position or business of our Group.

#### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of KPJ following the date of this Circular from Mondays to Fridays (except public holidays) during business hours up to the date of the AGM:-

- (i) the Constitution of KPJ;
- (ii) the audited consolidated financial statements of the KPJ Group for the past two (2) FY 2016 and FY 2017;
- (iii) the letter of consent referred to in Section 2 above; and
- (iv) the material contract referred to in Section 3 above.

**THE COMPANIES ACT, 2016  
MALAYSIA**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**CONSTITUTION**

of

**KPJ HEALTHCARE BERHAD**

Company No : 247079 – M

Incorporated on 18th day of August, 1992

**THE COMPANIES ACT, 2016  
MALAYSIA**

***PUBLIC COMPANY LIMITED BY SHARES***

**CONSTITUTION**

**OF**

**KPJ HEALTHCARE BERHAD**

1. The name of the Company is **KPJ Healthcare Berhad**.
2. The Registrar Office of the Company will be situated in Malaysia.
3. The objects for which the Company is established are:-
  - 3.1 (i) To carry on the business of an investment and holding company and for that purpose to acquire and hold either in the name of the company or in that of any nominee shares, stocks, debenture, debenture stock, bonds, notes obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and debenture, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority supreme, dependent, municipal, local or otherwise in any part of the world. To acquire and hold investments
  - (ii) To acquire any such shares, stock, debentures, debenture stock, bonds, notes, obligations or securities by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicates or otherwise and whether or not fully paid up and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
  - 3.2 To undertake the business of managing agents for any hospitals, clinics, maternity and nursing homes in Malaysia or elsewhere and to provide administration, management, financial advise and other services to the hospitals concerned. Managing agents
  - 3.3 To carry on the business of rental of hospital equipments and appliances apparatus, machineries, material, goods and constitution of every descriptions. To carry on business of rental of hospital equipment
  - 3.4 To carry on the business of whole sale and retail pharmaceutical chemists and druggist and of dispensing all medicines and to acquire the rights in recipes of and carry on the manufacture pharmaceuticals of patent or other medicines. To carry on the business of pharmaceutical
  - 3.5 To carry on the business as dealers in surgical instruments appliances of all artificial limbs, eyes and other aids for the relief of defects or body or sight or hearing and to make and deal in all requisites for hospital patients and invalids. To carry on business as dealers
  - 3.6 To purchase, take on lease, hire or otherwise acquire for purpose of To invest in property

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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Company No.  
247079-M

- investment in Malaysia or elsewhere any real estate or property or any rights or interest therein, which the Company may think necessary or convenient and in particular any lands, plantations, estates, houses, building, flats, factories, warehouse, plant, machinery, patents, concessions, trade marks, trade names, copyrights licences, stocks, material or property of any description and to work, use, maintain and improve, let, surrender, mortgage, charge, vary or dispose of the same or any other property of the Company, including in respect of any patent or patent rights belonging to the Company, the grant of licences or authorities to any person, corporation or company to work the same. etc.
- 3.7 To develop and turn to account any land acquired by or in which the Company is interested, and in particular by laying out and preparing the same for building purposes, constructing, decorating, maintaining, furnishing, fitting up, improving, altering, pulling down and re-erecting or re-constructing building and by planting, paving, draining, farming, cultivating, letting on building lease or building lease or building agreements and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others. To develop land etc.
- 3.8 To purchase, take on lease or otherwise howsoever acquire and to obtain or grant options over traffic and otherwise deal in or turn to account, sell, grant leases and tenancies of lands, houses, buildings, easements, rights, privileges, concessions and immovable property of any description or tenure whatsoever in any part of the world and every manner of right or interest therein. To deal in immovable property
- 3.9 To carry on the business ordinarily carried on by financiers or capitalists except the business of banking. To carry on business as financiers etc
- 3.10 To purchase, take on lease or otherwise howsoever acquire, and to obtain or grant options over, traffic and otherwise deal in or turn to account, sell, grant leases and tenancies of lands, houses, buildings, easements, rights, privileges, concessions and immovable property of any description or tenure whatsoever in any part of the world and every manner of right or interest therein. To deal in immovable property
- 3.11 To obtain option over, purchase or otherwise howsoever acquire and to improve, manage and develop and to grant options and licences over, sell and otherwise deal in movable property, choses in action and rights of any kind whatsoever in any part of the world. To deal in movable property
- 3.12 To improve, manage, develop, sell, exchange, lease, demise, hire, mortgage, charge, enfranchise, dispose of, and turn to account or otherwise deal with all or any part of the property, assets and rights of the Company. To improve etc.
- 3.13 To vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company. To vest property in trustees etc.
- 3.14 To undertake and execute any trust the undertaking whereof may seem desirable and either gratuitously or otherwise. To act as trustee

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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Company No.  
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| 3.15 | To purchase or otherwise acquire patents, patent rights, rights of analogous character, brevets invention, concessions, licences and the like conferring any exclusive or non-exclusive or limited right to use any invention which may seem capable of being used for any of the purposes of this Company, secret processes, trade marks, copyrights or any concessions of any nature, from any government or other authority which may be advantageous to this Company, or grant licences in respect of or otherwise turn to account the property, rights or information so acquire. | To purchase patents and other rights             |
| 3.16 | To carry on any other business (whether similar to any of the above mentioned business or not) which may seem to the Company capable of being conveniently carried on in connection with the above mentioned business or any of them or calculated directly or indirectly to enhance the value of or render profitable any of Company's business, property or rights.  | To carry on other business etc.                  |
| 3.17 | To establish agencies and branch business and to procure the Company to be registered and recognised in any part of the world and to regulate, carry on or discontinue the same.   | To establish agencies                            |
| 3.18 | To enter into partnership or arrangement in the nature of a partnership, corporation or union of interests, with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorized to carry on or conduct or from which this Company would or might derive any benefit, whether direct or indirect.   | Partnership                                      |
| 3.19 | To acquire and undertake the whole or any part of the business property and liabilities of any person or persons, firms or company, carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purposes of the Company.  | To acquire any business the Company can carry on |
| 3.20 | To amalgamate with any company having objects altogether or in part similar to those of the Company and to enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person or persons, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.   | To amalgamate                                    |
| 3.21 | To pay for any property or rights to be acquired by the Company either in cash or by shares (with or without preferred or deferred rights) or any securities which the Company has power to issue and generally on such terms as may be thought fit.   | To pay for property in shares                    |
| 3.22 | To draw, make, accept, endorse, discount and negotiate cheques, promissory notes, bills of exchange, bills of lading, charter-parties warrants, debentures and other negotiable or transferable instruments.   | To negotiate cheques etc.                        |
| 3.23 | To guarantee or become liable for the payment of money or for the performance of any contract, duty or obligation by any person or persons, firm or company.   | To guarantee                                     |
| 3.24 | To borrow or raise money with or without security and to secure the payment of money or the performance of any obligation on terms as  | To borrow mortgage, issue debentures etc.        |

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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- may seem expedient and in particular by the issue of bonds, mortgage or other debentures or securities (perpetual or otherwise) or by mortgage charges, bills of exchange or promissory notes or by any other instrument or in such purpose to charge all or any part of the undertaking and property, assets of the Company both present and future including its uncalled capital and either with or without participation in profits and voting power.
- 3.25 To sell or dispose of the undertaking, property and assets of the Company or any other part thereof at such time, in such manner and for such consideration as may be thought fit. To sell the undertaking
- 3.26 To establish or promote any other company or companies for the purpose of acquiring the business and undertaking or all or any of the property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to acquire and hold any shares or securities of any such company. To promote other companies
- 3.27 To accept payment for the undertaking or any property or rights sold or otherwise disposed of or dealt with by the Company either in cash or by instalments or otherwise or in shares credited as fully or partly paid up in any company or companies with or without deferred or preferential rights in respect of dividends or payment of capital or otherwise or by means of mortgages or by debentures, debenture stock (perpetual or otherwise) or obligations or securities of any company or companies or partly in one mode and partly in another and generally on such terms as the Company may determine. To accept payment
- 3.28 To pay all or any part of the expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company and all commission, brokerage, discount, underwriting and other expenses lawfully payable which may be deemed expedient for taking, placing or underwriting all or any of the shares or debentures or other obligations of the Company. To pay preliminary expenses
- 3.29 To obtain or in any way assist in obtaining any ordinance or enactment of any legislative authority for enabling this or any other company to carry any of its objects into effect or for effecting any modification of this or any other company's constitution or for any other purpose and to oppose any legislation, proposals, proceedings, schemes or applications whether indicated in this paragraph or not which may seem calculated directly or indirectly to prejudice this or any other company. To obtain ordinance or legislative enactment
- 3.30 To enter into any arrangement with any government or authority supreme, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such government or authority any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions. To make arrangement with governments and public bodies
- 3.31 To remunerate any person, firm or company rendering services to this Company either by cash payment or by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient. To remunerate persons rendering service to the Company

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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| 3.32 | To support and subscribe to any charitable or public object, and any institution, society or club which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on business; to give pensions, gratuities or charitable aid to any persons who may have been director of or may have served the Company or to the wives, children or other relatives or dependants of such persons; to make payments towards insurance and to form and contribute to provident and benefit funds for the benefit of any of such persons or of their wives, children or other relatives or dependants.  | To support charitable institution and give persons gratuities |
| 3.33 | To distribute, whether upon the winding up of the Company or otherwise, all or any of the assets and property of the Company among the Members in specie or in kind or otherwise but so that no distribution amounting to reduction of capital be made without the sanction of the court where necessary.  | To distribute property among Members in specie                |
| 3.34 | To do all or any of the above things in any part of the world on behalf of the Company or on behalf of any company and as principal, agents, contractors, trustees or otherwise or by or through trustees, agents or otherwise and either alone or in conjunction with another or others.  | To act in any part of the world                               |
| 3.35 | To do all such other things as are or may be incidental or conducive to the attainment of the preceding objects or any part of them.   | To do every thing conducive to objects                        |
| 3.36 | To acquire the Company's own shares and stocks in such manner and to such extent as may from time to time be prescribed and allowed by law and the applicable rules, regulations, orders, guidelines or requirements issued by any relevant authorities from time to time.   | To acquire own shares   |
| 3.37 | To promote the availability of, and the improvement of access to, relevant, high quality and innovative learning and skills development, the supply of education and skills which is responsive to, and aligned with, actions to boost demand, the advancement and promotion of education, lifelong learning and skills development amongst individuals and businesses, the provision of information, advice and guidance, including guidance for career choices, to people of all ages, the provision of support to individuals for learning and skills development, the advancement and provision of training programmes to build employability skills and of support to employers to develop the skills of employees, the promotion of quality in lifelong learning and skills development, the promotion and facilitation of local lifelong learning opportunities and the local development of skills, and the fostering of collaborative partnerships in lifelong learning and skills development. | To provide training   |
| 3.38 | To provide childcare or crèche / nursery services (including holiday playing schemes) by an external contractor or supplier at the Company's business premises and/or elsewhere, where the supply is for the benefit of the employees of the Company's own employees in the course or in furtherance of the Company's business"  | To provide childcare or crèche or nursery services            |



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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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And it is hereby declared that the objects of the Company as specified in each of the foregoing paragraphs of this Rule (except only if and in so far as otherwise expressly provided in any paragraph) shall be separate and distinct objects of the Company and shall not be in any way limited by reference to any other paragraph or the name of the Company.

- |    |   |                       |
|----|---|-----------------------|
| 4. | The Company has the full rights, powers and privileges for the purpose of carrying out the objects as specified under Rule 3 or otherwise permitted by law. | Powers of the Company |
| 5. | The liability of the Members is limited   | Liability of Members  |

## 6. DEFINITIONS AND INTERPRETATION

6.1 In this Constitution, unless the context otherwise requires, the following words, expressions and phrases shall have the same meaning assigned to them herein:-

- “Act”** means the Companies Act 2016 and any statutory modification and re-enactment thereof and any and every other legislation for the time being in force made thereunder and any written law for the time being in force concerning companies and affecting the Company.
- “Alternate Director”** means any person who has been appointed and for the time being holds office as an alternate director of the Company in accordance with the provisions of this Constitution.
- “Annual General Meeting”** means the annual general meeting of the Company.
- “Authorised Nominee”** means an authorised nominee defined under the Central Depositories Act.
- “Beneficial Owner”** in relation to Deposited Securities, means the ultimate owner of deposited Securities who is the person who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of, or arising from, the Deposited Securities, and does not include a nominee of any description.
- “Board”** means the Board of Directors of the Company for the time being of the Company.
- “Central Depository”** means Bursa Malaysia Depository Sdn Bhd or such other name by which it shall be known from time to time.
- “Central Depositories Act”** means the Securities Industry (Central Depositories) Act 1991, as it may be amended, modified or re-enacted from time to time.
- “Company”** means **KPJ HEALTHCARE BERHAD (247079-M)** incorporated on 18 August in the year 1992.
- “Constitution”** means this constitution as originally framed or as altered from time to time by special resolution.
- “Deposited Securities”** means Securities standing to the credit of a Securities Account and includes a Security in a Securities Account that is in suspense.

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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<b>“Depositor”</b>	means a holder of a Securities Account.
<b>“Director(s)”</b>	means a person who has been appointed and for the time being holds office as a director of the Company in accordance with the provision of the Act and this Constitution and, unless the context otherwise provides or requires, includes an Alternate Director.
<b>“Exchange”</b>	means the Bursa Malaysia Securities Berhad (635998-W).
<b>“Exempt Authorised Nominee”</b>	means an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act.
<b>“Issuer”</b>	means in relation to any deposited security, means the public company, corporation, government or body, corporate or unincorporated, which issued the security, and includes any person performing the functions of a registrar or of an issuing house for such issuer in respect of such security
<b>“Listed”</b>	means admitted to the Official List and “listing” shall be construed accordingly.
<b>“Listed Company”</b> or <b>“Listed Issuer”</b>	means any company, other person or undertaking (including a trust) whose securities have been admitted to the Official List.
<b>“Listing Requirements”</b>	means the Listing Requirements of Bursa Malaysia Securities Berhad (635998-W), including any amendment thereto that may be made from time to time.
<b>“Market Day”</b>	means a day on which the stock market of the Exchange is open for trading in securities
<b>“Member(s)”</b>	means any person for the time being registered as the holder of shares in the share capital of the Company in the Register (except the Bursa Malaysia Depository Nominees Sdn Bhd (240297-W) in its capacity as a bare trustee) and any Depositor whose name appears on the Record of Depositors and who has a credit balance of shares in the Company in his or her Securities Account who shall be treated as if he or she were a Member pursuant to Section 35 of the Central Depositories Act.
<b>“Office”</b>	means the registered office of the Company.
<b>“Official List”</b>	means a list specifying all securities which have been admitted for listing on the Exchange and not removed.
<b>“Person”</b>	means includes a body of persons, corporate or otherwise (including a trust).
<b>“ordinary resolution”</b>	shall have the meaning ascribed to it in Section 291 of the Act;
<b>“Record of Depositors”</b>	means a record provided by the Central Depository to the Company or a Listed Issuer pursuant to an application under Chapter 24.0 of the Rules of the Central Depository.
<b>“Register”</b>	means the register of members to be kept pursuant to the Act, and unless otherwise expressed to the contrary, includes the Record of Depositors.

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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<b>“Registrar”</b>	means the Companies Commission of Malaysia.
<b>“Ringgit” / “RM” and “Sen”</b>	means respectively Ringgit Malaysia and Sen.
<b>“Rule”</b>	means a rule contained in this Constitution.
<b>“Rules of the Central Depository”</b>	means the meaning given in Section 2 of the Central Depositories Act.
<b>“Seal”</b>	means the common seal of the Company.
<b>“Secretary”</b>	means any person or persons appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.
<b>“Securities”</b>	means the meaning given in Section 2 of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force.
<b>“Securities Account”</b>	means an account established by the Central Depository for a Depositor for the recording of deposit of Securities and for dealing in such Securities by the Depositor.
<b>“shares”</b>	means shares in the Company.
<b>“special resolution”</b>	shall have the meaning ascribed to it in Section 292 of the Act.
<b>“Statutes”</b>	means the Act, the Central Depositories Act and every other Ordinance or Act for the time being in force concerning companies and affecting the Company.

6.2 In this Constitution, unless there is something in the subject or context inconsistent with such construction or unless it is otherwise expressly provided:-

- 6.2.1 Reference to “writing” or “written” shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words, letters, figures or marks in visible form and/or method of recording information or fixing information in a form capable of being preserved.
- 6.2.2 Words importing the singular include the plural and vice versa;
- 6.2.3 References to any gender shall include any other genders;
- 6.2.4 Words applicable to natural persons include any body of persons, firm or partnership, corporate or otherwise.
- 6.2.5 Words importing the masculine gender only shall include the feminine gender.
- 6.2.6 The expressions “debenture” and “debenture holder” shall include “debenture stock” and “debenture stockholder”.
- 6.2.7 Save as aforesaid any words or expressions defined in the Act, the Central Depositories Act, the Listing Requirements and the Rules of the Central Depository, shall where the context so admits bear the same meaning in this Constitution.
- 6.2.8 All references to time as regards notices or otherwise shall refer to Malaysian time.

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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- 6.2.9 Where by this Constitution, a minimum period is prescribed within which an act is to be done or omitted to be done and such minimum period is less than the minimum period required by any law or Listing Requirements from time to time, such minimum period as set out in this Constitution shall be increased to such minimum period as may be required by law or the Listing Requirements.
- 6.2.10 Where by this Constitution, a maximum period is prescribed within which an act is to be done or omitted to be done and such maximum period exceeds the maximum period required by any law or Listing Requirements from time to time, such maximum period as set out in this Constitution shall be decreased to such maximum period as may be allowed by law or the Listing Requirements.
- 6.2.11 Save as aforesaid, words or expressions contained in this Constitution shall be interpreted in accordance with the provisions of the Interpretation Act, 1967, as amended from time to time and any re-enactment thereof.

6.3 The side notes are inserted for convenience only and shall not affect the construction of this Constitution.

**SHARE CAPITAL**

7. The share capital of the Company is its issued share capital with the power for the Company. The shares in its original or any increased or any alteration of capital may be consolidated or subdivided all or any of the shares into several classes of larger or smaller amounts, and to divide the Company into several classes and there may be attached thereto respectively any preferred, deferred, qualified or other special rights, privileges, conditions or restrictions 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, whether in regard to dividend, capital, voting or otherwise 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. Share capital
- 7.1 Subject to the Act, the Listing Requirements and this Constitutions and to the conditions restrictions and limitations expressed in this Constitution, the Directors may allot, grant options over or otherwise dispose of the unissued share capital of the Company to such persons, at such time and consideration and on such terms and conditions and with such preferred, deferred or other special rights, restrictions or exclusions whether in regard to dividend, voting, return of capital or otherwise as they think proper, PROVIDED ALWAYS THAT:-
- (a) no shares shall be issued at a discount except in compliance with the provisions of the Act;
  - (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the shareholders/ Members in general meeting;
  - (c) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution;
  - (d) every issue of shares or options to employees and/or directors pursuant to a scheme of share allocation for employees shall

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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be approved by the Members in general meeting and:-

- (i) such approval shall specifically detail the amount of shares of options to be issued to such director.
  
- (ii) only directors holding office in an executive capacity shall participate in such an issue of shares or options to employees Provided Always that a director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue.

The exercise of the aforesaid rights shall be without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares.

- 7.2 Subject to Rule 7.3, the Directors shall not exercise any power to allot shares in the Company; Prior approval required before allotment of shares
  - (a) allot shares in the Company;
  - (b) grant rights to subscribe for shares in the Company;
  - (c) convert any securities into shares in the Company; or
  - (d) allot shares under an agreement or option or offer,unless the prior approval by way of ordinary resolution has been obtained.
  
- 7.3 Subject to the provisions of the Act, Listing Requirements and this Constitution, the requirement in Rule 7.2 shall not apply to:-
  - (a) an allotment of shares or grant of rights pursuant to an offer made to Members of the Company in proportion to the Members' shareholdings;
  - (b) an allotment of shares or grant of rights pursuant to a bonus issue of shares to Members of the Company in proportion to the Members' shareholdings;
  - (c) an allotment of shares to a promoter of the Company that the promoter has agreed to take; or
  - (d) shares which are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company and the Members of the Company have been notified of the intention to issue the shares at least fourteen (14) days before the issue of the shares.
  
- 7.4 For the purposes of sub-paragraph (d) of Rule 7.3, Members of the Company are deemed to have been notified of the Company's intention to issue shares if:-
  - (a) a copy of the statement explaining the purpose of the intended issue of shares has been sent to every Member at his last known address according to the Record of Depositors; and

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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- (b) the copy of the statement has been advertised in one (1) widely circulated newspaper in Malaysia in the national language and one (1) widely circulated newspaper in Malaysia in the English language.

Notwithstanding the above, a Director shall not participate in an issue of shares of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director.

Issue of shares to  
Directors

- 7.5 Subject to any direction to the contrary that may be given by the Company in general meeting, any shares or other convertible Securities proposed to be issued shall before they are issued be offered to such persons as are at the date of the offer entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or convertible Securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible Securities offered, the Directors may dispose of those shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or convertible Securities which (by reason of the ratio which the new shares or convertible Securities bear to shares or Securities held by the persons entitled to an offer of new shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.
- 7.6 Subject to the provisions of the Act, the Central Depositories Act and the Rules of the Central Depository, the Company shall issue, allot Securities and despatch notices of allotment to the allottee and make an application for the quotations of such Securities -
  - (a) within eight (8) Market Days of the final applications closing date for a public issue; or
  - (b) within eight (8) Market Days of the final applications closing date for a rights issue; or
  - (c) within eight (8) Market Days of the book closing date for a bonus issue; or
  - (d) within eight (8) Market Days of the date of receipt of a notice of the exercise of an option together with the requisite payment for a share scheme for employees; or
  - (e) within eight (8) Market Days of the date of receipt of a subscription form together with the requisite payment for conversion or exercise in respect of convertible Securities; or
  - (f) such other period as may be prescribed under the Listing Requirements or by the Exchange from time to time.

Pre-Emption rights of  
Members

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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Subject to the Listing Requirements and notwithstanding the existence of a resolution pursuant to Section 76 of the Act, the Company shall not issue any shares or convertible Securities if the total number of those shares or convertible Securities when aggregated with the total number of any such shares or convertible Securities issued during the preceding twelve (12) months, exceed ten per cent (10%) of the total number of issued shares of the Company, except where the shares or convertible Securities are issued with the prior approval of the Company in general meeting of the precise terms and conditions of the issue.

8. The Company (or the Directors on behalf of the Company) may exercise the powers to pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, procuring or agreeing to procure subscriptions absolute or conditional, for any shares in the Company; provided that such commission shall not exceed ten percent (10%) of the price at which such shares are issued or an amount equivalent to such percentage, and that the requirements of Section 80 of the Act shall be observed. Any such commission may be satisfied in fully paid shares of the Company, in which case the provisions of the Act shall be duly complied with. The Company (or the Directors on behalf of the Company) may on any issue of shares pay such brokerage as may be lawful. Commission on subscription of shares
9. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued, and subject to the provisions of this Constitution and the Act and to the provisions of any resolution of the Company, shares in the Company may be issued and have attached thereto such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by special resolution determine provided that:
- (a) the holders of preference shares shall have the same rights as the holders of ordinary shares as regards receiving notices, reports and audited accounts and attending general meetings of the Company but shall only have the right to vote at any meeting convened for the purpose of (i) reducing the Company's share capital, (ii) when the dividend or part of the dividend on the share is in arrears for more than six (6) months, (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking, (iv) on a proposal that affects rights attached to the share, (v) on a proposal to wind up the Company and (vi) during the winding up of the Company.
- 9.1. Subject to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.
- 9.2. The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting. Repayment of Preference Capital

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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- 9.3 Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such a manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable. Voting rights of shares of different monetary denominations
- 9.4 Unless otherwise provided in the Act, the Company shall not – Financial assistance
- (a) give any financial assistance, whether directly or indirectly and whether by means of a loan, guarantee or provision of security or otherwise, for the purpose of or in connection with a purchase or subscription made or to be made by any person for any shares in the Company or any shares in the holding company, if any, of the Company;
  - (b) in any way purchase, deal in or lend money on its own shares; or
  - (c) give financial assistance, directly or indirectly for the purpose of reducing or discharging the liability, if a person has acquired shares in the Company or its holding company, if any, and the liability has been incurred by any person for the purpose of the acquisition of the shares.
- 9.5 The Company must comply with the relevant requirements of the Act and the Listing Requirements if it proposes to give financial assistance or purchase or deal in or lend money on its own shares in any manner which is permitted under the Act and the Listing Requirements.
10. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much share capital as is for the time being paid up for the period subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to capital as part of the cost of construction of the works, building or plant. Interest in share capital during construction
11. Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive from the Company notices of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Rule. Further allotment and new issue of shares to members



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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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12. Notwithstanding the preceding Constitution the Company may apply to the Exchange for waiver of the convening of a general meeting to obtain shareholders' approval for further issue of shares (other than bonus or rights issue) where the aggregate issue of which in any one financial year do not exceed ten percent (10%) of the issued capital. Waiver from Exchange
13. No person shall be recognised by the Company as holding any Securities upon any trust and the Company shall not be bound by or required in any way to recognize any equitable, contingent, future or partial interest in any share or unit of a share or (except only as by this Constitution, the Rules of the Central Depository or by law otherwise provided) any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder, except only as by this Constitution otherwise provided for or as by the Act required or pursuant to any order of court. Trust not to be recognised
- 13.1. The Company must not cause or authorise its share registrars to cause the allottees to be credited with additional Securities until after the Company has file with the Exchange any applications for listing such additional Securities and has been notified by the Exchange that the additional Securities had been authorised for listing. Crediting Securities after Exchange filing

**PURCHASE OWN SHARES**

14. Subject always to the compliance of the provisions of the Act, the Central Depositories Act and the Rule of the Central Depositories and the requirements of the Exchange and/or any other applicable laws, rules, regulations, orders, guidelines and requirements for the time being in force, the Company may by ordinary resolution purchase any of its own shares on such date(s), in the manner and upon terms as may be determined from time to time by the Directors and the Directors are authorised to do all acts and things and execute all documents in connection therewith. Purchase own shares
- 14.1 Any shares in the Company so purchased by the Company shall be dealt with in accordance with the Act, the Listing Requirements and the guidelines or requirements issued by the Exchange and/or any other relevant authority from time to time.

**LIEN**

15. Subject to the Act, the Central Depositories Act and the Rule of the Central Depositories, the Company shall have a first and paramount lien on every share (not being a fully paid share) and the dividends from time to time declared on such shares. the Company's lien on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay and has paid in respect of the shares of the Member or deceased Member. Company has lien on shares dividends
16. Subject to the Act, the Central Depositories Act and the Rule of the Central Depositories, the Directors may sell the shares subject to any such lien at such times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or a liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until Lien may be enforced by sale of shares

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a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default, shall have been served on such Member or the persons (if any) entitled by transmission to the shares, and in default of payment, fulfilment or discharge shall have been made by him or them for fourteen (14) days after such notice.

17. The net proceeds of any such sale shall be received by the Company and applied in or towards the amount due to the Company or of the liability or engagement as the case may be, and the balance (if any) shall be paid to the Member or the persons (if any) entitled to the share at the date of the sale by transmission to the shares sold subject to a similar. Application of proceeds of sale
18. Upon any such sale as aforesaid, the Directors may authorise some person to transfer subject to the Act, the Central Depositories Act and Rule of the Central Depositories, the shares sold to the purchaser thereof and may enter the purchaser's name in the Register as holder of the shares comprised in such transfer and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any residue shall be paid to the person entitled to the share at the date of the sale, subject to a similar lien for the sums not presently payable which exists over the shares before the sale. Directors may transfer and enter Purchaser's name in Register
19. No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any other person, together with interest and expenses (if any). Member not entitled to privileges of membership until calls paid.

#### **CALLS ON SHARES**

20. The Directors may, subject to the provisions of this Constitution, from time to time make such calls upon the Members, as the Directors may think fit in respect of all moneys unpaid on their shares as they think fit, provided that (except as otherwise fixed by the terms of issue) no call on any share shall exceed one fourth (1/4) of the issued price of the share or be payable at less than two (2) months from the last call; and each Member shall (subject to his being given at least fourteen (14) days notice specifying the time or times and place of payment) be liable to pay the amount of every call so made upon him to the persons by the instalments (if any) and at the times and places appointed by the Directors. Directors may make calls
21. A call shall deemed to have been made at the time when the resolution of the Directors authorising such calls was passed and may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. When call deemed made
22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Liability of joint holders
23. If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment, at such rate not exceeding eight percent (8%) per annum as the Directors shall fix from the day appointed for the payment thereof to the time of the actual payment but the Interest on unpaid calls

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Directors may waive payment of such interest wholly or in part.

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| 24. | Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall, for all purposes of this Constitution, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of this Constitution as to payment of interest and expense, forfeiture and the like, and all other relevant provisions of this Constitution shall apply as if such sum were a call duly made and notified as hereby provided.  | Sums payable on allotment deemed call |
| 25. | The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and in the times of payment of such calls.   | Difference in calls                   |
| 26. | The Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the money uncalled and unpaid upon the shares held by him, and upon all or any part of the money so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) eight percent (8%) per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Any capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. | Calls may be paid in advance          |

**TRANSFER OF SECURITIES**

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|-----|---|--|
| 27. | Subject to this Constitution, the Rules of the Central Depository and except as may be required by law, there shall be no restriction on the transfer of fully paid up Listed Securities in the Company.  | No Restriction on transfer of fully paid Listed Securities |
| 28. | The transfer of any Listed Securities or class of listed security of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(2) of the Act, the Company shall be precluded from registering and effecting any transfer of the Listed Securities.   | Share to be transferable                                   |
| 29. | The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty (30) days in the aggregate in any calendar year. Ten (10) market days (or such other minimum period as may be prescribed by the Exchange) notice of such suspension shall be given to the Exchange and shall be published in a daily newspaper circulating in Malaysia and notice in writing shall also be given to the Exchange. The said notice shall state the purpose or purposes for the suspension or books closing. In relation to the suspension or books closing, at least three (3) market days prior written notice shall be given to the Central Depository to enable the Central Depository to prepare and issue the appropriate Record of Depositors within such time as is required by the Central Depository to enable the Central Depository to issue the relevant Record of Depositors. | Suspension of registration of transfer.                    |
| 30. | Subject to this Constitution any share may be transferred by a Member being a company or a liquidator of any Member being a company in liquidation to any company which is its holding company or to any company or companies which is or are a subsidiary or associated company or companies of such Member.   | Transfer holding or subsidiary company                     |

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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31. Neither the Company nor the Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Listed Securities apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or the Directors or other officers be legally inoperative or insufficient to pass the property in the Listed Securities proposed or professed to be transferred and although the transfer may, as between the transferor and the transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee, of the particulars of the Listed Securities transferred or otherwise in defective manner. And in every such case, the person registered as transferee, his executors or administrators and assignees, subject to compliance with the Act the Central Depositories Act, and the Rules of the Central Depository shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
- No liability by  
Company or Directors

**TRANSMISSION OF SECURITIES**

32. In case of the death of a Member or debenture holder, the legal personal representatives of the deceased shall be the only persons recognised by the Company as having title to the deceased's interest in the shares but nothing herein contained shall release the estate of the deceased (or the deceased joint holder) from any liability in respect of any share or debenture which had been jointly held by him with other persons.
- On death of Member  
survivor or executor  
only recognised
33. A person entitled to a share or debenture by transmission shall be entitled to receive, and may give discharge for, any dividends or other moneys payable in respect of the share but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company save as aforesaid, to exercise any rights or privileges of a Member unless and until he shall become a Member in respect of the share.
- Person entitled may  
receive dividend  
without being  
registered

**TRANSMISSION OF SECURITIES FROM FOREIGN REGISTER**

34. Where:-
- (a) the Securities of the Company are listed on another stock exchange; and
  - (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No. 2) Act 1998, as the case may be, under the Rules of the Central Depository in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the Registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the Registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.

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**JOINT HOLDERS OF SHARES**

35. Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:- Joint holders
- (a) The joint holders of a share shall be liable severally as well as jointly in respect of all calls and other payments which ought to be made in respect of such shares.
  - (b) On the death of any one (1) of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the directors may require such evidence of death as they deem fit.
  - (c) Any one (1) of such joint holders may give effectual receipts for any dividend and payment on account of dividend, bonus, return of capital and other money payable in respect of such share.
  - (d) Only the person whose name stands first in the register as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

**FORFEITURE OF SHARES**

36. If any Member fails to pay the whole or any part of any call or instalment on or before the day appointed for the payment thereof the Directors may at any time there after during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment, or such part thereof as remains unpaid together with interest at such rate not exceeding eight percent (8%) as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment. Directors may require payment of calls with interest and expenses
37. The notice shall name another day (not earlier than the expiration of fourteen (14) days from the date of the notice) on or before which such call or instalment, or such part as aforesaid, and all interest and expenses that shall have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which call was made will be liable to be forfeited. Notice requiring payment to certain particulars
38. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter before the payment required has been made and subject to the Act, the Central Depositories Act and the Rules of the Central Depository, be forfeited by resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared. On non-compliance with notice shares forfeited on resolution of Directors
39. When any shares has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the Central Depository and the holder of the share or the person entitled to the share by transmission, as the case may be, within fourteen (14) days of the forfeiture and an entry of such notice having been given, and of the forfeiture with the date thereof, shall Notice of forfeiture to be given and entered into register

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forthwith be made in the Register opposite the share but the provisions of this Rule are directory only and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make such entry as aforesaid.

40. Notwithstanding any such forfeiture as aforesaid the Directors may at any time before the forfeited shares has been otherwise dispose of, annual the forfeiture upon the terms of payment of calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit. Directors may allow forfeited shares to be redeemed
- 40.1 Every share which shall be forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before re-allotment or re-issue the forfeiture may be cancelled on such terms the Directors think fit, and the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid. If any share is forfeited and sold, any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs. Shares forfeited belong to Company.
41. A shareholder whose shares have been forfeited shall cease to be a Member, notwithstanding the forfeiture, be liable to pay the Company all calls made and not paid on such shares at the time of forfeiture and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of the forfeiture. Former holders of shares liable for call made before forfeiture
42. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and claims and demands against the Company in respect of the shares, and all other rights and liabilities incidental to the shares as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as by the Act given or imposed in the case of past Members. Consequences of forfeiture
43. A statutory declaration in writing that the declarant is a Director of the Company, and that a share has been duly forfeited in pursuance of this Constitution, and stating the date upon which is forfeited, shall as against all persons claiming to be entitled to the share be conclusive evidence of the facts therein stated and such declaration, together with the receipt of the Company for the consideration (if any) given for the share in the sale or disposition thereof, and a certificate of proprietorship of the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute good title to the share, and such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any act, omission, or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share. Statutory declaration as conclusive evidence and status of forfeited shares

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**ALTERATION OF CAPITAL**

44. (a) Subject to the Listing Requirements, the Company may from time to time by special resolution increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe. Company may alter capital in certain way
- (b) the Company may by special resolution:-
- (i) Consolidate and divide its share capital into shares of larger amount than its existing shares; or
- (ii) Divide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one or more of shares may, by the resolution by which such sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares; or
- (iii) Cancel any shares not taken or agreed to be taken by any person.
- (c) The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner authorised and subject to any conditions prescribed by the Act and the Listing Requirements.

**CONVERSION OF SHARES INTO STOCK**

45. The Company may, from time to time, by special resolution passed at a general meeting convert any paid up shares into stock and may from time to time, in like manner reconvert any such stock into paid-up shares of any denomination. Share may be converted into Stock
46. When any shares have been converted into stocks, the several holders of such stock may transfer their respective interests therein or any part of such interests, in such manner as the Company in general meeting shall direct, but in default of any such direction in the same manner and subject to the same regulations and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may, if they think fit, from time to time, fix the minimum amount of stocks transferable provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose. Stock may be transferred
47. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall in proportion to the amount thereof confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they hold the shares from which the stock arose, but so that none of such privileges or advantages except the participation in the dividends, profits and in the assets of the Company on winding-up shall be conferred by any such aliquot part of stock as would not, if existing in shares, have Holders of stock entitled to same dividend and privileges as holder of shares

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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conferred such privilege or advantage.

48. All such provision of this Constitution as are applicable to paid up shares apply to stock and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder".
- Share and Shareholder to include stock and stockholders

### **INCREASE OF CAPITAL**

49. The Company may from time to time by ordinary resolution, whether all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amount and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any) in regard to dividend, return of capital, voting or otherwise, as the general meeting resolving upon such increase directs.
- Company may increase its capital
50. Except so far as otherwise provided by or pursuant to this Constitution or by the conditions of issue, any share capital shall be considered as part of the original share capital of the Company. The Company may simultaneously with the resolution increasing the capital or at any time thereafter give any lawful directions as to the issue of the new shares. In default of any such direction, or so far as the same shall not extend, the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture or otherwise as the original share capital.
- New share to be ordinary capital unless otherwise provided

### **MODIFICATION OF CLASS RIGHTS**

51. Subject to the provisions of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner and preference capital (other than redeemable preference shares) may be repaid with the consent in writing of the holders of not less than seventy five percent (75%) of the total voting rights or three-fourths (3/4) of the issued shares of the shareholders of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class.
- Rights of shareholders may be modified
- 51.1 To any such separate meeting all the provisions of this Constitution as to general meeting of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be Members of the class holding or representing by proxy one-third (1/3) of the share capital paid or credited as paid on the issued shares of the class and every holder of shares of the class in question shall be entitled on a poll to one (1) vote for every such share held by him.
- 51.2 Provided however that in the event of the necessary majority for such a special resolution not having been obtained in the manner aforesaid consent in writing may be secured by Members holding at least three fourths (3/4) of the issued shares of the class and such consent if obtained within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by proxy. To every such special resolution the provisions of Section 292 of the Act, shall with such adaptations as are necessary apply.



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**GENERAL MEETING**

52. A general meeting shall be held once every calendar year, at such time and place as may be determined by the Directors which shall be held within six (6) months of the Company's financial year end and not more than fifteen (15) months shall be allowed to elapse between any two (2) such general meetings, but so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation it need not hold it in the year of its incorporation or in the following year. General meeting
53. The abovementioned general meeting shall be called the annual general meeting. All other general meetings shall be called extraordinary general meetings. All general meetings shall be held in Malaysia. Ordinary General and Extraordinary General Meetings
54. The Directors may call an extraordinary general meeting whenever they think fit and extraordinary general meeting shall also be convened in such requisition, or in default may be convened by such requisitionists as provided by the Act The Directors shall call a meeting of Members once they receive a requisition to do so from Members representing at least ten per centum (10%) of the issued share capital of the Company carrying the right of voting at meetings of Members of the Company. Extraordinary General Meeting
55. Every notice convening meetings shall specify the place, the day and the hour of the meeting and where it is an annual general meeting, notice shall be given to all Members at least twenty one (21) days or any longer period before the meeting or at least twenty eight (28) days before the meeting where any special resolution is to be proposed. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of this Constitution entitled to receive notice of general meetings from the Company. At least twenty one (21) days or any longer period or twenty eight (28) days notice in the case where any special resolution is proposed or where it is an annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to the Exchange and other stock exchange, if any, upon which the Company is listed such that notices of all meetings shall be given to the Exchange and such other stock exchange, if any, and advertised in the press at the same time as shareholders are notified. Notice of Meeting
56. A meeting shall, notwithstanding that it is called by notice shorter than is required by Rule 55 be deemed to be duly called if it is so agreed:- Short notice
- (a) in the case of a meeting called as the general meeting, by all Members entitled to attend and vote thereat; or
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote thereat, being a majority which together holds not less than ninety-five percent (95%) in nominal value of the shares giving right to attend and vote at the meeting.
57. (a) The Company shall request the Central Depository in accordance with the Rules of the Central Depository to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. Company to request Central Depository to prepare record

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- (b) The Company shall request the Central Depository in accordance with the Rules of the Central Depository, to issue a Record of Depositors, as at a date not less than three (3) market days before the General Meeting (hereinafter referred to as “the General Meeting Record of Depositors”).
- (c) Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable), a depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
58. Notice of a meeting of Members must be given to every Member, Director and auditor of the Company. For the purposes of this Rule, the reference to a “Member” includes any person who is entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and the Company has been notified of the person’s entitlement in writing.
- 58.1 Notice of a meeting of Members shall :-
- (a) be in writing and shall be given to the Members, either in hardcopy or in electronic form or partly in hardcopy and partly in electronic form; Form of notice of Meeting of Members
- (b) state clearly:
- (i) that a Member shall be entitled to appoint one (1) or more persons as his proxy to exercise all or any of the Member’s rights to attend, participate , speak and vote at a meeting of Members of the Company;
- (ii) that a Member who appoints more than one (1) proxy in relation to a meeting must specify the proportion of the Member’s shareholding to be represented by each proxy; and
- (iii) the place at which the instrument of proxy is to be deposited.
59. The accidental omission to give notice to, or the non-receipt of such notice by any person shall not invalidate any resolution passed or proceeding held at any such meeting. Accidental Omission
60. Subject to the provisions of the Act a resolution in writing signed by all the Members for the time being entitled to receive notice of and attend and vote at general meeting (or being corporations by their duly authorised representatives) shall be valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form signed by one or more Members. Circular Resolution

**PROCEEDINGS AT GENERAL MEETING**

61. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an Annual General Meeting with the exception of sanctioning dividends, the consideration of the accounts and balance sheet, the reports of the Special business

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Directors and auditors and any other documents annexed to the balance sheet, the election of Directors in the place of those retiring by rotation or otherwise, the appointment and fixing of the remuneration of the auditors and the voting of fees and benefits to the Directors, the appointment and fixing of the remuneration of the Auditors and any resolution or other business of which notice is given in accordance with the Act or this Constitution or the Listing Requirements. Any person entitled to be present and vote at a meeting may submit any amendment to any resolution provided that at least five (5) clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him, containing the proposed amendment and stating his intention to submit the same.

- 61.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. For all purposes the quorum shall be Members personally present or represented by proxy not being less than two (2). For the purposes of constituting a quorum, one (1) or more representatives appointed by a corporation shall be counted as one (1) Member or one (1) or more proxies appointed by a person shall be counted as one (1) Member. The Company shall inform the Central Depository of the dates of general meetings and shall request the Central Depository in accordance with the Rules of the Central Depository, to issue the General Meeting Record of Depositors. Subject to the Securities Regulations (where applicable), a Depositor shall not be regarded as a Member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.
62. If within half an hour from the time appointed for holding of the general meeting the quorum is not present, the meeting if convened on the requisition of or by the Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following that public holiday) at the same time and place or such other date, day, time or place as the Directors may determine but not less than fourteen (14) days notice appoint, and if at such adjourned meeting a quorum is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Members present in person or by proxy, not being less than two (2), shall be a quorum
63. The Chairman (if any) of the Board of Directors or in his absence the deputy chairman, of the Board of Directors shall preside as Chairman at every General Meeting but if there is no such Chairman or deputy chairman, or if at any meeting the Chairman or deputy chairman shall not be present within fifteen(15) minutes after the time appointed for holding the same or shall be unwilling to act as Chairman, the Deputy Chairman (if any) shall preside or if he is not present or decline to take the Chair, the meeting shall choose one Director to be Chairman, and if no Director is present or all of the Directors present decline to take the chair, the Members present shall elect one of their number to be Chairman of the meeting.
64. The Chairman may, with the consent of the meeting at which a quorum is present, and shall if so directed by the meeting (by a show of hands or a by way of poll), adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for thirty (30) days or more notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting. Save as aforesaid, no Member shall be entitled to any notice of adjournment or of the business to be

No business shall be transacted unless quorum present

If quorum not present meeting adjourned or dissolved

Chairman of Board to preside at all meetings

Notice of adjournment to be given

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transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from the adjournment took place.

65. Subject to any express requirement of the Listing Requirements, at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on declaration of the result of the shows of hands) demanded:-
- Voting on resolutions
- (a) by the Chairman;
  - (b) by at least two (2) Members present in person or proxy;
  - (c) by any Member or Members present in person or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all Members having a right to vote at the meeting; or
  - (d) by a Member or Members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10) of the total sum paid up on all shares conferring that right.. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
66. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct (including the use of ballot or voting papers or tickets or electronic polling) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- Poll to be taken as  
Chairman shall direct
- 66.1 The Company must appoint at least one (1) scrutineer to validate the votes cast by poll at any general meeting of the Company. Such scrutineer must not be an officer of the listed issuer or its related corporation, and must be independent of the person undertaking the polling process. If such scrutineer is interested in a resolution to be passed at the general meeting, the scrutineer must refrain from acting as the scrutineer for that resolution.
- Appointment of  
scrutineer
67. If a poll is duly demanded on the election of a Chairman or on any question of adjournment it shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs.
- Poll demanded in  
certain cases
68. In the case of any equality of votes, either on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
- Chairman to have  
casting vote
69. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question of which the poll has been demanded and it may be withdrawn at any time before the poll is taken. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.
- Business to be  
continued if poll  
demanded

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**VOTES OF MEMBERS**

70. Subject to any right or restriction for the time being attached to any class or classes of shares, each Member is entitled to be present and to vote at any general meeting in respect of any share or shares upon which all calls due to the Company have been paid in person or by proxy or by attorney and on a show of hands every person present who is a Member or a representative of a Member shall have one (1) vote, and on a poll every Member present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each share he holds. A person appointed as a proxy need not be a qualified legal practitioner, an approved company auditor or a person authorised by the Registrar of Companies. Members to have one vote for every share
71. Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable. Voting rights of shares of different monetary denomination
72. A Member may appoint multiple proxies to attend at the same meeting. Where a Member of the Company for multiple beneficial owners in one securities account (“omnibus account”) there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds provided that. Voting rights of joint holders
73. Subject to any express requirement of the Listing Requirements, a Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder, may vote, whether on a show of hands or on a poll, his committee, receiver, curator or other legal curator and such last mentioned persons may give their votes either personally or by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming the right to vote shall be deposited at the registered office not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. Votes of Members of unsound mind
74. Save as herein expressly provided, no person other than a Member duly registered and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy or to be reckoned in a quorum at any General Meeting. Only member not indebted to Company in respect of shares entitled to vote
75. An instrument appointing a proxy, shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under the hand of the corporation’s seal or under the hand of an officer or attorney duly authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a Company shall have the same rights as the Member to speak at the meeting. The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll. Proxy need not to be Member
76. The instrument appointing the proxy shall be in the following form or in such other form as the Directors may approve or in any particular case accept:- Form of proxy

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I/We ..... of KPJ HEALTHCARE BERHAD being a member/members of the above-named Company, hereby appoint .....of..... or failing him .....of..... as my/our proxy to vote for me/us on my/our behalf at the annual/extraordinary general meeting of the Company on the .....day of..... 20 ..... at ..... am/pm and at any adjournment thereof.

Signed this ..... day of ..... 20 .....

This form is to be used in favour of/against the resolution.

*\*Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit)*

- 77. The instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote otherwise the person so named shall not be entitled to vote in respect thereof or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. Instrument of proxy to be left at registered office
  
- 78. Any corporation, whether a company within the meaning of the Act or not, which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation could exercise if it were an individual Member of the Company. Corporation acting by representative
  
- 78.1 If the corporation authorises more than one person as its representative, every one of the representatives is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representatives was an individual Member of the Company. Exercising of power by corporate representatives
  
- 78.2 A Member shall be entitled to appoint up to two (2) corporate representatives.
  
- 78.3 If the corporation authorises more than one (1) person and more than one of the representatives purport to exercise the power under Rule 78.1 above:-
  - (a) if the representatives purport to exercise the power in the same way, the power is treated as exercised in that way ; or
  - (b) if the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.
  
- 78.4 The authority given by a corporation to a representative may be for a particular general meeting or for all meetings of the Company. In the

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case of the latter, the person authorised shall be entitled to exercise his powers on behalf of the corporation until his authority is revoked by the corporation.

78.5 A certificate of authorisation by the corporation shall be prima facie evidence of the appointment or revocation of the appointment, as the case may be. Certificate of authorisation prima facie evidence of appointment.

79. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous death or unsoundness of mind of the principal or the revocation of the instrument or proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given provided that no intimation in writing of such death, unsoundness of mind, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting (or in the case of a poll, before the time appointed for the taking of the poll) at which the instrument is used. Validity of vote

## **DIRECTORS**

80. (a) Until otherwise determined by the Company in general meeting the number of Directors shall not be less than two (2) and not more than fifteen (15). Each Director must be a natural person who is at least eighteen (18) years of age. Subject to the Listing Requirements and any vacancy arising, at least two (2) Directors or one third (1/3) of the Board of Directors, whichever is higher, shall be Independent Directors. The first Directors were Hasnah Bte Ali and Ghazali Bin Md Noor. Appointment and numbers of directors and the First Directors

(b) The Directors shall have the power at any time, and from time to time, to appoint any person to be Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

81. A Director shall not to be required to hold any qualification shares in the Company. Director's qualification

82. Any Director may from time to time and at any time appoint any person (not disapproved by a majority of the other Directors) for the time being to be an Alternate Director of the Company, and at any time remove the Alternate Director so appointed by him from office. PROVIDED THAT any fee to be paid to such Alternate Director shall be deducted from that Director's remuneration from the Company. The Director shall be entitled (subject to his giving to the Company an address at which notices may be served on him) to receive notices of and attend all meetings of the Directors and to vote as a Director at any such meeting at which the Director appointing him is not present, and generally in the absence of his appointer to perform all the functions of his appointer as a resolution of the Board and shall ipso facto cease to be an Alternate Director if his appointer ceased for any reason to be Director. All appointments and removals of the Alternate Director made by any Director in pursuance to the provisions of this Rule shall be in writing under the hand of the Director making the same and left at the office of the Alternate Director

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Company. The nomination of an Alternate Director shall be valid if made by cable or telegram, provided that such nomination shall be confirmed within three months from the date of such cable or telegram between the date thereof and the date of the receipt within the prescribed period by the Company of the written nomination shall be as valid and effectual as if such alternate Director has been duly appointed in the first instance whether such written nomination shall be received by the Company within the prescribed period or not.

83. The fees of the directors shall be such fixed sum as shall from time to time be determined by an ordinary resolution of the Company and shall (unless such resolution otherwise provided) be divisible among the directors as they may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he had held office Provided Always that:
- Directors' Remuneration
- (a) fees payable to non-executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
  - (b) salaries payable to executive directors may not include a commission on or percentage of turnover;
  - (c) fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
  - (d) any fee paid to an alternate director shall be agreed upon between himself and the director nominating him and shall be paid out of the remuneration of the latter.
  - (e) the Directors shall also paid such travelling, hotel and other expenses as may be reasonably incurred by them in connection with their attendance at meetings of Directors.
  - (f) if by arrangement with the Directors any Director shall perform or render any special duties or services outside his ordinary duties as Director, the Directors may pay him special remuneration provided always that non-executive directors shall not be remunerated by a commission on or percentage of profits or turnover and that no executive director shall be remunerated by a commission on or a percentage of turnover.
84. The office of Director shall become vacant if the Director:-
- Office of Director vacated in certain cases
- (a) ceases to be a Director by virtue of the Act;
  - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally during his term of office;
  - (c) becomes prohibited from being a Director by reason of any order made under the Act;
  - (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental disorder during his term of office;
  - (e) resigns his office by notice in writing to the Company;



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- (f) is directly or indirectly interested in any contract or proposed contract with the Company and fails to declare the nature of his interest in manner required by the Act.

84.1 A Director of the Company shall not resign or vacate his office if by his resignation or vacation from office, the number of Directors is reduced to below two (2). Any purported resignation or vacation of office by a Director in contravention of this Rule shall be deemed to be ineffective unless a person is appointed in his place.

**MANAGING DIRECTORS**

85. The Directors may from time to time appoint one or more of their body to the office of Managing Director or Managing Directors. Any such appointment shall not exceed five (5) years subject to reappointment and shall be upon such terms as they think fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions, and generally upon such terms as to remuneration and otherwise as they may determine. The remuneration of Managing Director or Managing Directors may be by way of salary or any other mode but may not include a commission on or percentage of turnover. PROVIDED ALWAYS that a Managing Director or Managing Directors shall not allot shares, transfer or refuse to transfer shares, declare interim dividend, mortgage or charge the undertakings, property or uncalled capital of the Company or any part thereof. The Managing Director or Managing Directors shall be subject to the control of the Board. Managing Director
86. A Managing Director or Managing Directors shall subject to the provisions of any contract between him and the Company, be subject to the same provisions to the resignation and removal as the other Directors of the Company, and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director.

**POWERS AND DUTIES OF DIRECTORS**

87. The business of the Company shall be managed by the Directors, who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company, and do on behalf of the Company, and as are not by the Act or by this Constitution required to be exercised or done by the Company in General Meeting, subject nevertheless to any regulations of this Constitution, to the provisions of the Act, and to such regulations being not inconsistent with this Constitution or such provisions, as may be prescribed by ordinary resolution of the Company in a General Meeting, but no regulation made by the Company in a General Meeting, shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of person, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such power, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these regulations) and for such period and subject to such conditions as they may think fit, and any such powers or attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions Business of Company  
to be managed by  
Directors

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vested in him.

88. The remaining Director or Directors may continue to act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the minimum number fixed by or pursuant to this Constitution, the remaining Director or Directors, except in an emergency, may only act for the purpose of increasing the number of Directors to that minimum number or of summoning a general meeting of the Company, but for no other purposes. Continuing Directors' may act to fill vacancies or summon meetings
89. The Directors, shall duly comply with the provisions of the Act, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the register of members, keeping a register of Directors and entering all necessary particulars therein, and sending a copy thereof or a notification of any changes therein, and sending a copy thereof or a notification of any changes therein to the Registrar of Companies, and sending to such Registrar an annual return, together with the certificates and particulars required by the Act, notices as to increase of capital, return of allotments and contracts relating thereto, copies of resolutions and agreements, and other particulars connected with the above. Directors' to comply with Act
90. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of its related companies only but the Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiary's undertaking, property, or any uncalled capital, issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Directors' borrowing powers
91. The Directors shall not without the approval or ratification of the Company in General Meeting and in accordance with the Act, carry into effect any proposal for the acquisition of any undertaking or property of a substantial value, or the disposal of a substantial portion of the main undertaking or property of the Company. Substantial Acquisitions and disposals
92. (a) No Director may vote in respect of any contract or proposed contract or arrangement in which he is directly or indirectly interested nor any contract or proposed contract or arrangement with any other Company in which he is interested either as an officer of that company or as a holder of shares or other securities in that other company and if the Director shall vote, his vote shall not be counted, nor shall he be counted in the quorum present at a meeting upon the consideration of a motion concerning any such contract or arrangement. Directors' interest in Contracts
- A general notice in writing, which complies with Section 221(4) and (5) of the Act, given to the Directors by any Director shall be deemed to be sufficient declaration of interest in relation to the subject matter of the notice.
- (b) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director resolved to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur on the appointment of a Director to hold any office or place of profit under any other company, or whereat, the terms of any such appointment are considered, and he may vote on any such matter other than in respect

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of his own appointment or the arrangement of the terms thereof provided no Director shall vote (or be counted in the quorum) in respect of a resolution concerning his own appointment as Director of the Company.

93. The Company or the Directors on behalf of the Company may exercise the powers conferred by the provisions of the Act with regard to having an official seal for use abroad, and such powers conferred by the provisions of the Act with regard to the keeping of a branch Register and shall be vested in the Directors. Official Seal for use abroad

94. The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or any Company which is a subsidiary of the Company or of the predecessors in the business of the Company or any subsidiary company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institution, association, club, fund or trust calculated for the benefit of any such persons as aforesaid or otherwise to advance the interests and well being of the Company or of any such other company as aforesaid, and subscription or guarantees of money for charitable or benevolent object or for any exhibition or for any public, general or useful object. Power to maintain Pension Fund

#### **ROTATION OF DIRECTORS**

95. (a) At the first Annual General Meeting of the Company, the whole of the Directors shall retire from office and at every succeeding Annual General Meeting, one-third (1/3) of the Directors, or, if their number is not a multiple of three (3), the number nearest to, but not exceeding one-third (1/3), shall retire from office. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. One-third Directors retire at Ordinary Meeting
- (b) The Directors to retire shall be the Directors who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement, be selected from among them by lot. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires but save as aforesaid no person shall be eligible for election as a director at a General Meeting unless a notice of intention to propose his election signed by a Member and a notice of consent signed by himself have been left at the Office not more than thirty (30) and not less than eleven (11) clear days before the date appointed for the meeting, provided that in the case of a person recommended by the Directors for election nine (9) clear days notice only shall be necessary and notice of every candidate for election shall be served on all Members at least seven (7) days prior to the meeting at which the election is to take place Senior Directors to retire
- (c) Subject to any resolution reducing the number of Directors, the Company shall, at the meeting at which any Director shall retire in manner aforesaid fill up the vacated office by electing a person thereto, and may, without notice in that behalf fill up any other Office to be filled at which Director retires

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vacancies.

- (d) If at any meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, such retiring Director shall, if willing to act, be deemed to have been re-elected, unless at such meeting it shall be determined to reduce the number of Directors or a resolution for the re-election of such retiring Director shall have been put to the meeting and not carried. If places not filled up retiring Directors deemed re-elected
- (e) The Company may from time to time in General Meeting increase or reduce the number of Directors, and determine in what rotation such increased or reduced number shall go out of office, and may make any appointments necessary for effecting any such increase as aforesaid.
96. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, but any person so chosen shall retain his office only until the next following Annual General Meeting of the Company, at the close of which he shall retire, but at which he shall be eligible for re-election. Casual vacancy in board to be filled by directors
97. Notwithstanding anything to the contrary contained in this Constitution or the service contract between the Company and the Director concerned but without prejudice to any claim that the Director may have for damages, the Company may by ordinary resolution of which special notice has been given remove any Director before the expiration of his period of office. The Company may by ordinary resolution appoint another person in place of the Director so removed and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment, the vacancy so arising may be filled by the Directors as a casual vacancy. Meeting of Directors and quorum

### **PROCEEDINGS OF DIRECTORS**

98. The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business. Unless otherwise determined, two (2) shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of any equality of votes the Chairman shall have a second or casting vote except when only two directors are present and form a quorum or where only two directors are competent to vote on the question at issue.
99. The Directors may, and on the request of the Director, the Secretary shall at any time summon a meeting of the Directors. Director may call meeting of Board
100. The Director may from time to time elect a Chairman and may elect one or more Deputy Chairman and may determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, the senior in appointment among them, shall preside at all meetings of the Board of Directors, but if no such officer is present within ten (10) minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number to act as Chairman of such meeting. Chairman and Deputy Chairman
101. The Directors may appoint the Chairman of the Company as Executive Chairman for such period and upon such terms as they think fit and may vest in such Executive Chairman such of the powers hereby vested in the Directors generally as they may think fit and such powers may be made exercisable for Executive Chairman

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such period or periods, and upon such conditions and subject to such restrictions and generally upon such terms as to remuneration and otherwise as they may determine; and may from time to time revoke, withdraw, alter or vary all or any of such powers. An Executive Chairman so appointed shall not while holding that office be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors but his appointment shall be automatically determined if he ceases from any cause to be the Chairman or a Director.

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|------|--|---|
| 102. | The Directors may from time to time appoint one or more of their body as Executive Director or Executive Directors for such period and upon such terms as they think fit and may vest in such Executive Director or Executive Directors such powers as they think fit, and such powers may be made exercisable for such period or periods, and upon such conditions, and subject to such restrictions as they may determine; and may from time to time revoke, withdraw, alter or vary all or any of such powers and subject thereto, the Executive Director or Executive Directors shall always be under the control of the Board of Directors. | Executive Director  |
| 103. | The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulation that may be imposed on it by the Directors.  | Power for Directors to appoint committee                        |
| 104. | A Committee may elect a Chairman of its meeting. If no such Chairman is elected, or if at any meeting the Chairman is not present within ten (10) minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the Meeting.   | Chairman of Committees  |
| 105. | A Committee may meet and adjourn as its members think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairman shall have a second or casting vote.   | Meetings of Committees  |
| 106. | All acts bone fide done by any meeting of Directors or of a committee of Directors or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.  | All acts done by Directors to be valid                          |
| 107. | The directors shall cause proper minutes to be made of all General Meetings of the Company and also appointments of officers and of the proceedings of all meetings of Directors and committee and of the attendance thereat and all business transacted at such meetings and any such minute of any meeting if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the facts therein stated.  | Minutes to be made and when signed by Chairman to be conclusive |
| 108. | A resolution in writing signed by a majority of the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more directors.   | Resolution in writing signed by Directors effective             |
| 109. | The Directors shall provide for the safe custody of the Seal, which shall only be used pursuant to a resolution of or by the authority of the Directors or of a  | Formalities for affixing Seal Evidence                          |

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal shall be affixed and, until otherwise so determined, every instrument to which the Seal shall be affixed shall (subject to the provisions of this Constitution as to certificate for shares) be signed by a Director and by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose Provided Always that no person dealing with the Company shall be concerned to see or enquire as to whether any regulations so made have been complied with.

**DIVIDENDS AND RESERVE FUND**

110. Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the company which it shall from time to time be determined to distribute by way of dividend shall be apportioned and paid prorata according to the amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls. Application of profits
111. The Directors may with the sanction of a General Meeting from time to time declare dividends but no such dividend shall be payable except out of the profits of the Company. The Directors may if they think fit from time to time declare and pay to the Members such interim dividends as appear to them to be justified by the position of the Company and may also from time to time if in their opinion such payment is so justified pay any preferential dividends which by the terms of issue of any shares are made payable on fixed dates. No higher dividend shall be paid than is recommended by the Directors and the declaration of the Directors as to the amount of the net profits shall be conclusive. Payment of dividends
112. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve funds, which shall at the discretion of the Directors be applicable for meeting contingencies or for meeting requirements or maintaining any works connected with the business of the Company or shall with the sanction of the Company in General Meeting be as to the whole or in part applicable for equalising dividends or for distribution by way of special dividend or bonus or may be applied for such other purposes for which the profits of the Company may lawfully be applied as the Directors may think expedient in the interest of the Company and pending such application the Directors may employ the sums from time to time to set apart as aforesaid in the business of the Company or invest the same in such securities other than the shares of the Company as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company. Power to carry profit to reserve
113. The Directors may establish a reserve to be called either “capital reserve” or “realisation account” and shall either carry to the credit of such reserve from time to time all moneys realised on the sale of any investment held by the Company in excess of the then book price of the same or apply the same in providing for depreciation or contingencies. Such capital reserve or realisation account and all other moneys in the nature of accretion to capital, whether on sale of investments held, or otherwise, shall be treated for all purposes as capital moneys and not as profits available for dividend. Any losses realised on the sale of any investments may be carried to the debit of capital reserve or realisation account except in so far as the Directors shall decide to make good the same out of other reserve accounts of the Companies. Capital reserve

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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114. The Directors shall be entitled before recommending any dividend to set aside out of the profits of the Company any further sum they think proper to the credit of a reserve account or accounts (hereinafter sometimes referred to as the ordinary reserve account or accounts) which shall at the discretion of the Directors be applicable for meeting contingencies or of equalising dividends or for the gradual liquidation of any debt of liability of the Company or for such other purpose as the Directors shall in their absolute discretion think conducive to the interests of the Company. The Directors may also from time to time carry forward such sums as they may deem expedient. Application of reserve accounts
115. The Directors shall be at liberty to invest any sums carried to capital reserve or realisation account or to the ordinary reserve account or accounts upon such investment as they think fit, other than shares of the Company and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company (save as hereinbefore provided) and to divide the ordinary reserve account or accounts into such special accounts as they think fit with full powers to employ the assets constituting the ordinary reserve account or accounts in the business of the Company. Power to invest any sum carried to reserve accounts
116. Any dividend, interest, or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled thereto or paid by direct transfer or such other electronic means to the bank account provided by the Member whose name appears in the Record of Depositors. Every such cheque or warrant shall be made payable to the order of the Member or person entitled thereto, and the payment of any such cheque or warrant or the payment by direct transfer or such other electronic means to the bank account. Dividend warrants to be sent to Members by post

**CAPITALISATION OF RESERVE ETC**

117. The Company in General Meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of any fixed preferential dividend and Power to capitalise profits
- (a) being any part of the undivided profits in the hands of the Company; or
- (b) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premium received on the issue of any shares or debentures of the Company and or accretions to capital accruing on sale or shown by a valuation or revaluation of any property or assets of the Company, be capitalised and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares and in such manner as the resolution may direct and such resolution shall be effective; and the Directors shall in accordance with such resolution apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued ordinary shares held by such shareholders or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution the Directors may settle the same as they think expedient and in particular they may issue fractional certificate, fix the value for distribution of any fully paid up shares or debentures, make cash payments to any shareholder on the footing of the value so fixed in order to adjust rights and vest any

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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such shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and its distribution and such appointment shall be effective.

**ACCOUNTS**

118. The Directors shall cause proper books of accounts to be kept:- Accounts to be kept
- (a) Of all the assets and liabilities of the Company
  - (b) Of all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place
  - (c) Of all sales and purchases of goods by the Company
119. The books of accounts shall be kept at the Office or at such other places as the Directors shall think fit and shall be open to the inspection of the Directors. Books to be kept at registered office
120. The Directors shall from time to time determine whether, in any particular case or class of cases, or generally and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of Members and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorised by the Directors or by a resolution of the Company in General Meeting. Accounts and Books open to inspection by Members
121. The Directors shall from time to time in accordance with Section 252 of the Act cause to be prepared and laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the Section. The interval between the close of a financial year of the Company and the issue of annual audited accounts the Directors' and auditors' reports relating to it shall not exceed four (4) months. A copy of each such documents (which may be in printed form or in such other form of electronic media [including but not limited to electronic mail or other electronic platforms of the Company) or in any other format (whether available now or in the future)] or published on the Company's website and notifying recipients such as its Securities holders separately in writing about the publication and the designated website link to download the document) shall not less than twenty-eight (28) days before the date of the meeting be sent to every Member of, and to each holder of debentures of the Company under the provisions of the Act or of these Constitution. The requisite number of copies of the same shall at the same time be likewise sent to the Exchange; PROVIDED THAT this Rule shall not require a copy of these documents to be sent to any person of whose address the Company was unaware but any Members to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.



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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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**AUDIT**

- |       |   |   |
|-------|---|---|
| 122.  | Auditors shall be appointed in accordance with Sections 271 of the Act and their duties regulated in accordance with Section 266 of the Act.  | Appointment of auditors                                     |
| 122.1 | Subject to the provisions of the Act all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment   | Validity of acts of Auditors in spite of some formal defect |
| 122.2 | The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any Member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns the Auditors.   | Auditors entitled to attend general meeting                 |
| 122.3 | Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one of more Auditor or Auditors, and the provisions of the Act and any modification or re-enactment thereof for the time being in force in regard to audit and auditors shall be observed. | Accounts to be audited                                      |

**NOTICES**

- |      |   |   |
|------|---|---|
| 123. | (a) A notice may be given by the Company to any Member either personally or by sending it to him or to his registered address as appearing in the Register and the Record of Depositors in the manner hereinafter provided.   | Services of notices by Company            |
|      | (b) Where the address to which the notice is to be sent is situated within Malaysia the same shall be sent by post (including airmail) and where such address is situated outside Malaysia such notice shall be sent by airmail, post, telegram or cablegram.   |   |
|      | (c) Where a notice is sent by post (including airmail) the service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected in the case of a notice sent to an address within Malaysia at the expiration of forty-eight (48) hours after the letter containing the same is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post. |   |
|      | (d) Where a notice is sent by telegram or cablegram service of the notice shall be deemed to have been effected at the expiration of twenty-four (24) hours after the telegram or cablegram is despatched.  |   |
| 124. | All notices directed to be given to the Members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of Members and any notice shall be sufficient notice to the holders of such share.   | How joint holders of shares may be served |
| 125. | A notice may be given by the Company to the persons entitled to any share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of trustees of such deceased or bankrupt Member at the address  | Notice in case of death or bankruptcy     |

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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(if any) supplied for the purpose by such persons as aforesaid or (until such an address has been supplied) by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.

126. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:-
- Persons entitled to notice of General meeting
- (a) every Member except those Members who have not supplied to the Company an address for giving of notice to them;
  - (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting;
  - (c) the Auditors for the time being of the Company; and
  - (d) every stock exchange on which the Company's shares are listed
127. The notices convening meetings shall specify the place, day and hour of the meeting, and shall be given to all shareholders at least twenty-one (21) days or any longer period before the meeting or at least twenty eight (28) days before the meeting before the meeting where special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and such be given in manner hereinafter mentioned to such persons as are under the provisions of this Constitution entitled to receive notices of general meeting from the Company, but with the consent of all persons for the time being entitled as aforesaid, a meeting may be convened upon a shorter notice, and in such manner as such persons may approve. The accidental omission to give such notice to, or the non-receipt of such notice by any person shall not invalidate the proceedings of any resolution passed at any such meeting. At least twenty-one (21) days or any longer period notice or at least twenty eight (28) days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily press and in writing to each stock exchange which the company is listed.

## **WINDING UP**

128. The Company may only be wound up voluntarily if the Company so resolves by Special Resolution. If the Company shall be wound up, the Liquidators may, with the sanction of a special resolution, divide among the Members, in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, so that if any division is resolved or otherwise than in accordance with such rights, the Members shall have the same rights of dissent and consequential rights as if such resolution were a special resolution passed pursuant to the Act. A special resolution sanctioning a transfer or sale to another Company duly passed pursuant to the Act may, in like manner, authorise the distribution of any shares or other consideration receivable by the Liquidators amongst the Members otherwise than in accordance with their existing rights, and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the Act.
- Winding up and Distribution of assets upon winding up.

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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129. Save that this Rule shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply:-
- (a) If the Company shall be wound up and the assets available for distribution among the Members as such shall be in sufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively; and
  - (b) If in a winding up the assets available for distribution among the Members shall be sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distribute among the Members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively.
130. On a voluntary winding up no commission or fee shall be paid to a liquidator without the prior approval of the Members in general meeting. The amount of such commission or fee shall be notified to all Members not less than seven (7) days before the meeting at which it is to be considered. Liquidator's Commission

**INDEMNITY**

131. Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in the Act), which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or incurred by the Company in the execution of the duties of his office or in relation thereto. But this Rule shall only have effect in so far as the provisions are not avoided by the said section. Indemnity
132. The Company shall not delete or amend any of the Rules under its Constitution herein, which have been approved by the Exchange, unless prior written approval shall have been sought and obtained from the Exchange for such deletion, amendment or addition. Alteration of Constitution

**SECRETARY**

133. The Secretary or Secretaries shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit and any Secretary or Secretaries so appointed may be removed by them but without prejudice to any claim he or they may have for damages for breach of any contract of service with the Company. The Directors may from time to time by resolution appoint a Secretary or Secretaries of the Company and if the occasion arise a temporary substitute for the Secretary, who shall be deemed to be the Secretary during the term of this appointment. Appointment of secretaries of the Company

**EFFECT OF THE LISTING REQUIREMENTS**

134. (a) Notwithstanding anything contained in this Constitution, if the Listing Requirements prohibit an act being done, the act shall not be done. Effects of the Main Market Listing Requirements on this

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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- (b) Nothing contained in this Constitution prevents an act being done that the Listing Requirements require to be done. Constitution
- (c) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Listing Requirements require this Constitution to contain a provision and they do not contain such a provision, this Constitution is deemed to contain that provision.
- (e) If the Listing Requirements require this Constitution not to contain a provision and they contain such a provision, this Constitution is deemed not to contain that provision.
- (f) If any provision of this Constitution is or becomes inconsistent with the Listing Requirements, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

**THE ACT, CENTRAL DEPOSITORIES ACT, THE LISTING REQUIREMENTS AND ANY OTHER APPLICABLE RULES AND REGULATIONS**

135. Notwithstanding this Constitution, the Company shall comply with the Act, Central Depositories Act, Listing Requirements and the Rules of the Central Depository and other relevant and applicable rules and regulations in respect of all matters relating to Securities or otherwise applicable.
- 135.1 If any of the Rules in this Constitution is inconsistent with or in breach of any of the provisions of the Act other than any replaceable Rule which has been modified, replaced or excluded by the provisions in this Constitution, then
- (a) that Rule shall be read down to the extent necessary to comply with the provisions of the Act; and
- (b) that Rule or those portions thereof which are inconsistent with or in breach of any provision of the Act shall be struck out and deemed not to form part of this Constitution.

**COMMUNICATION WITH SECURITIES HOLDERS VIA ELECTRONIC MEANS**

136. The Company may issue documents required to be sent to Securities holders under the Listing Requirements via electronic means subject to the Company complying with the provisions of this Constitution, the Act and the Listing Requirements and complying with the following requirements:-
- (a) where the document is for purposes of notifying the Securities holders on the amendment of the Company's constitution, the Company is permitted to use electronic means to issue the documents;
- (b) if the document is published on the Company's website, the Company shall notify the Securities holders separately in writing about the publication of the document and the designated website link to download the document;

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**APPENDIX II – PROPOSED NEW CONSTITUTION (CONT'D)**

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- (c) the Company shall ensure that there is proof of delivery for any document or notification set via electronic email;
- (d) the Securities holder reserves the right to request for a hard copy of the document, in which case the Company shall put forward such document to the Securities holder, as soon as reasonably practicable after the receipt of the request, free of charge; and
- (e) in the case of documents required to be completed by the Securities holders for rights issue and offer for sale, allowing such documents to be sent via electronic mail, in hard copy or in any other manner as prescribed in the Listing Requirements and by the Exchange from time to time.

Consequential to the above, the requirement on issuance of annual report in electronic format (such as CD Rom and thumb drive) is hereby removed.



## **KPJ HEALTHCARE BERHAD**

(Company No. 247079-M)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

### **EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING**

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

#### **AGENDA**

##### **Special Business**

#### **ORDINARY RESOLUTION 12**

#### **PROPOSED RENEWAL OF THE SHARE BUY-BACK AUTHORITY (“PROPOSED SHARE BUY-BACK”)**

“**THAT**, subject to Section 127 of the Act, the provisions of the Main Market Listing Requirements of the Bursa Securities (“**Listing Requirements**”) and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following:-

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

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

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

- (a) the conclusion of the next AGM of the Company at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution passed at the AGM either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements and other relevant guidelines issued by the Bursa Securities or any other relevant authorities.

**AND THAT** the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the Proposed Share Buy-Back with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities.”(Note (i))

### **ORDINARY RESOLUTION 13**

#### **PROPOSED SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)**

“**THAT** subject always to the provisions of the Act, the Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries (“**Group**”), to enter into and give effect to the Recurrent Related Party Transactions of a Revenue or Trading nature, all with the particulars of which are set out in Part B of the Circular to Shareholders dated 22 March 2018 (“**Circular**”) with the Related Parties as described in the Circular, provided that such transactions are:-

- (a) recurrent transactions of a revenue or trading nature;
- (b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
- (c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm’s length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
- (d) not detrimental to the minority shareholders of the Company;

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

- (a) the conclusion of the next AGM of the Company following this AGM, at which time the authority will lapse unless by a resolution passed at the AGM, such authority is renewed; or
- (b) the expiration of the period within which the next AGM after the date that is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

**AND THAT** the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Proposed Shareholders’ Mandate.” (Note (ii))

## **SPECIAL RESOLUTION 14**

### **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY**

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

**By Order of the Board,  
KPJ HEALTHCARE BERHAD**

**SALMAH BINTI HJ ABD WAHAB (LS 0002140)  
HANA BINTI AB RAHIM @ ALI, ACIS (MAICSA 7064336)**  
Secretaries

Johor Bahru  
22 March 2018

#### **Notes:-**

##### **(1) Members Entitled to Attend**

Only members whose names appear on the Record of Depositors as at 16 April 2018 are entitled to attend, speak and vote at the meeting..

##### **(2) Appointment of Proxy**

- a. A member entitled to attend and vote at this meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote at this AGM.
- b. If a corporation is a member of the Company, the corporation may by resolution of its Board or other governing body authorize a person or persons to act as its representative or representatives at this AGM.
- c. A certificate of authorization by the corporation shall be prima facie evidence of the appointment or the revocation of the appointment, as the case may be, of a representative under Section 333(5) of the Companies Act 2016 (“**Act**”).
- d. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, (“**SICDA**”), it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- e. Where a member of the Company is an exempt authorized nominee, as defined under the SICDA, which holds shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- f. Where a member appoints more than one (1) proxy, the proxies shall not be valid unless he/she specifies the proportion of his/her shareholdings to be presented by each proxy.



- g. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof, shall be deposited at the registered office of the Company at: KPJ HEALTHCARE BERHAD, Level 16, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

### **(3) Voting by Poll**

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the resolutions set out in this Notice shall be put to vote by poll.

### **EXPLANATORY NOTES ON SPECIAL BUSINESS:**

- i. The proposed Ordinary Resolution 12 if passed will empower the Directors of the Company to utilise any of its surplus financial resources to purchase the Company's own shares through Bursa Malaysia at any time within the time stipulated by utilizing the funds allocated out of the audited retained profit of the Company.
- ii. The proposed Ordinary Resolution 13 if passed, is primarily to authorise the Company and/its subsidiaries ("Group") to enter into arrangements or transactions with Related Parties, particulars of which are set out in the Circular to Shareholders dated 22 March 2018 ("Circular") circulated together with this Annual Report, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made to the public.

The procurement of the Proposed Shareholders' Mandate would reduce substantially administrative time, effort and expenses associated with the convening of separate general meetings to seek shareholders' approval as and when potential Recurrent Related Party Transactions arise.

- iii. Please refer to explanatory information in the Circular to Shareholders dated 22 March 2018.