



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second (22nd) Annual General Meeting ("AGM") of KPJ Healthcare Berhad ("KPJ" or the "Company") will be held at the Permata Ballroom, Level B2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor, on Thursday, 28 May 2015 at 12.00 noon for the following purposes:-

AGENDA

Ordinary Business

- To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- To re-elect the following Directors who retire in accordance with the Articles of Association of the Company:-
 - Datin Paduka Siti Sa'diah Sh Bakir - Article 96 **(Resolution 2)**
 - Zainah Binti Mustafa - Article 96 **(Resolution 3)**
 - Dr Kok Chin Leong - Article 96 **(Resolution 4)**
- To consider, and if thought fit, to pass the following resolutions pursuant to Section 129(6) of the Companies Act 1965:-
 - That Dr Yoong Fook Ngian, who is above the age of seventy (70), be and is hereby re-appointed as Director and to hold office until the next AGM of the Company. **(Resolution 5)**
- To approve the payment of Directors' fees in respect of the financial year ended 31 December 2014. **(Resolution 6)**
- To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

Special Business

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

6. ORDINARY RESOLUTION 1

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

In line with Recommendation 3.2 and 3.3 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), the Nomination & Remuneration Committee ("NRC") had conducted an assessment of independence under the nomination and election process of Independent Non-Executive Directors ("INED"), whereby the NRC reviewed whether the nominated candidates have satisfied the criteria for an independent director as prescribed in Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and its Practice Note 13 prior to seeking shareholders' approval at the 22nd AGM on the appointment of INEDs.

"THAT, subject to the passing of Resolution 3, approval be and is hereby given to Zainah Binti Mustafa who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note f) **(Resolution 8)**

"THAT, subject to the passing of Resolution 4, approval be and is hereby given to Dr Kok Chin Leong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note f) **(Resolution 9)**

"THAT, subject to the passing of Resolution 5, approval be and is hereby given to Dr Yoong Fook Ngian who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note f) **(Resolution 10)**

"THAT Datin Azzat Kamaludin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be hereby re-appointed as an Independent Non-Executive Director of the Company until the conclusion of the next AGM. (See Note f) **(Resolution 11)**

7. ORDINARY RESOLUTION 2

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

"THAT pursuant to Section 132D of the Companies Act, 1965 ("Act"), the Articles of Association of the Company and subject to the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities and that such authority shall continue in force until the conclusion of the next AGM of the Company. (See Note g) **(Resolution 12)**

ORDINARY RESOLUTION 3

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

"THAT, subject to Section 67A of the Act, Part IIIA of the Companies Regulations 1966, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements ("Listing Requirements") of the Bursa Securities and any other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares of RM0.50 each in the Company's issued and paid-up capital on Bursa Securities subject to the following:- **(Resolution 13)**

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

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

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

- the conclusion of the next AGM of the Company at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution passed at the AGM either unconditionally or subject to conditions; or
- the expiration of the period within which the next AGM is required by law to be held; or
- revoked or varied by a resolution passed by the shareholders of the Company in 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 of 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 provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements and the guidelines issued by Bursa Securities and any other relevant authorities." (See Note h)

ORDINARY RESOLUTION 4

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

"THAT subject always to the provisions of the Act, the Memorandum and Articles of Association of the Company, the Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries, to renew the shareholders' mandate for Recurrent Related Party Transactions of a Revenue or Trading nature and to enter into and give effect to the specified Recurrent Related Party Transactions; **(Resolution 14)**

all with the particulars of which are set out in Part B of the Circular to Shareholders dated 5 May 2015 ("Circular") with the Related Parties as described in the Circular, provided that such transactions are:-

- recurrent transactions of a revenue or trading nature;
- necessary for the day-to-day operations of the Company and/or its subsidiaries;
- 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 which those generally available to the public; and
- not detrimental to the minority shareholders of the Company;

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

- 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
- the expiration of the period within which the next AGM after the date that is required to be held pursuant to Section 143(1) of the Companies Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act); or
- revoked or varied by a resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

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

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 22nd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 58 of the Company's Articles of Association and Paragraph 7.16 of the Listing Requirements to issue a General Meeting Record of Depositors ("ROD") as at 21 May 2015. Depositors whose names appear on the ROD as at 21 May 2015 are entitled to attend, speak and vote at the said meeting.

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

Dated: 5 May 2015

NOTES:

Proxy

- A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of Companies Act, 1965 need not be complied with.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, under its common seal or in other manner approved by its Board of Directors.
- Where a member of the Company is an Authorised Nominee as defined under the Central Depositories Act 1991, he may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- Any alteration made in this form should be initialed by the person who signs it.
- The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a certified copy thereof, shall be deposited at the registered office of the Company at: KPJ HEALTHCARE BERHAD, Level 11, Menara KOMTAR, Johor Bahru City Centre, 80000 Johor Bahru, Johor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

Abstention from Voting

- All the Non-Executive Directors ("NED") of the Company who are shareholders of the Company shall abstain from voting on Resolution 6 concerning remuneration to the NED at the 22nd AGM.
- Any Director referred to in Resolutions 2, 3 and 4, who is a shareholder of the Company shall abstain from voting on the resolution in respect his election or re-appointment at the 22nd AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

- The Ordinary Resolutions 8, 9, 10 and 11 if passed, will enable Zainah Binti Mustafa, Dr Kok Chin Leong, Dr Yoong Fook Ngian and Datin Azzat Bin Kamaludin to continue to act as Independent Directors notwithstanding that they have served the Board as Independent Non-Executive Directors for a term of more than 9 years. The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. To qualify as independent, a director must be independent in character and judgement, independent of management and free from any relationship or circumstances as set out in Chapter 1 of the Listing Requirements, which are likely to affect or appear to affect their independent judgement. Following an assessment, the Board concluded that the INEDs' length of service do not interfere with the exercise of independent judgement and ability to act in the best interests of the shareholders. In addition, the Board believes that their detailed knowledge of the Group's business and their proven commitment, experience and competence will greatly benefit the Company. The Directors' concerned had declared their independence and desire to continue as Independent Non-Executive Directors of the Company.
- The proposed Resolution 12 if passed is primarily to give flexibility to the Directors to issue up to a maximum amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within the next AGM required by law to be held, whichever is earlier.
 - The mandate sought under Resolution 12 is a renewal of an existing mandate particularly on the conversion of KPJ warrants into ordinary shares of RM0.50 at the price of RM1.13 per share
 - The proceeds raised from the previous mandate were RM6,857,242
 - The proceeds were utilised for working capital purposes
 - The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
- The proposed Resolution 13 if passed will enable the Company to utilise any of its surplus financial resources to purchase its own shares from the market.
- The proposed Resolution 14 if passed is primarily to authorise the Company and its unlisted subsidiaries to enter into arrangements or transactions with Related Parties, particulars of which are set out in the Circular to Shareholders dated 5 May 2015 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.