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KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (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**

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

Adviser



AmInvestment Bank

AmInvestment Bank Berhad

(Registration No. 199201015575 (247079-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The 27th Annual General Meeting (“**AGM**”) of KPJ will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8 Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 9 July 2020 at 12.00 p.m. via Remote Participation and Voting (“**RPV**”) Facilities, which are available at Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) via its TIIH Online website at <https://tiah.online>.

This Circular is available at <https://kpj.listedcompany.com/ar.html> together with, amongst others, the Notice of 27th AGM, Form of Proxy and Administrative Details for the 27th AGM. Please follow the procedures in the Administrative Details for the 27th AGM in order to submit the Form of Proxy, and to register and participate in the 27th AGM remotely via RPV.

Last date and time for lodging the Form of Proxy : Wednesday, 8 July 2020 at 12.00 p.m.

Date and time of AGM : Thursday, 9 July 2020 at 12.00 p.m.

This document is dated 10 June 2020

DEFINITIONS

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

Act	: The Companies Act, 2016, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
AmInvestment Bank	: AmInvestment Bank Berhad
Annual Report	: The annual report of KPJ for FYE 2019
Board	: The Board of Directors of KPJ
Bursa Securities	: Bursa Malaysia Securities Berhad
Circular	: This circular/statement to shareholders of KPJ dated 10 June 2020
CMSA	: Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Constitution	: The Constitution of KPJ , as amended from time to time
Director	: Shall have the same meaning given in Section 2(1) of the CMSA
EPS	: Earnings per Share
ESOS	: 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
ESOS Option(s)	: Options offered to eligible employees of KPJ Group to subscribe for the new KPJ Shares pursuant to the ESOS
FYE(s)	: Financial year(s) ended / ending, as the case may be
JCorp	: Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (as amended by Enactment No. 5, 1995)
KPJ or the Company	: KPJ Healthcare Berhad
KPJ Group or the Group	: KPJ and its subsidiary companies
KPJ Share(s) or Share(s)	: Ordinary share(s) in KPJ
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 12 May 2020, being the latest practicable date prior to the printing of the Circular

DEFINITIONS (CONT'D)

Maximum Scenario	: Assuming that all of the Outstanding ESOS Options are exercised
Major Shareholder	<p>: 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:-</p> <p>(i) 10% or more of the aggregate of the total number of voting shares in the corporation; or</p> <p>(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,</p> <p>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.</p> <p>For the purpose of this definition, “interests” has the meaning given in Section 8 of the Act.</p>
Minimum Scenario	: Assuming that none of the Outstanding ESOS Options are exercised
NA	: Net assets
Outstanding ESOS Options	: 184,327,564 outstanding ESOS Options that are exercisable as at LPD.
PAT	: Profit after taxation
PBT	: Profit before taxation
Proposed Share Buy-Back	: 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
Proposed RRPT Mandate	: Proposed shareholders’ mandate for RRPT
Related Party / (ies)	: A director, major shareholder and/or person(s) connected with such director or major shareholder as defined under the Listing Requirements
RM and sen	: Ringgit Malaysia and sen respectively
RRPT	: 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
Rules	: Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016
SC	: Securities Commission Malaysia
Treasury Shares	: 162,306,700 treasury shares held by KPJ as at LPD

DEFINITIONS (*CONT'D*)

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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EXTRACT OF NOTICE OF AGM	ENCLOSED
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PART A

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



KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (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”)

1. INTRODUCTION

At the Twenty-Sixth (26th) AGM of the Company held on 18 April 2019, 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 3 March 2020, 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. 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 assuming no Outstanding ESOS Options are exercised and assuming all Outstanding ESOS Options are exercised are as follows:-

	Assuming No Outstanding ESOS Options are Exercised	Assuming All Outstanding ESOS Options are Exercised
	No. of Shares '000	No. of Shares' 000
Total number of issued KPJ Shares as at LPD (including Treasury Shares)	4,441,900	4,441,900
Assuming full exercise of Outstanding ESOS Options ^(a)	-	184,328
Total number of issued KPJ Shares	4,441,900	4,626,228
10% of the total number of issued KPJ Shares	444,190	462,623
Less: Treasury Shares held as at LPD	(162,307)	(162,307)
Maximum number of KPJ Shares that may be purchased pursuant to the Proposed Share Buy-Back	281,883	300,316

Note:-

(a) Based on the outstanding ESOS Options that are exercisable as at LPD.

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 statement of financial position of the Company as at 31 December 2019 is RM212.8 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 or transfer 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 61.29% comprising of 8,341 public shareholders holding 2,623,200,320 KPJ Shares.

Assuming that the Company purchases up to a maximum of 281,883,355 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 ESOS Options are exercised, and that all treasury shares purchased are cancelled, the public shareholding spread will be approximately 58.57%.

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:-

Date	Total Number of Share Purchased	Highest Price Paid RM	Lowest Price Paid RM	Average Price Paid ⁽ⁱ⁾ RM	Total Consideration Paid RM
01.07.2019	1,000,000	0.950	0.950	0.954	953,506.00
04.07.2019	2,000,000	0.945	0.945	0.948	1,896,777.20
05.07.2019	1,900,000	0.950	0.950	0.953	1,811,481.40
10.07.2019	2,000,000	0.950	0.950	0.953	1,906,812.00
11.07.2019	1,500,000	0.955	0.945	0.958	1,437,685.10
12.07.2019	1,500,000	0.990	0.990	0.994	1,490,367.80
16.07.2019	1,500,000	0.980	0.980	0.984	1,475,315.60
17.07.2019	1,500,000	0.980	0.980	0.984	1,475,315.60
18.07.2019	2,000,000	0.980	0.980	0.984	1,967,020.80

Date	Total Number of Share Purchased	Highest Price Paid	Lowest Price Paid	Average Price Paid⁽ⁱ⁾	Total Consideration Paid
		RM	RM	RM	RM
25.07.2019	215,100	0.945	0.945	0.949	204,176.89
26.07.2019	1,000,000	0.945	0.940	0.946	945,979.90
29.07.2019	2,000,000	0.940	0.940	0.943	1,886,742.40
31.07.2019	3,000,000	0.935	0.930	0.937	2,812,252.00
01.08.2019	2,000,000	0.935	0.930	0.938	1,875,704.12
02.08.2019	3,000,000	0.925	0.925	0.928	2,784,857.00
06.08.2019	3,000,000	0.950	0.950	0.953	2,860,118.00
08.08.2019	2,000,000	0.920	0.905	0.915	1,830,547.52
09.08.2019	2,000,000	0.910	0.910	0.913	1,826,533.60
13.08.2019	2,000,000	0.900	0.895	0.902	1,803,052.17
22.08.2019	438,000	0.915	0.905	0.914	400,123.12
23.08.2019	500,000	0.910	0.900	0.907	453,672.61
27.08.2019	500,000	0.900	0.895	0.901	450,511.66
29.08.2019	750,000	0.900	0.895	0.901	675,592.21
30.08.2019	750,000	0.920	0.905	0.915	685,902.98
03.09.2019	750,000	0.915	0.905	0.913	684,473.01
11.09.2019	500,000	0.910	0.905	0.913	456,683.05
12.09.2019	230,700	0.915	0.915	0.919	212,025.10
03.10.2019	500,000	0.880	0.875	0.882	440,978.60
07.10.2019	500,000	0.890	0.880	0.889	444,290.08
08.10.2019	500,000	0.885	0.880	0.887	443,487.30
09.10.2019	500,000	0.890	0.880	0.888	444,239.90
11.10.2019	163,700	0.895	0.885	0.896	146,641.70
14.10.2019	116,200	0.915	0.915	0.919	106,800.01
15.10.2019	500,000	0.910	0.900	0.909	454,525.58
17.10.2019	400,000	0.910	0.905	0.912	364,704.08
21.10.2019	500,000	0.950	0.920	0.936	467,871.85
13.11.2019	204,200	0.930	0.905	0.914	186,654.67
15.11.2019	500,000	0.915	0.905	0.913	456,532.54
19.11.2019	298,300	0.915	0.910	0.916	273,346.01
20.11.2019	312,800	0.920	0.920	0.924	288,977.47
22.11.2019	500,000	0.920	0.915	0.922	461,098.36
25.11.2019	391,400	0.920	0.915	0.922	360,794.86
28.11.2019	500,000	0.910	0.905	0.911	455,328.36
02.12.2019	438,800	0.920	0.905	0.918	402,658.90
03.12.2019	250,000	0.920	0.910	0.919	229,746.06
04.12.2019	500,000	0.925	0.915	0.924	461,800.80

Note:-

(i) Computed based on total consideration paid (including transaction costs) divided by total number of shares purchased.

There is no re-sale, transfer 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 Company deems KPJ Shares to be undervalued, which in turn might stabilise the supply and demand; and the market price of 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 might 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.

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. However, 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.

The Company may buy back 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.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

Pursuant to the Company's ESOS, Outstanding ESOS Options are exercisable as at the LPD.

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

Total Number of Issued Shares	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
	‘000	‘000
Existing as at LPD (including Treasury Shares)	4,441,900	4,441,900
Assuming full exercise of Outstanding ESOS Options	-	184,328
Enlarged total number of issued shares	4,441,900	4,626,228
Assuming cancellation of KPJ Shares purchased under the Proposed Share Buy-Back	^(a) (281,883)	^(a) (300,316)
Assuming the cancellation of the Treasury Shares held as at LPD	(162,307)	(162,307)
Upon completion of the Proposed Share Buy-Back	3,997,710	4,163,605

Note:-

(a) *Being 10% of the total number of issued KPJ Shares less 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 May 2019 to May 2020 are as follows:

	High RM	Low RM
<u>2019</u>		
May	0.995	0.920
June	1.030	0.920
July	0.990	0.925
August	0.950	0.870
September	0.925	0.870
October	0.950	0.870
November	0.945	0.900
December	0.955	0.905
<u>2020</u>		
January	1.040	0.935
February	0.995	0.945
March	0.975	0.720
April	0.930	0.855
May	0.900	0.865

The last transacted price of KPJ Shares on the LPD was RM0.87.

(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.

For information, the affected major shareholder and/or persons acting in concert with him/her may apply for an exemption from the SC under the Paragraph 4.15 of the Rules subject to complying with the conditions stipulated in Paragraph 4.15 of the Rules. The exemption application is subject to the approval of the SC.

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) As at LPD				(II) After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares '000	% ^(a)	No. of Shares '000	% ^(a)	No. of Shares '000	% ^(a)	No. of Shares '000	% ^(a)
<u>Substantial Shareholders</u>								
JCorp	1,545,916	36.12	109,404 ^(b)	2.56	1,545,916	38.67	109,404 ^(b)	2.74
Employees Provident Fund Board	522,289	12.20	-	-	522,289	13.06	-	-
Waqaf An-Nur Corporation Berhad	304,576	7.12	-	-	304,576	7.62	-	-
Kumpulan Wang Persaraan (Diperbadankan)	230,345	5.38	-	-	230,345	5.76	-	-
Amanah Saham Bumiputera	214,973	5.02	-	-	214,973	5.38	-	-
<u>Directors</u>								
Dato' Yusli bin Mohamed Yusoff	-	-	-	-	-	-	-	-
Prof Dato' Dr Azizi bin Haji Omar	330	0.01	-	-	330	0.01	-	-
Christina Foo	-	-	-	-	-	-	-	-
Datuk Mohd Radzif bin Mohd Yunus	-	-	-	-	-	-	-	-
Dato Dr Ngun Kok Weng	440	0.01	-	-	440	0.01	-	-
Mohamed Ridza bin Mohamed Abdulla	-	-	-	-	-	-	-	-
Dato' Mohd Redza Shah bin Abdul Wahid	-	-	-	-	-	-	-	-
Dato' Dr Sivamohan a/l S.Namasivayam	-	-	-	-	-	-	-	-
Khairuddin bin Jaflus	-	-	-	-	-	-	-	-
Dato' Amiruddin bin Abdul Satar	295	0.01	-	-	295	0.01	-	-
Dato Seri (Dr) Mohamed Azahari bin Mohamed Kamil	-	-	-	-	-	-	-	-
Rozaini bin Mohd Sani	-	-	-	-	-	-	-	-
Shamsul Anuar bin Abdul Majid	-	-	-	-	-	-	-	-

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 Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, RHB Nominees (Tempatan) Sdn Bhd for JCorp Capital Solutions 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.*

Maximum Scenario	(I) As at LPD				(II) After (I) and assuming full exercise of ESOS Options				(III) After (II) and Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares '000	% (a)	No. of Shares '000	% (a)	No. of Shares '000	% (a)	No. of Shares '000	% (a)	No. of Shares '000	% (a)	No. of Shares '000	% (a)
<u>Substantial Shareholders</u>												
JCorp	1,545,916	36.12	109,404 ^(b)	2.56	1,545,916	34.63	109,404 ^(b)	2.45	1,545,916	37.13	109,404 ^(b)	2.63
Employee Provident Fund Board	522,289	12.20	-	-	522,289	11.70	-	-	522,289	12.54	-	-
Waqaf An-Nur Corporation Berhad	304,576	7.12	-	-	304,576	6.82	-	-	304,576	7.32	-	-
Kumpulan Wang Persaraan (Diperbadankan)	230,345	5.38	-	-	230,345	5.16	-	-	230,345	5.53	-	-
Amanah Saham Bumiputera	214,973	5.02	-	-	214,973	4.82	-	-	214,973	5.16	-	-
<u>Directors</u>												
Dato' Yusli bin Mohamed Yusoff	-	-	-	-	-	-	-	-	-	-	-	-
Prof'Dato' Dr Azizi bin Haji Omar	330	0.01	-	-	330	0.01	-	-	330	0.01	-	-
Christina Foo	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Mohd Radzif bin Mohd Yunus	-	-	-	-	-	-	-	-	-	-	-	-
Dato Dr Ngun Kok Weng	440	0.01	-	-	440	0.01	-	-	440	0.01	-	-
Mohamed Ridza bin Mohamed Abdulla	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Mohd Redza Shah bin Abdul Wahid	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Dr Sivamohan a/l S.Namasivayam	-	-	-	-	-	-	-	-	-	-	-	-
Khairuddin bin Jaflus	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Amiruddin bin Abdul Satar	295	0.01	-	-	295	0.01	-	-	295	0.01	-	-
Dato Seri (Dr) Mohamed Azahari bin Mohamed Kamil	-	-	-	-	-	-	-	-	-	-	-	-
Rozaini bin Mohd Sani	-	-	-	-	-	-	-	-	-	-	-	-
Shamsul Anuar bin Abdul Majid	-	-	-	-	-	-	-	-	-	-	-	-

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 Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, RHB Nominees (Tempatan) Sdn Bhd for JCorp Capital Solutions 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.

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 Annual Report and an extract of which is also enclosed in this Circular) will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8 Jalan Kerinchi, 59200 Kuala Lumpur ("**Broadcast Venue**") on Thursday, 9 July 2020 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 via TIIH Online website at <https://tiih.online> in accordance with the procedures as set out in the Administrative Guide latest by Wednesday, 8 July 2020 at 12.00 pm. 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 10 June 2020.

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

(Registration No. 199201015575 (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

10 June 2020

Board of Directors:

Dato' Yusli bin Mohamed Yusoff	<i>(Independent Non-Executive Chairman)</i>
Dato' Amiruddin bin Abdul Satar	<i>(President & Managing Director)</i>
Prof Dato' Dr Azizi bin Haji Omar	<i>(Independent Non-Executive Director)</i>
Christina Foo	<i>(Independent Non-Executive Director)</i>
Datuk Mohd Radzif bin Mohd Yunus	<i>(Independent Non-Executive Director)</i>
Dato Dr Ngun Kok Weng	<i>(Independent Non-Executive Director)</i>
Mohamed Ridza bin Mohamed Abdulla	<i>(Independent Non-Executive Director)</i>
Dato' Mohd Redza Shah bin Abdul Wahid	<i>(Independent Non-Executive Director)</i>
Dato' Dr Sivamohan a/l S.Namasivayam	<i>(Independent Non-Executive Director)</i>
Khairuddin bin Jaflus	<i>(Independent Non-Executive Director)</i>
Dato' Seri (Dr) Mohamed Azahari bin Mohamed Kamil	<i>(Non-Independent Non-Executive Director)</i>
Rozaini bin Mohd Sani	<i>(Non-Independent Non-Executive Director)</i>
Shamsul Anuar bin Abdul Majid	<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-Sixth (26th) AGM of the Company held on 18 April 2019, 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 3 March 2020, 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 AS 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.

Under Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders for RRPT subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more,whichever is the higher;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholder mandate, the relevant related party must comply with the requirements set out below:-
 - (a) related party with any interest, direct or indirect ("**Interested Related Party**"), must not vote on the resolution in respect of the Proposed RRPT Mandate;
 - (b) an Interested Related Party who is:-
 - (aa) in the case of a corporation, a director or major shareholder;
 - (bb) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust;
 - (cc) in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the managers or a director or major shareholder of the managers; or

- (dd) in the case of a real estate investment trust, a management company, a trustee, a director or major shareholder of the management company or major unitholder of the real estate investment trust,

must ensure that persons connected with it abstain from voting on the resolution in respect of the Proposed RRPT Mandate; and

- (c) where the Interested Related Party is a person connected with:-

- (aa) in the case of a corporation, a director or major shareholder;
- (bb) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust;
- (cc) in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the managers or a director or major shareholder of the managers; or
- (dd) in the case of a real estate investment trust, a management company, a trustee, a director or major shareholder of the management company or major unit holder of the real estate investment trust,

such persons stated in subparagraphs (aa), (bb), (cc) or (dd) above, as the case may be, must not vote on the resolution in respect of the related party transaction.

- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

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 at LPD are set out below:-

Name of company	Effective interest %	Principal activities
Kumpulan Perubatan (Johor) Sdn Bhd	100	Managing and investment holding company for medical sector
Point Zone (M) Sdn Bhd	100	Providing treasury management services to the companies within the group
Tawakal Holdings Sdn Bhd	100	Investment holding company
Johor Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Ipoh Specialist Hospital Sdn Bhd	99	Operating as a specialist hospital
Pusat Pakar Tawakal Sdn Bhd	100	Operating as a specialist hospital
Puteri Specialist Hospital (Johor) Sdn Bhd	100	Dormant

Name of company	Effective interest %	Principal activities
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn Bhd</u>		
Ampang Puteri Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Bandar Baru Klang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Kajang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Maharani Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Pasir Gudang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Penang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Pusat Pakar Kluang Utama Sdn Bhd	100	Operating as a specialist hospital
Rawang Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
Sentosa Medical Centre Sdn Bhd	100	Operating as a specialist hospital
Sibu Medical Centre Corporation Sdn Bhd	100	Operating as a specialist hospital
SMC Healthcare Sdn Bhd	100	Operating as a specialist hospital
PT Khidmat Perawatan Jasa Medika	80	Operating as a specialist hospital
PT Khasanah Putera Jakarta Medica	75	Operating as a specialist hospital
Kuching Specialist Hospital Sdn Bhd	70	Operating as a specialist hospital
Miri Specialist Hospital Sdn Bhd	70	Operating as a specialist hospital
Pahang Specialist Hospital Sdn Bhd	70	Operating as a specialist hospital
Perdana Specialist Hospital Sdn Bhd	61	Operating as a specialist hospital
Perlis Specialist Hospital Sdn Bhd	60	Operating as a specialist hospital
Selangor Specialist Hospital Sdn Bhd	60	Operating as a specialist hospital
Advanced Health Care Solutions Sdn Bhd	100	Providing healthcare information system services
Crossborder Aim (M) Sdn Bhd	100	Investment holding company
Crossborder Hall (M) Sdn Bhd	100	Investment holding company
Healthcare Technical Services Sdn Bhd	51	Providing management and engineering maintenance services for specialist hospital
Kota Kinabalu Wellness Sdn Bhd	100	Operating as an aged-care centre

Name of company	Effective interest %	Principal activities
Subsidiaries of Kumpulan Perubatan (Johor) Sdn Bhd (cont'd)		
KPJ Ambulatory Care Centre Sdn Bhd	100	Management and operation of ambulatory care centre
KPJ Dhaka (Pte) Ltd	100	Providing management services to a specialist hospital
KPJ Eyecare Specialist Sdn Bhd	100	Providing medical and consultancy services in eye care
KPJ Healthcare University College Sdn Bhd	100	Operating as a private university college of nursing and allied health
KPJ HealthShoppe Sdn Bhd	100	Operating as pharmacy retail outlet
KPJ Medik TV Sdn Bhd	100	Operating as medical service provider
Kuantan Wellness Center Sdn Bhd	100	Operating as a dialysis and aged-care centre
Lablink (M) Sdn Bhd	51	Providing pathology and laboratory services
PharmaCARE Sdn Bhd	100	Providing human resource, training services and rental of human resource information system
Pharmaserv Alliances Sdn Bhd	100	Marketing and distributing medical and pharmaceutical products
PT Al-'Aqar Bumi Serpong Damai	100	Operating as building management company
PT Al-'Aqar Permata Hijau	100	Operating as building management company
Sibu Geriatric Health & Nursing Centre Sdn Bhd	100	Operating and managing an aged care facilities
Sterile Services Sdn Bhd	100	Providing sterile services
Fabricare Laundry Sdn Bhd	95	Providing laundry services
DTI Resources Sdn Bhd (formerly known as Diaper Technology Industries Sdn Bhd)	94	Providing information technology related services and rental of software
Healthcare IT Solutions Sdn Bhd	100	Providing healthcare information technology services
Pride Outlet Sdn Bhd	75	Providing maintenance services for medical equipment

Name of company	Effective interest %	Principal activities
<u>Subsidiaries of Kumpulan Perubatan (Johor) Sdn Bhd (cont'd)</u>		
Skop Yakin (M) Sdn Bhd	100	Marketing and distributing general merchandise
Total Meal Solution Sdn Bhd	70	Providing central kitchen services
Teraju Farma Sdn Bhd	65	Marketing and distributing medical and pharmaceutical products
Jeta Gardens (Qld) Pty Ltd	57	Providing retirement village and aged care facilities
BDC Specialist Hospital Sdn Bhd	100	To be operating as a specialist hospital
Massive Hybrid Sdn Bhd	100	To be operating as a specialist hospital
UTM KPJ Specialist Hospital Sdn Bhd	100	To be operating as a specialist hospital
Damansara Specialist Hospital Sdn Bhd	100	Dormant
Seremban Specialist Hospital Sdn Bhd	100	Dormant
Taiping Medical Centre Sdn Bhd	100	Dormant
Bayan Baru Specialist Hospital Sdn Bhd	100	Dormant
Energy Excellent Sdn Bhd	100	Dormant
KPJ Education Services Sdn Bhd	100	Dormant
Pharmacare Surgical Technologies (M) Sdn Bhd	100	Dormant
Freewell Sdn Bhd	80	Dormant
<u>Subsidiary of Johor Specialist Hospital Sdn Bhd</u>		
Bandar Dato Onn Specialist Hospital Sdn Bhd	100	Operating as a specialist hospital
<u>Subsidiary of Ipoh Specialist Hospital Sdn Bhd</u>		
Sri Manjung Specialist Centre Sdn Bhd	100	Operating as a specialist hospital
<u>Subsidiary of Selangor Specialist Hospital Sdn Bhd</u>		
Pusrawi SMC Sdn Bhd	52	Operating as a polyclinic
<u>Subsidiary of SMC Healthcare Sdn Bhd</u>		
Amity Development Sdn Bhd	100	Dormant

Name of company	Effective interest %	Principal activities
<u>Subsidiary of Pharmaserv Alliances Sdn Bhd</u>		
Malaysian Institute of Healthcare Management Sdn Bhd	75	Dormant
<u>Subsidiary of KPJ Healthcare University College Sdn Bhd</u>		
KPJ Education (M) Sdn Bhd	100	Operating as a college and training centre
<u>Subsidiaries of Jeta Gardens (Qld) Pty Ltd</u>		
Jeta Gardens Aged Care (Qld) Pty Ltd	100	Operating and managing an aged care facility
Jeta Gardens Management (Qld) Pty Ltd	100	Dormant
<u>Associates of KPJ</u>		
Damansara REIT Managers Sdn Bhd ^(a)	-	Manager of Al-'Aqar Healthcare REIT
Al-'Aqar Healthcare REIT	37	Real estate investment trust
<u>Associates of Kumpulan Perubatan (Johor) Sdn Bhd</u>		
Kedah Medical Centre Sdn Bhd	46	Operating as a specialist hospital
Vejthani Public Company Limited	23	Operating as an international specialist hospital

Note:

(a) Entity over which the Company exercises significant influence by virtue of its' board representation in Damansara REIT Managers Sdn Bhd., 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:-

Transacting Party^(a)	Nature of RRPT	Classes of Related Party and Nature of Interest^(a)
JCorp and its subsidiaries and associated companies ("JCorp Group") (excluding Al-'Aqar and Al-Salām (both as defined below))	<ul style="list-style-type: none"> ▪ Secretarial fees and registrar fees ▪ Contract management and advisory fees of KPJ projects development ▪ Building management service fees payable for Menara KPJ in Kuala Lumpur ▪ Insurance coverage payable ▪ Fees payable for both project management services for the construction of hospital buildings and maintenance of non-medical equipment such as lifts and 	<p><u>Major Shareholder:-</u></p> <ul style="list-style-type: none"> ▪ JCorp <p>KPJ is 38.7% owned by JCorp as at LPD.</p>

	<ul style="list-style-type: none"> firefighting equipment Security services fees payable Purchase of food and beverage consumables Medical services provided to JCorp employees as panel hospital Training and seminars Hotel accommodation 	<p><u>Directors:-</u></p> <ul style="list-style-type: none"> Dato' Amiruddin bin Abdul Satar Dato Seri (Dr) Mohamed Azahari bin Mohamed Kamil Rozaini bin Mohd Sani Shamsul Anuar bin Abdul Majid Wan Azman bin Ismail (resigned w.e.f. 7 May 2020)
Al-'Aqar Healthcare REIT ("Al-'Aqar") (represented by its trustee Amanahraya Trustee Berhad ("ART") and managed by Damansara REIT Managers Sdn Bhd ("DRMSB"), a wholly - owned subsidiary of Damansara Assets Sdn Bhd ("DASB"), which in turn is a wholly-owned subsidiary of JCorp. Al-'Aqar Australia Pty Ltd ("Al-'Aqar Australia") is a wholly-owned subsidiary of Al-'Aqar.)	Rental payable for renting of retirement village building and aged care facility in Australia; and lease of a hospital together with the land	<p>Dato' Amiruddin bin Abdul Satar, Dato Seri Dr Mohamed Azahari bin Mohamed Kamil, Rozaini bin Mohd Sani and Shamsul Anuar bin Abdul Majid are deemed interested directors as they are persons connected to JCorp by virtue of them being Directors of the Company nominated by JCorp and/or being part of the senior management of JCorp.</p> <p>Wan Azman bin Ismail, who resigned prior to LPD, is deemed interested as he is an executive director of DRMSB and part of the senior management of JCorp.</p>
Al-Salām Real Estate Investment Trust ("Al-Salām"), represented by ART and managed by DRMSB. Al-Salām is a 67.00% owned subsidiary of JCorp via its direct (4.21%) and indirect interest (62.79%)(b).	Rental payable for renting Malaysian College of Hospitality and Management	
Damansara Realty Berhad ("DBhd") and its subsidiaries and associated companies ("DBhd Group"). JCorp has an indirect interest of 13.81% in DBhd	<ul style="list-style-type: none"> Rental income for renting of land for car park Housekeeping contract fees payable Rental income for renting of office 	

Note:-

(a) Based on position as at LPD.

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 ^(b) (RM'000)	Estimated value approved on the last AGM “Estimated Value” (RM'000)	Actual value transacted from 18 April 2019 (date of last AGM) up to the LPD “Actual Value” (RM'000)
JCorp Group (except for Al-'Aqar and Al-Salām as detailed below)	• Secretarial fees and registrar fees	1,000	1,000	886
	• Contract management and advisory fees of KPJ projects development	460	459	419
	• Building management service fees payable for Menara KPJ in Kuala Lumpur	1,400	1,400	1,378
	• Insurance coverage payable	5,800	5,800	5,366
	• Fees payable for both project management services for the construction of hospital buildings and maintenance of non-medical equipment such as lifts and firefighting equipment	4,000	4,000	3,681
	• Security services fees payable	6,000	5,800	6,216
	• Purchase of food and beverage consumables ^(a)	1,060	-	1,021*
	• Hotel accommodation ^(a)	10	-	6*
	• Training and seminars ^(a)	635	-	502*
	• Medical services provided to JCorp Group's employees as panel hospital ^(a)	10,000	-	7,444*
Al-'Aqar and its subsidiary, Al-'Aqar Australia	• Rental payable for renting of retirement village building and aged care facility in Australia and lease of a hospital together with the land	17,000	15,500	12,993
Al-Salām	• Rental payable for renting Malaysian College of Hospitality and Management	2,700	2,700	2,902
DBhd Group	• Rental income for renting of land for car park	2,300	2,300	1,736
	• Housekeeping contract fees payable	18,000	18,800	17,606
	• Rental income for renting of office ^(a)	20	-	17*
Total		70,385	57,759	62,173

Notes: (a) These are new Mandates sought.

(b) These are just estimates and may vary.

* The aggregate of which is less than 1% of the percentage ratio.

2.5 Details of the sums due and owing to KPJ by its Related Parties pursuant to a RRPT which exceeded the credit terms as at FYE 2019

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.

2.6 Review procedures in relation to RRPT

The Company has established the following procedures 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 Related 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 thirteen members namely, the President & Managing Director, Executive Directors, 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;
- (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.

2.7 Audit Committee Statement

The Audit Committee has seen and reviewed the procedures set out in Section 2.6 above and is of the view that the procedures are sufficient to ensure that the RRPT are not more favourable to the Related 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.

2.8 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. The Proposed RRPT Mandate 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' Amiruddin bin Abdul Satar, Dato Seri (Dr) Mohamed Azahari bin Mohamed Kamil, Rozaini bin Mohd Sani and Shamsul Anuar bin Abdul Majid are deemed interested in the Proposed RRPT Mandate by virtue of them being Directors of the Company nominated by JCorp and/or being part of the senior management of JCorp. Wan Azman bin Ismail (who is deemed to be a director pursuant to the Listing Requirements as he was a director of KPJ for the past 6 months prior to LPD) is deemed interested as he is an executive director of DRMSB and part of the senior management of JCorp. The aforementioned directors shall collectively be referred to as "**Interested Directors**".

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-----→	
	No. of Shares		No. of Shares	
	'000	% (a)	'000	% (a)
<u>Interested Major Shareholder</u>				
JCorp ^(b)	1,545,916	36.12	109,404	2.56
<u>Interested Directors</u>				
Dato' Amiruddin bin Abdul Satar	295	0.01	-	-
Dato Seri (Dr) Mohamed Azahari bin Mohamed Kamil	-	-	-	-
Rozaini bin Mohd Sani	-	-	-	-
Shamsul Anuar bin Abdul Majid	-	-	-	-
Wan Azman bin Ismail (resigned) ^(c)	-	-	-	-

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 Kulim (Malaysia) Berhad, Johor Ventures Sdn Bhd, RHB Nominees (Tempatan) Sdn Bhd for JCorp Capital Solutions 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 to be a director pursuant to the Listing Requirements as he was a director of KPJ for the past 6 months prior to LPD.

8. DIRECTORS' RECOMMENDATION

The Board (save for the Interested Directors), 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.

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.

9. AGM

The AGM (the notice of which is set out in KPJ's Annual Report and an extract of which is also enclosed in this Circular) will be conducted entirely through live streaming from the Broadcast Venue on Thursday, 9 July 2020 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 via TIIH Online website at <https://tiih.online> in accordance with the procedures as set out in in the Administrative Guide latest by Wednesday, 8 July 2020 at 12.00 pm. 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

CHRISTINA FOO
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

AmInvestment Bank, being the Adviser for the Proposed Share Buy-Back and Proposed RRPT Mandate (“**Proposals**”), has given and has not subsequently withdrawn their written consent for the inclusion in this Circular of their names, reports and/or letters (where applicable) and all references thereto in the form and context in which they appear in this Circular.

AmInvestment Bank has given its written confirmation that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser in respect of the Proposals.

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.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of KPJ.

AmInvestment Bank is of the view that its role as the Adviser for the Proposals is not likely to result in a conflict of interest or potential conflict of interest situation for the following reasons:-

- (i) AmInvestment Bank’s role in the Proposals is undertaken in the ordinary course of business; and
- (ii) AmInvestment Bank undertakes each of its roles on an arm’s length basis and its conduct is regulated by Bank Negara Malaysia and the SC and governed under, inter alia, the Financial Services Act 2013, the Capital Markets and Services 2007, and AmBank Group’s Chinese Wall policy and internal controls and checks.

Premised on the above, AmInvestment Bank confirms that it is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser in respect of the Proposed RRPT Mandate.

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:-

- (a) Lease agreement between AmanahRaya Trustees Berhad (as trustee for Al-`Aqar Healthcare REIT), Johor Land Berhad and Pasir Gudang Specialist Hospital Sdn Bhd dated 26 August 2019 for the lease of a land together with a hospital building erected thereon to be known as “KPJ Batu Pahat Specialist Hospital” (“**Lease Agreement**”) upon the terms and conditions of the Lease Agreement; and

APPENDIX I – FURTHER INFORMATION (CONT'D)

- (b) Build and lease agreement between Infra Total Care Sdn Bhd (“**Lessor**”) and Bandar Baru Klang Specialist Hospital Sdn Bhd (“**Lessee**”) dated 9 September 2019 for the construction of a hospital on the land (“**Demised Premises**”) by the Lessor and for the lease of the said Demised Premises to the Lessee upon the terms and conditions of the said Agreement.

4. MATERIAL LITIGATION

As at LPD, there are no material litigations, claims or arbitrations, either as 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 FYE 2018 and FYE 2019;
- (iii) the letter of consent referred to in Section 2 above; and
- (iv) the material contracts referred to in Section 3 above.



KPJ HEALTHCARE BERHAD

(Registration No. 199201015575 (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-Seventh (27th) Annual General Meeting (“AGM”) of KPJ Healthcare Berhad (“**KPJ**” or the “**Company**”) will be conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29.01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, 8 Jalan Kerinchi, 59200 Kuala Lumpur (“**Broadcast Venue**”) on Thursday, 9 July 2020 at 12.00 p.m. to transact the following businesses:-

AGENDA

Special Business

ORDINARY RESOLUTION 16

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 do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interest of KPJ with full power to assent to any conditions, variations, modifications, arrangements and/or amendments in any manner as may be required or permitted under the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Shares Buy-Back contemplated and/or authorised by this ordinary resolution.” (Note (16)(ii))

ORDINARY RESOLUTION 17

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 10 June 2020 (“**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 and are authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interest of KPJ with full power to assent to any conditions, variations, modifications, arrangements and/or amendments in any manner as may be required or permitted under the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Shareholders' Mandate contemplated and/or authorised by this ordinary resolution." (Note 16(iii))

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

HANA BINTI AB RAHIM @ ALI, ACIS (MAICSA 7064336)
HASLINDA BINTI MD NOR @ MOHD NOAH (LS 0005697)
Secretaries

Johor Bahru
Dated: 10 June 2020

Notes:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 27th AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 27th AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV in the Administrative Guide on 27th AGM and take note of Notes (2) to (14) below in order to participate remotely via RPV.**

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at 30 June 2020**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary 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 authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at this Annual General Meeting via RPV must request his/her proxy to register himself/herself for RPV at **TIIH Online** website at <https://tiih.online>. **Please follow the Procedures for RPV in the Administrative Guide on 27th AGM.**

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
- (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic form

The proxy form can be electronically lodged with the Poll Administrator of the Company via TIIH Online at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **Wednesday, 8 July 2020 at 12.00 p.m..**
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Poll Administrator of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member; or
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
16. **EXPLANATORY NOTES ON SPECIAL BUSINESS:**
- (ii) **Agenda 7 – Proposed Renewal of the Share Buy-Back Authority (“Proposed Share Buy Back”)**

The proposed Ordinary Resolution 16 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.
 - (iii) **Agenda 8 – Proposed Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)**

The proposed Ordinary Resolution 17 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 10 June 2020 (“**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.
 - (iv) **For the Proposed Share Buy Back and Proposed Shareholders’ Mandate, please refer the details in the Circular to Shareholders dated 10 June 2020.**