

NOTICE OF ANNUAL GENERAL MEETING



KPJ HEALTHCARE BERHAD
Registration No. 199201015575 (247079-M)

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

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the year ended 31 December 2019 and the Reports of the Directors and Auditors thereon.
 - To re-elect the following Directors of the Company who will retire in accordance with the Constitution of the Company:-
 - Prof Dato’ Dr Azizi Bin Haji Omar – Rule 95 (i)
 - Datuk Mohd Radzif Bin Mohd Yunus – Rule 96
 - Dato’ Yusli Bin Mohamed Yusoff – Rule 96
 - Dato’ Dr Ngun Kok Weng – Rule 96
 - Mohamed Ridza Bin Mohamed Abdulla – Rule 96
 - Dato’ Seri (Dr) Mohamed Azahari Bin Mohamed Kamil – Rule 96
 - Dato’ Mohd Redza Shah Bin Abdul Wahid – Rule 96
 - Dato’ Dr Sivamohan a/l S.Namasivayam – Rule 96
 - Khairuddin Bin Jafius – Rule 96
 - Rozaini Bin Mohd Sani – Rule 96
 - Shamsul Anuar Bin Abdul Majid – Rule 96
 - To approve the Proposed Directors’ fees of RM1,540,000 (“Proposed Directors’ Fees”) for the financial year ending 31 December 2020 (2019: RM1,540,000) (Note (15)(iii))
 - To approve the payment of Directors’ Remuneration (excluding Proposed Directors’ Fees) to Non-Executive Directors (“NED”) for the period from 10 July 2020 until the conclusion of the next AGM of the Company (“Relevant Period”) (Note (15)(ii))
 - To appoint Messrs Ernst & Young PLT, having consented to act as Auditors of the Company for the financial year ended 31 December 2020 in place of the retiring Auditors, Messrs PricewaterhouseCoopers PLT, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
- Notice of Nomination pursuant to Sections 267(4) and Section 271(4) of the Companies Act, 2016 (a copy of which is annexed hereto and marked “Annexure A”) in the 2019 Annual Report has been received by the Company for the nomination of Messrs Ernst & Young PLT, for appointment as Auditors in place of the retiring Auditors, Messrs PricewaterhouseCoopers PLT.

SPECIAL BUSINESS

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

- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016**
“THAT pursuant to Section 75 and 76 of the Companies Act, 2016 (“Act”), and approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in 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 total number of issued shares 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 16(i))
- 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))

- 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 Shareholder’s 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 TIH Online website at <https://tjh.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 TIH Online website at <https://tjh.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 TIH Online at <https://tjh.online> (applicable to individual shareholders only). Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIH 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 notariarily 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.

(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:

- at least two (2) authorised officers, of whom one shall be a director; or
- any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

15. EXPLANATORY NOTES ON ORDINARY BUSINESSES:

(i) Agenda 1 – Audited Financial Statements

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders’ approval and hence, will not be put for voting.

(ii) Agenda 3 and Agenda 4

Pursuant to Section 230(1) of the Companies Act 2016 (“Act”) which came into force on 31 January 2017, the fees and benefits (“Remuneration”) payable to the Directors of the Company will have to be approved by the shareholders of the Company at a general meeting. In this respect, the Board of Directors of the Company hereby agree that the shareholders’ approval shall be sought at the Twenty Sixth (27th) AGM commencing 10 July 2020 until the conclusion of the next AGM of the Company in 2021.

The proposed Resolution 13, if passed will allow the payment of the Directors’ Remuneration (excluding Directors’ fees) to the NED of the Company on a monthly basis and/or when incurred within the Relevant Period.

The Board is of the view that it is just and equitable for the NED to be paid the Directors’ Remuneration on a monthly/quarterly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

In the event that the Directors’ Remuneration (excluding Proposed Directors’ Fees) proposed is insufficient (e.g. due to more meetings or enlarged Board size) approval of the shareholders of the Company will be sought at the next AGM for the additional remuneration to meet the shortfall. The estimated amount of RM1,418,000.00 for the Relevant Period is derived from a total of RM730,000.00 for FY2020 and a total of RM688,000.00 for the period from 1 January 2021 until the next AGM in 2021.

Details of the estimated Directors’ Remuneration for NEDs for the Relevant Period are as below:-

(a) Directors’ Fees

	2020	2019
Non-Executive Chairman	RM220,000 per annum	RM220,000 per annum
NED	RM120,000 per annum	RM120,000 per annum

NOTE:

i. The payment of the Directors’ fees for nominee directors representing Johor Corporation will be paid to Johor Corporation as Corporate Fee.

(b) Directors’ Remuneration (excluding Directors’ fees)

(1) Other benefits

Description	Chairman	NED
Other benefits	Medical benefits and company car and driver	Medical benefits and company car and driver for 1 NED

(2) Committee Fees

Committee Fees	Chairman	NED
Audit Committee	RM35,000 per annum	RM25,000 per annum
Medical Advisory Committee	*	RM15,000 per annum
Nomination and Remuneration Committee	Nil	Nil
Development and Procurement Committee	RM20,000 per annum	RM15,000 per annum
Risk and Governance Committee	RM20,000 per annum	RM15,000 per annum
ESOS Committee	Nil	Nil
Investment Committee	RM20,000 per annum	RM15,000 per annum

Allowance for Professional Advisory Services	2020
*Monthly Allowance as Chairman of Medical Advisory Committee	RM18,000

NOTE:

i. The payment of the Committee Fee for nominee directors representing Johor Corporation will be paid to Johor Corporation as Corporate Fee.

ii. The payment of the Committee Fee are extended to all Directors in the Committees except for the Managing Director and Executive Directors of the Company.

iii. The payment of Committee Fee is not applicable to Nomination and Remuneration Committee and ESOS Committee.

(3) Meeting Allowance

Meeting Allowance (per meeting)	Chairman	NED
Board of KPJ	RM4,000	RM3,000
Audit Committee	RM4,000	RM3,000
Medical Advisory Committee	RM4,000	RM3,000
Nomination and Remuneration Committee	RM3,000	RM2,000
Development and Procurement Committee	RM3,000	RM2,000
Risk and Governance Committee	RM3,000	RM2,000
Investment Committee	RM3,000	RM2,000

NOTE:

i. The payment of the Meeting Allowances are extended to all Directors except for the Managing Director and Executive Directors of the Company

16. EXPLANATORY NOTES ON SPECIAL BUSINESS:

(i) Agenda 6 – Authority to Issue Shares Pursuant to Section 75 and 76 of the Act

The proposed Ordinary Resolution 11 if passed is primarily to give flexibility to the Directors of the Company to issue up to maximum amount not exceeding in total ten percent (10%) of the total number of issued shares in 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 proposed Ordinary Resolution 15 is a renewal of an existing mandate particularly on the conversion of KPJ ESOS into ordinary shares at the price of RM0.91 per ordinary share.
- The proceeds raised from the previous mandate were RM38,733,091.00
- The proceeds were utilized for working capital purposes.
- The authority will give flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares, for the purpose of funding future investment(s), project(s), working capital and/or acquisitions.

(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/or 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.