

Company No.

247079	M
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KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

30 SEPTEMBER 2009

Company No.

247079

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KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the period ended 30 September 2009.

The interim report is prepared in accordance with FRS134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia's Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
Revenue		361,487	329,736	1,071,009	944,804
Cost of sales		(252,969)	(231,427)	(752,581)	(664,292)
Gross profit		108,518	98,309	318,428	280,512
Other operating income		7,839	3,230	14,416	14,905
Administrative and other operating expenses		(80,009)	(71,698)	(228,233)	(204,792)
Profit from operations		36,348	29,841	104,611	90,625
Finance cost		(4,366)	(3,462)	(14,488)	(12,430)
Share of results of associated companies		5,047	3,708	14,380	12,182
Profit from ordinary activities before tax	B2	37,029	30,087	104,503	90,377
Income tax expense	B5	(7,063)	(7,401)	(23,931)	(22,531)
Profit for the period		29,966	22,686	80,572	67,846
Attributable to:					
Equity holders of the Company		26,807	21,312	73,522	63,189
Minority interest		3,159	1,374	7,050	4,657
Net profit attributable to shareholders		29,966	22,686	80,572	67,846
Dividend per share (sen)	A8	10	7	10	7
Earnings per share (sen)	B13				
- Basic		12.88	10.31	35.40	30.56
- Diluted		12.74	10.16	35.06	30.11

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KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2009**

	<u>Note</u>	<u>30.9.2009</u> RM'000	<u>Audited</u> <u>31.12.2008</u> RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A10	364,030	303,683
Prepaid leases		4,329	4,252
Investment properties		25,488	25,488
Associated companies		239,072	226,963
Investments		4,262	3,980
Intangible assets		116,486	110,244
Deferred tax assets		14,263	14,889
		<hr/>	<hr/>
		767,930	689,499
Current assets			
Inventories		36,036	29,730
Trade and other receivables		234,763	195,362
Tax recoverable		7,448	11,221
Deposit, cash and bank balances		124,499	106,162
		<hr/>	<hr/>
		402,746	342,475
Non-current assets held for sale		132,849	246,478
		<hr/>	<hr/>
		535,595	588,953
		<hr/>	<hr/>
Total assets		<u>1,303,525</u>	<u>1,278,452</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	A7	211,051	209,461
Reserves		387,578	371,580
		<hr/>	<hr/>
Total equity attributable to shareholders of the Company		598,629	581,041
Minority interest		41,467	47,532
		<hr/>	<hr/>
Total equity		<u>640,096</u>	<u>628,573</u>
LIABILITIES			
Non-current liabilities			
Borrowing	B9	255,665	267,879
Long term deposits		11,972	11,359
Deferred tax liabilities		16,382	18,571
		<hr/>	<hr/>
		284,019	297,809
		<hr/>	<hr/>

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KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2009**

	<u>30.9.2009</u> RM'000	<u>Audited</u> <u>31.12.2008</u> RM'000
Current liabilities		
Payables	246,720	235,977
Borrowings	B9	
- bank overdrafts	65	1,982
- others	112,129	98,582
Current tax liabilities	4,898	1,768
Deferred revenue	15,598	13,761
	<u>379,410</u>	<u>352,070</u>
Total liabilities	<u>663,429</u>	<u>649,879</u>
Total equity and liabilities	<u>1,303,525</u>	<u>1,278,452</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u><u>2.84</u></u>	<u><u>2.77</u></u>

KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

Note	Attributable to shareholders of the Company										
	Issued and fully paid ordinary shares of RM1.00 each		Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Exchange reserve RM'000	Non-distributable		Distributable		Total equity RM'000
	Number of shares '000	Nominal value RM'000					Revaluation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	
At 1 January 2008	207,745	207,745	33,301	0	(3,367)	(632)	53,074	218,707	508,828	45,742	554,570
Net profit for the period	0	0	0	0	0	0	0	63,189	63,189	4,657	67,846
Issues of shares:											
- exercise of share options	1,397	1,397	461	0	0	0	0	0	1,858	0	1,858
Shares bought back	0	0	0	(1,278)	0	0	0	0	(1,278)	0	(1,278)
Realisation of revaluation reserve	0	0	0	0	0	0	(3,579)	3,392	(187)	(1,037)	(1,224)
Translation of foreign subsidiaries	0	0	0	0	0	168	0	0	168	0	168
Dividend in respect of the Financial year ending: - 31 December 2008 (Interim)	0	0	0	0	0	0	0	(10,768)	(10,768)	0	(10,768)
At 30 September 2008	209,142	209,142	33,762	(1,278)	(3,367)	(464)	49,495	274,520	561,810	49,362	611,172

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

Note	Attributable to shareholders of the Company																		
	Issued and fully paid ordinary shares of RM1.00 each		Share premium			Treasury shares		Merger reserve		Exchange reserve		Non-distributable Revaluation reserve		Distributable Retained earnings		Minority Interest		Total equity	
	'000	RM'000	Number of shares	Nominal value RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	209,461	209,461	209,461	33,867	(1,886)	(3,367)	(765)	42,622	301,109	581,041	47,532	628,573							
At 1 January 2009	0	0	0	0	0	0	0	0	0	0	0	0	73,522	73,522	7,050	80,572			
Net profit for the period	1,594	1,590	1,590	634	0	0	0	0	0	0	0	2,224	0	2,224	0	2,224			
Issues of shares: - exercise of share options	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition of minority interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Realisation of revaluation reserve	0	0	0	0	0	0	0	(10,200)	12,806	2,606	0	2,606	12,806	2,606	0	2,606	0	0	0
Reversal of deferred tax on revaluation reserve	0	0	0	0	0	0	0	0	1,538	1,538	0	1,538	1,538	1,538	0	1,538	0	0	0
Translation of foreign subsidiaries	0	0	0	0	0	0	98	0	0	0	0	98	0	98	0	98	0	0	0
Dividend in respect of the financial year ending: - 31 December 2008 (Interim)	0	0	0	0	0	0	0	0	(46,616)	(46,616)	0	(46,616)	(46,616)	(46,616)	0	(46,616)	0	0	0
- 31 December 2009 (Interim)	0	0	0	0	0	0	0	0	(15,784)	(15,784)	0	(15,784)	(15,784)	(15,784)	0	(15,784)	0	0	0
At 30 September 2009	211,055	211,051	211,051	34,501	(1,886)	(3,367)	(667)	32,422	326,575	598,629	41,467	640,096	326,575	598,629	41,467	640,096			

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KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	<u>9 months ended</u>	
	<u>30.9.2009</u>	<u>30.9.2008</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Net profit attributable to shareholders	73,522	63,189
Adjustments for:		
Taxation	23,931	22,531
Minority interest	7,050	4,657
Associated company		
- share of profit	(14,380)	(12,182)
Property, plant and equipment		
- depreciation	34,806	30,365
- (gain)/loss on disposals	(3,066)	(4,743)
Interest income	(2,803)	(1,766)
Interest expense	14,488	12,430
Allowance for doubtful debts	3,961	5,442
Amortisation of prepaid lease	100	190
	<hr/>	<hr/>
Operating profit before changes in working capital	137,609	120,113
Changes in working capital:		
Inventories	(6,306)	(3,335)
Receivables	(27,975)	(55,862)
Payables	(37,736)	36,887
Related companies	(5,086)	1,999
	<hr/>	<hr/>
Cash generated from operations	60,506	99,802
Long term deposits	613	834
Interest paid	(14,488)	(12,431)
Income tax paid	(17,027)	(12,474)
	<hr/>	<hr/>
Net cash from operating activities	29,604	75,731
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(75,130)	(98,774)
Proceeds from disposal of property, plant and equipment	80,416	38,905
Additional investment	(282)	0
Additional investment in subsidiaries	(15,150)	(14,838)
Interest received	2,803	1,766
Dividends received	12,132	0
	<hr/>	<hr/>
Net cash from/(used) in investing activities	4,789	(72,941)
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009 (CONTINUED)

	<u>9 months ended</u>	
	<u>30.9.2009</u>	<u>30.9.2008</u>
	RM'000	RM'000
FINANCING ACTIVITIES		
Issue of shares		
- exercise of share options	2,228	1,858
Bank borrowings		
- drawdown	42,000	33,104
- repayment	(42,583)	(45,284)
Dividends paid	(15,784)	(23,054)
Disposal of shares in associated company	0	29,100
Net cash (used)/from financing activities	<u>(14,139)</u>	<u>(4,276)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	20,254	(1,486)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>101,303</u>	<u>90,905</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>121,557</u></u>	<u><u>89,419</u></u>
DEPOSITS, CASH AND BANK BALANCES		
Deposits with licensed banks	24,887	28,253
Deposits with financed companies	0	1,016
Cash and bank balances	99,612	64,987
Bank overdraft	(65)	(1,418)
	<u>124,434</u>	<u>92,838</u>
less: Deposits pledged with licensed banks	(2,877)	(3,419)
CASH AND CASH EQUIVALENTS	<u><u>121,557</u></u>	<u><u>89,419</u></u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2009**

A1 BASIS OF PREPARATION

The interim report is prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia’s Listing Requirements, and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2008.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2008 annual financial statements.

The preparation of an interim financial report in conformity with FRS 134, “Interim Financial Reporting” requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2008 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with FRSs.

The financial information relating to the financial year ended 31 December 2008 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements other than those that have been restated as a result of the change in accounting policies.

A2 CHANGES IN ACCOUNTING POLICIES

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB’s Issues Committee’s interpretations) that are effective for accounting periods beginning on or after 1 January 2008.

The FRSs that was effective in the annual financial statement for the year ending 31 December 2008 may be affected by the issue of additional interpretation(s) or other changes announced by MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group’s financial statements for that period cannot be determined with certainty at the date of the issuance of this interim financial report.

A3 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the preceding annual financial statements was not qualified.

A4 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations have not been significantly affected by any seasonal or cyclical trend.

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

A5 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items, transactions or events of a material and unusual nature which would substantially affect the earnings, revenue, assets, liabilities, equity or cash flows of the Group for the current financial period under review.

A6 CHANGE IN ACCOUNTING ESTIMATES

There is no change of estimates of amounts reported in prior interim periods of the current financial period or change of estimates of amounts reported in prior financial years that have a material effect in the current financial period under review.

A7 DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no issuances of shares, share buy-backs, and repayments of debt and equity securities by the Company:

The Company has issued shares under the Employees Share Options Scheme (ESOS) which is as follows:

Ordinary shares of RM1.00 each

	<u>30.09.2009</u> RM'000
At start of the financial period	209,461
Issued during the financial period	
- exercise of Employees Share Options Scheme (ESOS)	1,590
At end of financial period	<u>211,051</u>

Share option has all been exercised except as disclosed in note B8 (d).

A8 DIVIDENDS PAID

The dividends paid by the Company since 31 December 2008 was as follows:

In respect of the financial year ended 31 December 2008:

Dividend-in-specie of on the basis of 23 units (2007: 7 units) of
Al-'Aqar KPJ REIT for every 100 ordinary shares held in the Company,
distributed on 17 July 2009

46,543

In respect of the financial year ending 31 December 2009:

Interim gross dividend of 10 sen per share on 210,429,815 ordinary shares,
less 25% tax, paid on 30 September 2009

15,784

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

A9 SEGMENT REPORTING

The Group principally operates in one main business segment namely the operating of specialist hospitals. The hospitals segment also includes the support services companies which has been principally providing services and supports the operations of the hospitals. These support services companies mainly comprise of provision of management services and pathology and laboratory services, marketing and distribution of pharmaceutical, medical and surgical products and operating a private nursing college.

Other operations of the Group mainly comprise of import, export and distribution of pharmaceutical, medical and consumer healthcare product and retail pharmacy. None of these operations is of a sufficient size to be reported separately and it contributed less than 10% of consolidated revenue or assets.

A10 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The carrying value of long leasehold land and buildings has been brought forward without amendment from the annual financial statements for the year ended 31 December 2008.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There are no material events subsequent to the financial period ended 30 September 2009 that has not been reflected in the interim financial reports except as stated in note B8.

A12 CHANGES IN THE COMPOSITION OF THE GROUP

- (i) Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ Healthcare Berhad, entered into a conditional Sale and Purchase Agreement ("SPA") with Majlis Agama Islam Negeri Sembilan for an additional acquisition of 7,068,466 ordinary shares of RM1.00 each, representing 28.3% equity interest in Seremban Specialist Hospital Sdn Bhd for a total cash consideration of RM14.15 million. The acquisition was completed on 5 August 2009.
- (ii) On 27 August 2009, KPJSB, a wholly-owned subsidiary of KPJ Healthcare Berhad, acquired an additional 100,000 ordinary shares of RM1.00 each, representing 16% equity interest in Lablink (M) Sdn Bhd for a cash consideration of RM1,000,000.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2009**

A13 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date as at 31 December 2008.

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 30 September 2009 are as follows:

	RM'000
Approved and contracted	74,844
Approved but not contracted	66,988
	<hr/>
	141,832
	<hr/> <hr/>
Analysed as follows:	
Building	77,079
Medical equipment	48,557
Other property, plant and equipment	16,196
	<hr/>
	141,832
	<hr/> <hr/>

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KPJ HEALTHCARE BERHAD

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

The profit before taxation for the current quarter has increased by 22.9% to RM37.0 million from RM30.1 million in the corresponding quarter 2008 mainly due to higher activities recorded by the hospitals.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM37.0 million has increased by 3.4% as compared to preceding quarter of RM35.8 million due to gain on disposal of hospital buildings to Al-'Aqar KPJ REIT of RM3.1 million.

B3 CURRENT YEAR PROSPECTS

In spite of the economic slowdown, the Group continues to enjoy strong support from both our existing and new clients for the expanded and enhanced facilities and services of our network of hospitals throughout the country. The Board is confident that the Group's financial performance for the financial year ending 31 December 2009 will be better than that of the previous year.

B4 PROFIT FORECAST / GUARANTEE

The Company is not subjected to any variance of actual profit from forecast profit/profit guarantee for the current financial period under review.

B5 TAXATION

	<u>Individual Quarter</u> <u>3 months ended</u>		<u>Cumulative Quarter</u> <u>9 months ended</u>	
	<u>30.09.2009</u>	<u>30.09.2008</u>	<u>30.09.2009</u>	<u>30.09.2008</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	<u>7,063</u>	<u>7,401</u>	<u>23,931</u>	<u>22,531</u>

The effective tax rate of the Group for the period ended 30 September 2009 is lower than the statutory tax rate due to availability of unutilised losses for offset against current period profit of certain subsidiaries.

B6 SALE OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

There were no profits on sale of investments or properties for the current financial period under review other than as disclosed in note B2.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

B7 QUOTED SECURITIES

Investment in Al-'Aqar KPJ REIT - Associates

Quoted shares in Malaysia

At start of period

At cost

Less : Provision for Impairment

Net book value

Additions

At the end of period

Market value for quoted shares at RM0.97 as at 30 September 2009

RM'000

208,121

(6,460)

201,661

6,500

208,161

215,154

There was no other purchase or disposal of quoted securities for the current financial period under review.

B8 STATUS OF CORPORATE PROPOSALS

a) Proposed Joint Venture between Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") and Pasdec Corporation Sdn Bhd ("PCSB")

On 20 July 2009, KPJSB, a wholly-owned subsidiary of KPJ Healthcare Berhad, entered into a Joint Venture Agreement incorporating the Shareholders' Agreement ("JVA") with PCSB to set up a joint venture company ("JV Co"), for the purpose of developing a hospital building on a leasehold land measuring approximately 3.12 acres held under H.S. (M) 6562 Lot No. PT 83065 at Tanjung Lumpur, District of Kuala Kuantan, Kuantan, Pahang. Equity participation of the new JV Co will be 70% for KPJSB and 30% for PCSB. KPJ expects completion of the JV by 2011.

b) Proposed Acquisition by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB")

- (i) On 29 July 2009, KPJSB, a wholly-owned subsidiary of KPJ Healthcare Berhad, entered into a conditional Sale and Purchase Agreement ("SPA") with Greenbelt View Sdn Bhd for the proposed acquisition of a partially completed building ("Bandar Baru Klang Medical Centre Building") for a purchase consideration of RM38 million. The proposed acquisition was completed on 17 November 2009.

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ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

B8 STATUS OF CORPORATE PROPOSALS (CONTINUED)

b) Proposed Acquisition by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") (Continued)

- (ii) On 27 August 2009, KPJSB, a wholly-owned subsidiary of KPJ Healthcare Berhad, acquired an additional 100,000 ordinary shares of RM1.00 each, representing 16% equity interest in Lablink (M) Sdn Bhd for a cash consideration of RM1,000,000. The acquisition completed on the same date.
- c) On 1 October 2009, KPJ Healthcare Berhad ("KPJ"), proposed to undertake the following proposals:
 - (i) Proposed share split involving the subdivision of every existing one (1) ordinary share of RM1.00 each in KPJ into two (2) ordinary shares of RM0.50 each ("Shares") in KPJ held by the entitled shareholders of the Company on an entitlement date to be determined and announced later ("Proposed Share Split");
 - (ii) Proposed bonus issue of up to 105,525,308 new Shares ("Bonus Shares"), to be credited as fully-paid up by the Company, on the basis of one (1) Bonus Share for every four (4) Shares held by the entitled shareholders of the Company after the Proposed Share Split on an entitlement date to be determined and announced later ("Proposed Bonus Issue"); and
 - (iii) Proposed issue of up to 131,906,635 free warrants in KPJ ("Free Warrants") on the basis of one (1) Free Warrant for every four (4) Shares held by the entitled shareholders of the Company after the Proposed Share Split and Proposed Bonus Issue on an entitlement date to be determined and announced later ("Proposed Free Warrants Issue").

Barring any unforeseen circumstances, the Board expects the Proposals to be completed by first quarter of 2010.

d) Employee Share Option Scheme ("ESOS")

On 13 July 2004, the Company granted options under the ESOS to subscribe for 12.0 million unissued ordinary shares of RM1.00 each in the Company at an option price of RM1.33 per share to eligible executive directors and employees. The share option expired on 24 August 2009. As at end of the reporting Quarter, there were 73,000 options lapsed.

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

	Number of shares
	<u>'000</u>
At the start of period	3,550
Exercised	(1,590)
Cancelled	(1,887)
	<u> </u>
At the end of period/Lapsed	<u>73</u>

Cancelled options are due to staff resignation.

Company No.

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KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

B8 STATUS OF CORPORATE PROPOSALS (CONTINUED)

ii) Utilisation of proceeds raised from corporate proposals

There were no significant corporate proposals that give rise to the utilisation of proceeds raised.

B9 BORROWINGS

Details of the Group's borrowings as at 30 September 2009 are as follows:

	<u>30.09.2009</u>	<u>Audited</u> <u>31.12.2008</u>
	RM'000	RM'000
<u>Current</u>		
Term loans (secured)	56,343	83,661
Revolving credit (unsecured)	42,000	0
Islamic facilities (secured)	1,200	1,204
Hire purchase and lease liabilities (secured)	12,586	13,717
Bank overdrafts (secured)	65	409
Bank overdrafts (unsecured)	0	1,573
	<u>112,194</u>	<u>100,564</u>
<u>Non current</u>		
Term loans (secured)	28,793	32,350
Commercial papers (unsecured)	214,000	214,000
Islamic facilities (secured)	2,400	3,300
Hire purchase and lease liabilities (secured)	10,472	18,229
	<u>255,665</u>	<u>267,879</u>
Grand total	<u><u>367,859</u></u>	<u><u>368,443</u></u>

B10 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

As at the date of the issue of this report, there were no financial instruments with off balance sheet risk.

B11 MATERIAL LITIGATIONS

Since the last audited balance sheet date, there was no pending material litigation.

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2009**

B12 DIVIDENDS

In respect of the financial year ended 31 December 2008, the Directors have declared, dividend-in-specie distributed on the basis of 23 units of Al-'Aqar KPJ REIT for every 100 ordinary shares held in the Company amounting to RM46,542,800. The distribution of Al-'Aqar KPJ REIT shares was credited into the shareholders' accounts on 17 July 2009.

In respect of the financial year ending 31 December 2009, the Directors have declared on 25 August 2009, an interim gross dividend of 10 sen per share on ordinary shares, less 25% tax, amounting to RM15,783,806 and was paid on 30 September 2009.

B13 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	<u>9 months ended</u>	
	<u>30.09.2009</u>	<u>30.09.2008</u>
	RM'000	RM'000
Profit for the financial year attributable to Equity Holders of the Company (RM)	73,522	63,189
Weighted average number of ordinary shares in issue	207,695	206,752
Basic earnings per share (sen)	<u>35.40</u>	<u>30.56</u>

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2009**

B13 EARNINGS PER SHARE (CONTINUED)

(b) Diluted

For diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares for the Group are share options granted to employees.

For the share options granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the 'bonus' element in the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit attributable to the shareholders for the share options calculation.

In respect of period ending 30 September 2009, KPJ has no outstanding share options as ESOS has expired on 24 August 2009.

	<u>9 months ended</u>	
	<u>30.09.2009</u>	<u>30.09.2008</u>
Profit for the financial year (RM'000)	73,522	63,189
Weighted average number of ordinary shares in issue ('000)	207,695	206,752
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>0</u>	<u>3,098</u>
Weighted average number of ordinary shares in issue ('000)	<u>207,695</u>	<u>209,850</u>
Diluted earnings per share (sen)	<u>35.40</u>	<u>30.11</u>

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