

**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORTS**

**31 MARCH 2010**

Company No.

247079	M
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## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORTS

FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the three months ended 31 March 2010.

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 2009 and the accompanying explanatory notes attached to this report.

### UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u>		<u>3 months ended</u>	
		<u>31.3.2010</u>	<u>31.3.2009</u>	<u>31.3.2010</u>	<u>31.3.2009</u>
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		376,047	338,736	376,047	338,736
Cost of sales		(266,529)	(239,263)	(266,529)	(239,263)
Gross profit		109,518	99,473	109,518	99,473
Other operating income		4,407	2,897	4,407	2,897
Administrative and other operating expenses		(76,319)	(69,746)	(76,319)	(69,746)
Profit from operations		37,606	32,624	37,606	32,624
Finance cost		(4,234)	(5,191)	(4,234)	(5,191)
Share of results of associated companies		4,669	4,230	4,669	4,230
<b>Profit from ordinary activities before tax</b>	B1	38,041	31,663	38,041	31,663
Income tax expense	B5	(9,264)	(7,821)	(9,264)	(7,821)
Profit for the period		28,777	23,842	28,777	23,842
Other comprehensive income					
Translation of foreign subsidiaries		(140)	(3)	(140)	(3)
Total comprehensive income for the period		28,637	23,839	28,637	23,839

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

<b>Profit attributable to:</b>					
Equity holders of the Company		27,247	21,848	27,247	21,848
Minority interest		1,530	1,994	1,530	1,994
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net profit attributable to shareholders</b>		<u>28,777</u>	<u>23,842</u>	<u>28,777</u>	<u>23,842</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		27,107	21,845	27,107	21,845
Minority interest		1,530	1,994	1,530	1,994
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net profit attributable to shareholders</b>		<u>28,637</u>	<u>23,839</u>	<u>28,637</u>	<u>23,839</u>
<b>Dividend per share (sen)</b>	A8	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
<b>Earnings per share (sen)</b>	B13				
- Basic		5.19	10.55	5.19	10.55
- Diluted		4.80	10.46	4.80	10.46
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

	<u>Note</u>	<u>31.3.2010</u> RM'000	<u>31.12.2009</u> RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	438,812	427,626
Prepaid leases		19,106	19,159
Investment properties		23,215	23,215
Interest in associates		243,017	239,482
Available-for-sale financial assets		3,275	3,275
Intangible assets		115,591	115,591
Deferred tax assets		14,092	13,898
		<u>857,108</u>	<u>842,246</u>
<b>Current assets</b>			
Inventories		30,542	29,697
Receivables, deposits and prepayments		290,388	248,553
Tax refund receivable		12,562	9,117
Deposit, cash and bank balances		108,577	143,864
		<u>442,069</u>	<u>431,231</u>
Non-current assets held for sale		103,765	103,765
		<u>545,834</u>	<u>534,996</u>
<b>Total assets</b>		<u><u>1,402,942</u></u>	<u><u>1,377,242</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	A7	264,463	211,051
Reserves		403,351	427,446
		<u>667,814</u>	<u>638,497</u>
Less: Treasury Shares		(23)	0
<b>Total equity attributable to shareholders of the Company</b>		<u>667,791</u>	<u>638,497</u>
<b>Minority interest</b>		<u>46,957</u>	<u>45,427</u>
<b>Total equity</b>		<u>714,748</u>	<u>683,924</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	B9	301,145	301,453
Deposits		13,343	13,039
Deferred tax liabilities		19,361	22,517
		<u>333,849</u>	<u>337,009</u>

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2010**

	<u>31.3.2010</u>	<u>31.12.2009</u>
<b>Current liabilities</b>		
Payables	239,526	260,681
Borrowings	B9	
- bank overdrafts	6,850	15
- others	79,076	65,962
Current tax liabilities	1,198	839
Deferred revenue	27,695	28,812
	<hr/>	<hr/>
	354,345	356,309
	<hr/>	<hr/>
<b>Total liabilities</b>	688,194	693,318
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	1,402,942	1,377,242
	<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>		
- at par value RM1.00	Nil	3.03
- at par value RM0.50	1.26	Nil

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**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

Note	Attributable to shareholders of the Company											
	Issued and fully paid ordinary shares of RM0.50 each		Non-distributable					Distributable		Minority Interest RM'000	Total equity RM'000	
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000			
At 1 January 2010	422,102	211,051	36,391	0	(3,367)	(235)	50,456	337,715	632,011	45,427	677,438	
Changes in accounting policy	A2 (a)	0	0	0	0	0	0	6,486	6,486	0	6,486	
As restated		422,102	211,051	36,391	0	(3,367)	(235)	50,456	344,201	638,497	45,427	683,924
Total comprehensive income for the period		0	0	0	0	0	(140)	0	27,247	27,107	1,530	28,637
Issuance of bonus shares		105,524	52,762	(31,369)	0	0	0	0	(21,393)	0	0	0
Shares bought back		0	0	0	(23)	0	0	0	0	(23)	0	(23)
Issues of shares: - exercise of free warrants		1,300	650	1,560	0	0	0	0	0	2,210	0	2,210
At 31 March 2010		<u>528,926</u>	<u>264,463</u>	<u>6,582</u>	<u>(23)</u>	<u>(3,367)</u>	<u>(375)</u>	<u>50,456</u>	<u>350,055</u>	<u>667,791</u>	<u>46,957</u>	<u>714,748</u>

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**KPJ HEALTHCARE BERHAD**

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

Note	Attributable to shareholders of the Company										
	Issued and fully paid ordinary shares of RM1.00 each		Non-distributable					Distributable		Minority Interest RM'000	Total equity RM'000
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2009	209,461	209,461	33,867	(1,886)	(3,367)	(765)	42,622	301,109	581,041	47,532	628,573
Total comprehensive income for the period	0	0	0	0	0	(3)	0	21,848	21,845	1,994	23,839
Issues of shares: - exercise of share options	276	276	91	0	0	0	0	0	367	0	367
At 31 March 2009	<u>209,737</u>	<u>209,737</u>	<u>33,958</u>	<u>(1,886)</u>	<u>(3,367)</u>	<u>(768)</u>	<u>42,622</u>	<u>322,957</u>	<u>603,253</u>	<u>49,526</u>	<u>652,779</u>

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	<u>31.3.2010</u>	<u>3 months ended</u> <u>31.3.2009</u>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit for the financial year attributable to equity holders of the Company	27,247	21,848
Adjustments for:		
Taxation	9,264	7,821
Minority interest	1,530	1,994
Associated companies	(4,669)	(4,230)
Interest income	(1,225)	(1,030)
Interest expense	4,234	5,191
Allowance for doubtful debts	633	1,715
Property, plant and equipment		
- depreciation	13,986	11,246
- gain on disposals	0	0
Amortisation of prepaid leases	53	40
Operating profit before changes in working capital	<u>51,053</u>	<u>44,595</u>
Changes in working capital:		
Inventories	(846)	(311)
Receivables	(45,578)	(15,823)
Payables	(21,896)	(22,796)
Related companies	(4,344)	(1,238)
Cash generated from operations	<u>(21,611)</u>	<u>4,427</u>
Long term deposit	304	133
Interest paid	(4,234)	(5,191)
Income tax paid	(13,102)	(2,715)
Net cash used in operating activities	<u>(38,643)</u>	<u>(3,346)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<u>(26,706)</u>	<u>(43,153)</u>
Net cash used in investing activities	<u>(26,706)</u>	<u>(43,153)</u>



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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010 (CONTINUED)**

	<u>3 months ended</u>	
	<u>31.3.2010</u>	<u>31.3.2009</u>
	RM'000	RM'000
<b>FINANCING ACTIVITIES</b>		
Interest received	1,225	1,030
Issue of shares		
- exercise of free warrants	2,210	367
- shares bought back	(23)	0
Bank borrowings		
- drawdown	24,735	40,000
- repayment	(4,920)	(8,800)
Dividends paid	0	0
	<u>23,227</u>	<u>32,597</u>
<b>Net cash from financing activities</b>		
	<u>23,227</u>	<u>32,597</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(42,122)	(13,902)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	142,198	101,303
	<u>142,198</u>	<u>101,303</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u>100,076</u>	<u>87,401</u>
	<u>100,076</u>	<u>87,401</u>
<b>DEPOSITS, CASH AND BANK BALANCES</b>		
Deposits with licensed banks	5,284	16,639
Cash and bank balances	103,293	76,538
Bank overdraft	(6,850)	(2,899)
	<u>101,727</u>	<u>90,278</u>
less: Deposits pledged with licensed banks	(1,651)	(2,877)
	<u>100,076</u>	<u>87,401</u>
<b>CASH AND CASH EQUIVALENTS</b>	<u>100,076</u>	<u>87,401</u>

## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

### A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### 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 2009.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2009 annual financial statement. Details of these changes in accounting policies are set out in Note A2.

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 2009 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 2009 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 2009.

In the current year, the MASB adopted revised FRS 101, Presentation of Financial Statement, revised FRS 139, Financial Instruments: Recognition and Measurement and FRS 7, Financial Instruments: Disclosures. These two FRSs are effective for annual periods beginning on 1 January 2010.

The FRSs that was effective in the annual financial statement for the year ending 31 December 2009 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.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2010 which have been reflected in this interim financial report.

**KPJ HEALTHCARE BERHAD**  
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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010**

**A2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)**

(a) Summary of the changes in accounting policies

(i) Effect on opening balance of total equity at 1 January 2010 (as adjusted)

The following table sets out the adjustment that has been made to the opening balance at 1 January 2010.

*Effects of changes in accounting policies (increase/(decrease))*

Opening balance  
adjustment:

	Note RM'000	Receivables RM'000	Borrowings RM'000	Retained Earning RM'000
Opening balance				
adjustments	A2 (b)	243,433	368,796	337,715
FRS 139		5,119	(1,366)	6,486
Total effect at 1 January 2010		<u>248,552</u>	<u>367,430</u>	<u>344,201</u>

(ii) Effect on profit after taxation for the three months ended 31 March 2010 (estimated) and 31 March 2009 (as adjusted) from the adoption of FRS 139

*Effects of changes in accounting policies (increase/(decrease))*

Note	Three months ended 31 March 2010			Three months ended 31 March 2009		
	Net profit attributable to					
	Shareholders of the Company RM'000	Minority interests RM'000	Total RM'000	Shareholders of the Company RM'000	Minority interests RM'000	Total RM'000
FRS 139 Financial Instruments	A2(b)	(30)	0	(30)	0	0
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Effect on earnings per share						
– basic earnings per share(sen)		(0.01)	0	(0.01)	0	0
– diluted earnings per share (sen)		(0.01)	0	(0.01)	0	0
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## KPJ HEALTHCARE BERHAD

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### A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### A2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

##### (b) Financial Instruments: Recognition and Measurement (FRS 139) (Cont.)

The Group classifies its financial assets in the following categories: available-for-sale and loans and receivables. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial asset at initial recognition. Set out below are the major changes in classifications of financial assets of the Group:

##### (i) Available-for-sale financial assets

Non-current investments, previously measured at cost and subject to impairment are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value.

Changes in fair value of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

##### (ii) Loans and receivables

Trade receivables, previously measured at invoiced amount less general allowance for trade receivables aged more than 180 days based on past trend of collection.

Currently, general provision is not allowed by FRS 139. Provision for doubtful debt is measured by the shortfall between trade receivables and estimated discounted future cash flows of collection received. Known bad debts are written off.

##### (ii) Borrowings

Borrowings, previously are initially recognised based on the proceeds received, net of transaction costs incurred. In the subsequent financial year, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

With effect from 1 January 2010, in order to comply with FRS 139, borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

#### 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.

## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

### A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### 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

There is no issuance of shares, share buy-backs, and repayments of debt and equity securities by the Company in the current financial period under review, except for the followings:

##### (i) Share Split, Bonus Issue and Warrants

On 26 November 2009, the shareholders of KPJ Healthcare Berhad ("KPJ"), have approved the following proposals:

- a. 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 ("Share Split");
- b. 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 Share Split ("Bonus Issue"); and
- c. Issue of up to 131,906,484 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 Share Split and Bonus Issue ("Free Warrants Issue"). The exercise value of the warrant is RM1.70 per share.

The transactions were completed on 15 January 2010 with listing of the Share Split, Bonus Shares and Free Warrants. Upon completion, the number of issued and paid up ordinary share capital and warrants listed and quoted on Bursa Malaysia Securities Berhad is 527,626,510 and 131,906,484 respectively.

##### Ordinary shares of RM0.50 each

	<u>31.03.2010</u>	<u>31.03.2010</u>
	Number of shares ('000)	RM'000
At start of the financial period	211,051	211,051
Share Split	211,051	0
Bonus Issue (1 bonus share for every 4 shares)	105,524	52,762
Issued during the financial period		
- exercise of Free Warrants (1 free warrant for every 4 shares)	1,300	650
	<u>528,926</u>	<u>264,463</u>
At end of financial period	<u>528,926</u>	<u>264,463</u>

**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010**

**A7 DEBT AND EQUITY SECURITIES**

(ii) Share Buy-back

On 20 May 2009, at the Annual General Meeting, the shareholders of the Company renewed their approval for the Company to buy-back its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company.

During the financial period, the Company bought back from the open market 10,000 units of KPJ Healthcare Berhad shares, listed on the Main Board of Bursa Malaysia Securities Berhad, at an average buy-back price of RM2.26 per share. The total consideration paid for share buy-back, including transaction costs, was RM22,765 and was financed by internally generated fund. The shares purchased were retained as treasury shares.

**A8 DIVIDENDS PAID**

The Company did not make any dividend payment during the financial period 31 March 2010.

**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 2009.

**A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There are no material events subsequent to the financial period ended 31 March 2010 that has not been reflected in the interim financial reports except as stated in note B8.

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**KPJ HEALTHCARE BERHAD**  
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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010**

**A12 CHANGES IN THE COMPOSITION OF THE GROUP**

There is no change to the composition of the Group for the financial period ended 31 March 2010.

**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 2009.

**A14 CAPITAL COMMITMENTS**

Capital expenditures not provided for in the interim financial report as at 31 March 2010 are as follows:

	RM'000
Approved and contracted	67,829
Approved but not contracted	191,867
	<u>259,696</u>
Analysed as follows:	
Prepaid leases (leasehold land)	908
Building	157,069
Medical equipment	77,236
Other property, plant and equipment	24,483
	<u>259,696</u>

**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010****B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

The profit before taxation for the current quarter has increased by 19.9% to RM38.0 million from RM31.7 million in the corresponding quarter 2009. The increase is in line with the increase in revenue from the hospitals.

**B2 MATERIAL CHANGE IN QUARTERLY RESULTS**

The profit before taxation for the current quarter of RM38.0 million increased by 1.3% as compared to preceding quarter of RM37.5 million. The increase in the net profit before tax is in line with the increase in revenue and contribution from the hospitals.

**B3 CURRENT YEAR PROSPECTS**

With the improving economy, the Board is confident that the Group's financial performance for the financial year ending 31 December 2010 will continue to be encouraging and better than 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>3 months ended</u>		<u>3 months ended</u>	
	<u>31.03.2010</u>	<u>31.03.2009</u>	<u>31.03.2010</u>	<u>31.03.2009</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	9,264	7,821	9,264	7,821

The effective tax rate of the Group for the period ended 31 March 2010 is lower than the statutory tax rate due to recognition of previously unrecognised tax losses of a subsidiary.

**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.



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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING  
REQUIREMENTS  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

B7 QUOTED SECURITIES

Investment in Al-'Aqar KPJ REIT

RM'000

Quoted shares in Malaysia

At start of period

At cost

220,600

Less : Provision for Impairment

(6,460)<sup>1</sup>

At the end of period /Net book value

214,140

Market value for quoted shares at RM1.04 as at 31 March 2010

233,614

<sup>1</sup> The provision for impairment is maintained in accordance with KPJ Group policy to only reverse when annual average share price is above RM1.00. Annual average share price as at 31 March 2010 is RM0.97.

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

B8 STATUS OF CORPORATE PROPOSALS

a) Free Warrants

On 15 January 2010, the Company has granted 131,906,484 units listed and quoted free warrants ("Free Warrants") on the basis of one (1) Free Warrant for every four (4) Shares held by the entitled shareholders of the Company.

Set out below are details of Free Warrants granted by the Company:

	<u>Number of shares</u> '000
At the start of period	0
Granted	131,906
Exercised at RM1.70 per units (Converted into ordinary Shares at par value of RM0.50)	(1,300)
At the end of period	<u>130,606</u>

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### B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### B8 STATUS OF CORPORATE PROPOSALS

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

- (i) On 16 December 2009, Maharani Specialist Hospital Sdn Bhd, wholly-owned subsidiary of KPJSB, entered into conditional Sale and Purchase Agreement ("SPA") with Property Base Development Sdn Bhd for the proposed acquisition of a piece of freehold land with a partially completed building at Lot 2024, Bandar Maharani, Muar for a purchase consideration of RM22.0 million. The acquisition was completed on 12 April 2010.
- (ii) On 6 January 2010, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") entered into a conditional Share Sale Agreement ("SSA") with Sabah Medical Centre Sdn Bhd for the acquisition of 40.8 million ordinary shares of RM1.00 each which is equivalent to 51% of equity interest in SMC Healthcare Sdn Bhd ("SMCH") for a cash consideration of RM51.0 million. KPJSB has also entered into Management Agreement with SMCH for the appointment of KPJSB to manage the existing and the new private hospitals of SMCH. The acquisition is pending fulfillment of the conditions precedent in respect of the SSA and is expected to be completed in the fourth quarter 2010.
- (iii) On 31 March 2010, Pasir Gudang Specialist Hospital Sdn Bhd, wholly-owned subsidiary of KPJSB, entered into conditional Sale and Purchase Agreement ("SPA") with Johor Land Bhd for the proposed acquisition of a 3.247 acre leasehold land for a purchase consideration of RM7.07 million. The acquisition was completed on 22 April 2010.

##### c) Proposed Disposal by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB")

On 30 April 2010, KPJ proposed to dispose its entire interest in Rumah Sakit Bumi Serpong Damai ("RSBSD") Building, Kluang Utama Specialist Hospital Building and Bandar Baru Klang Specialist Hospital Building to Al-'Aqar KPJ Real Estate Investment Trust ("Al-'Aqar KPJ REIT") for a proposed total sale consideration of RM138.77 million to be satisfied partly by cash consideration of RM83.26 million and partly by issuance of RM56.64 million new units in Al-'Aqar at an issue price of RM0.98 per unit to be credited as fully paid-up.

##### ii) Utilisation of proceeds raised from corporate proposals

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

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010**

**B9 BORROWINGS**

Details of the Group's borrowings as at 31 March 2010 are as follows:

	<u>31.03.2010</u> RM'000	<u>31.12.2009</u> RM'000
<u>Current</u>		
Term loans (secured)	7,930	10,543
Islamic facilities (secured)	1,200	1,200
Revolving credits	60,900	43,000
Hire purchase and lease liabilities (secured)	9,046	11,219
Bank overdrafts (unsecured)	6,850	15
	<u>85,926</u>	<u>65,977</u>
<u>Non current</u>		
Term loans (secured)	41,599	39,938
Commercial papers (unsecured)	249,000	249,000
Islamic facilities (secured)	1,800	2,100
Hire purchase and lease liabilities (secured)	8,746	10,415
	<u>301,145</u>	<u>301,453</u>
Grand total	<u><u>387,071</u></u>	<u><u>367,430</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.

**B12 DIVIDENDS**

The Company did not make any dividend payment during the financial period ended 31 March 2010.

## KPJ HEALTHCARE BERHAD

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### B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

#### B13 EARNINGS PER SHARE

On 26 November 2009, the shareholders of KPJ Healthcare Berhad ("KPJ"), have approved the following proposals:

- a. 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 ("Share Split");
- b. 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 Share Split ("Bonus Issue"); and
- c. Issue of up to 131,906,484 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 Share Split and Bonus Issue ("Free Warrants Issue"). The exercise value of the warrant is RM1.70 per share.

The transactions were completed on 15 January 2010 with listing of the Share Split, Bonus Shares and Free Warrants. Upon completion, the number of issued and paid up ordinary share capital and warrants listed and quoted on Bursa Malaysia Securities Berhad is 527,626,510 and 131,906,484 respectively.

Commencing from financial year 2010, the computation of Basic and Diluted EPS will be based on the newly issued and paid-up ordinary share capital and warrants listed.

#### (a) Basic earnings per share

Basic earnings per share are 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>3 months ended</u>	
	<u>31.03.2010</u>	<u>31.03.2009</u>
	RM'000	RM'000
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	27,247	21,848
Weighted average number of ordinary shares in issue ('000)	525,284	207,051
Basic earnings per share (sen)		
- at par value RM1.00	Nil	10.55
- at par value RM0.50	5.19	Nil
	<u>          </u>	<u>          </u>

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**B13 EARNINGS PER SHARE (Cont.)**

**(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 warrants granted to shareholders.

For the warrants granted to shareholders, 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 warrants. 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 free warrants calculation.

	<u>3 months ended</u>	
	<u>31.03.2010</u>	<u>31.03.2009</u>
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	27,247	21,848
Weighted average number of ordinary shares in issue ('000)	525,284	207,051
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	41,889	1,780
Basic earnings per share (sen)		
- at par value RM1.00	Nil	10.46
- at par value RM0.50	4.80	Nil