

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

31 MARCH 2011

APPROVAL FOR SUBMISSION

DATIN PADUKA SITI SA'DIAH SH BAKIR
MANAGING DIRECTOR

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 2011

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the three months ended 31 March 2011.

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 2010 and the accompanying explanatory notes attached to this report.

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u>		<u>3 months ended</u>	
		<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
		RM'000	RM'000	RM'000	RM'000
Revenue		437,748	376,047	437,748	376,047
Cost of sales		(305,884)	(266,529)	(305,884)	(266,529)
Gross profit		131,864	109,518	131,864	109,518
Other operating income		3,754	4,407	3,754	4,407
Administrative and other operating expenses		(94,706)	(76,319)	(94,706)	(76,319)
Profit from operations		40,912	37,606	40,912	37,606
Finance cost		(5,331)	(4,234)	(5,331)	(4,234)
Share of results of associated companies		5,972	4,669	5,972	4,669
Profit from ordinary activities before zakat and tax					
	B1	41,553	38,041	41,553	38,041
Zakat		(325)	0	(325)	(0)
Income tax expense	B5	(9,913)	(9,264)	(9,913)	(9,264)
Profit for the period		31,315	28,777	31,315	28,777
Other comprehensive income					
Translation of foreign subsidiaries		1,100	(140)	1,100	(140)
Total comprehensive income for the period		<u>32,415</u>	<u>28,637</u>	<u>32,415</u>	<u>28,637</u>

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KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u>		<u>3 months ended</u>	
		<u>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Equity holders of the Company		27,510	27,247	27,510	27,247
Minority interest		3,805	1,530	3,805	1,530
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net profit attributable to shareholders		<u>31,315</u>	<u>28,777</u>	<u>31,315</u>	<u>28,777</u>
Total comprehensive income attributable to:					
Equity holders of the Company		28,610	27,107	28,610	27,107
Minority interest		3,805	1,530	3,805	1,530
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net profit attributable to shareholders		<u>32,415</u>	<u>28,637</u>	<u>32,415</u>	<u>28,637</u>
Dividend per share (sen)	A8	<u>5.00</u>	<u>Nil</u>	<u>5.00</u>	<u>Nil</u>
Earnings per share (sen)	B13				
- Basic					
- at par value RM0.50		5.09	5.19	5.09	5.19
- Diluted					
- at par value RM0.50		<u>4.62</u>	<u>4.80</u>	<u>4.62</u>	<u>4.80</u>

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KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	<u>Note</u>	<u>31.03.2011</u>	<u>Audited 31.12.2010</u>
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A10	559,189	536,773
Investment properties		24,810	24,810
Interest in associates		311,559	307,352
Available-for-sale financial assets		3,447	3,447
Intangible assets		136,317	136,317
Deferred tax assets		15,864	15,864
		<u>1,051,186</u>	<u>1,024,563</u>
Current assets			
Inventories		45,109	41,615
Receivables, deposits and prepayments		301,324	298,427
Tax refund receivable		12,342	12,342
Deposit, cash and bank balances		174,142	197,118
		<u>532,917</u>	<u>549,502</u>
Non-current assets held for sale		105,974	105,974
		<u>638,891</u>	<u>655,476</u>
Total assets		<u><u>1,690,077</u></u>	<u><u>1,680,039</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	A7	283,148	279,954
Reserves		503,912	488,716
		<u>787,060</u>	<u>768,670</u>
Less: Treasury Shares		(23)	(23)
Total equity attributable to shareholders of the Company		<u>787,037</u>	<u>768,647</u>
Minority interest		<u>98,546</u>	<u>94,741</u>
Total equity		<u>885,583</u>	<u>863,388</u>
LIABILITIES			
Non-current liabilities			
Borrowings	B9	37,459	36,747
Deposits		13,782	13,782
Deferred tax liabilities		41,204	41,204
		<u>92,445</u>	<u>91,733</u>

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KPJ HEALTHCARE BERHAD

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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	<u>31.03.2011</u> RM'000	Audited <u>31.12.2010</u> RM'000
Current liabilities		
Payables	282,416	308,107
Borrowings	B9	
- bank overdrafts	18	18
- others	360,418	362,658
Current tax liabilities	436	3,318
Deferred revenue	47,680	36,144
Dividend Payable	21,081	14,673
	<hr/> 712,049	<hr/> 724,918
Total liabilities	<hr/> 804,494	<hr/> 816,651
Total equity and liabilities	<hr/> <u>1,690,077</u>	<hr/> <u>1,680,039</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
- at par value RM0.50	1.56	1.50

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KPJ HEALTHCARE BERHAD

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

Note	Attributable to shareholders of the Company											
	Issued and fully paid ordinary shares of RM0.50 each						Non-distributable		Distributable		Minority Interest	Total equity
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Merger reserve RM'000	Exchange reserve RM'000	Fair Value reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2011	559,908	279,954	43,759	(23)	(3,367)	(1,295)	172	56,110	393,337	768,647	94,741	863,388
Total comprehensive income for the period	0	0	0	0	0	1,100	0	0	27,510	28,610	3,805	32,415
Issue of shares:												
- exercise of share warrants	6,389	3,194	7,667	0	0	0	0	0	0	10,861	0	10,861
Dividend in respect of the financial year ended 31 December 2010												
- 4th Interim	0	0	0	0	0	0	0	0	(21,081)	(21,081)	0	(21,081)
	0	0	0	0	0	0	0	0	(21,081)	(21,081)	0	(21,081)
At 31 March 2011	566,297	283,148	51,426	(23)	(3,367)	(195)	172	56,110	399,766	787,037	98,546	885,583

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KPJ HEALTHCARE BERHAD

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

Attributable to shareholders of the Company

Note	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	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)
Issue of shares - exercise of share 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 CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	<u>31.03.2011</u>	<u>3 months ended</u> <u>31.03.2010</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit for the financial year attributable to equity holders of the Company	27,510	27,247
Adjustments for:		
Taxation	9,913	9,264
Minority interest	3,805	1,530
Associated companies	(5,972)	(4,669)
Interest income	(2,675)	(1,225)
Interest expense	5,331	4,234
Allowance for doubtful debts	1,294	633
Property, plant and equipment - depreciation	16,917	13,986
Amortisation of prepaid lease	0	53
Operating profit before changes in working capital	<u>56,123</u>	<u>51,053</u>
Changes in working capital:		
Inventories	(3,495)	(846)
Receivables	3,586	(45,578)
Payables	(19,702)	(21,896)
Related companies	3,507	(4,344)
Cash (used in)/from operations	<u>40,019</u>	<u>(21,611)</u>
Long term deposit	0	304
Interest paid	(5,331)	(4,234)
Income tax paid	(10,037)	(13,102)
Net cash from/(used in) operating activities	<u>24,651</u>	<u>(38,643)</u>

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KPJ HEALTHCARE BERHAD
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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011 (CONTINUED)

	<u>31.03.2011</u>	<u>3 months ended</u> <u>31.03.2010</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22,590)	(26,706)
Net cash used in investing activities	<u>(22,590)</u>	<u>(26,706)</u>
FINANCING ACTIVITIES		
Issuance of shares		
- exercise of share warrants	10,861	2,210
- shares bought back	0	(23)
Interest received	2,675	1,225
Bank borrowings		
- drawdown	0	24,735
- repayment	(23,900)	(4,920)
Dividend paid to shareholders	(14,673)	0
Net cash (used in)/from financing activities	<u>(25,037)</u>	<u>23,227</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(22,976)	(42,122)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	197,118	142,198
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>174,142</u>	<u>100,076</u>
DEPOSITS, CASH AND BANK BALANCES		
Deposits with licensed banks	41,488	5,284
Cash and bank balances	137,971	103,293
Bank overdraft	(18)	(6,850)
	<u>179,441</u>	<u>101,727</u>
less: Deposits pledged with licensed banks	(5,299)	(1,651)
CASH AND CASH EQUIVALENTS	<u>174,142</u>	<u>100,076</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 2011

A1 BASIS OF PREPARATION

The interim report is prepared in accordance with the 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 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements, except for the accounting policy changes that are expected to be reflected with effect from the 2011 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 2010 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 2010 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 2011.

The FRSs that was effective in the annual financial statement for the year ended 31 December 2010 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 said 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.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2011****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 in the 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 has a material effect in the current financial period under review.

A7 DEBT AND EQUITY SECURITIES

There has been 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 following:

(i) Share Split, Bonus Issue and Warrants

On 21 December 2009, the shareholders of KPJ Healthcare Berhad ("KPJ"), 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>31.03.2011</u>	<u>31.03.2011</u>
	Number of shares ('000)	RM'000
At start of the financial period	559,908	279,954
Issued during the financial period		
- exercise of Free Warrants (1 free warrant for every 4 shares)	6,389	3,194
At end of financial period	<u>566,297</u>	<u>283,148</u>

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2011

A7 DEBT AND EQUITY SECURITIES (CONTINUED)

(ii) Share Buy-back

On 31 May 2010, 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 Market 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 DIVIDEND PAID

The Directors declared 4th interim gross dividend for the financial year ended 31 December 2010, of 5.00 cents per share on 562,162,650 ordinary shares less 25% tax amounting to RM21,081,099. The dividend was fully paid on 15 April 2011.

A9 SEGMENT REPORTING

The chief operating decision-maker has been identified as the management committee. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. The committee considers the business from both geographic and nature of business.

The Group principally operates in one main business segment namely operating of specialist hospitals. Other operations of the Group 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.

<u>31 March 2011</u>	HOSPITALS		OTHERS (RM'000)	GROUP (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)		
Revenue	406,013	1,891	84,497	492,401
Intersegment revenue	0	0	(54,653)	(54,653)
External revenue	406,013	1,891	29,844	437,748
Profit for the period	30,499	(2,195)	3,011	31,315

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2011

A9 SEGMENT REPORTING (CONTINUED)

<u>31 March 2010</u>	HOSPITALS		OTHERS (RM'000)	GROUP (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)		
Revenue	348,243	1	80,118	428,362
Intersegment revenue	0	0	(52,315)	(52,315)
External revenue	<u>348,243</u>	<u>1</u>	<u>27,803</u>	<u>376,047</u>
Profit for the period	25,941	(150)	2,986	28,777

A10 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The freehold land, long leasehold land and buildings were revalued by the Directors on 31 December 2010 based on open market valuations carried out by an independent firm of professional valuers, CH Williams, Talhar & Wong of 3228, Menara Tun Razak, Jalan Raja Laut, 50768 Kuala Lumpur to reflect market value for existing use. The valuations made are in compliance with the Group policy to revalue freehold land, long leasehold land and building once in every 5 years.

The valuations of property, plant and equipment have been brought forward without amendment from the last audited financial statement for the year ended 31 December 2010.

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the financial period ended 31 March 2011 that has not been reflected in the interim financial reports except as stated in note B8.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2011****A12 CHANGES IN THE COMPOSITION OF THE GROUP**

On 18 January 2011, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") entered into a Share Sale Agreement for the acquisition of:

- (i) 100% equity interest in Sibu Medical Centre Corporation Sdn Bhd ("SMCC") comprising 6,624,944 ordinary share of RM1.00 each for an aggregate purchase consideration of RM26,904,000
- (ii) 100% equity interest in Sibu Geriatric Health & Nursing Centre Sdn Bhd ("SGHNC") comprising 1,080,000 share for an aggregate purchase consideration of RM1,242,000.

Total purchase consideration paid for the above acquisition was RM28,146,000 and was completed on 6th April 2011.

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 2010.

A14 CAPITAL COMMITMENT

Capital expenditures not provided for in the interim financial report as at 31 March 2011 are as follows:

	RM'000
Approved and contracted	88,969
Approved but not contracted	323,514
	<hr/>
	412,483
	<hr/> <hr/>
Analysed as follows:	
Prepaid leases (leasehold land)	9,536
Building	267,804
Medical equipment	106,506
Other property, plant and equipment	28,637
	<hr/>
	412,483
	<hr/> <hr/>

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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 2011

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

The profit before taxation for the current quarter has increased by 8.4% to RM41.2 million from RM38.0 million in the corresponding quarter 2010. The increase is in line with the increase in revenue of the hospitals.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM41.2 million is less by 6.8%, due to a one-off reversal of provision for impairment in associates, amounting to RM6.5 million, being included in the profit before taxation in the preceding quarter of RM44.2 million.

B3 CURRENT YEAR PROSPECTS

The Board of Directors is confident that the Group's performance in financial year 2011 will continue to improve in tandem with increasing demand, hospital capacity and activities.

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>31.03.2011</u>	<u>31.03.2010</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	9,913	9,264	9,913	9,264

The effective tax rate of the Group for the period ended 31 March 2011 is lower than the statutory tax rate due to recognition of previously unrecognised tax losses of 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.

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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 2011

B7 QUOTED SECURITIES

Investment in Al-'Aqar KPJ REIT

	RM'000
Quoted shares in Malaysia	
<u>At start of period</u>	
At cost	279,310
Less : Provision for Impairment	0
	<hr/>
	279,310
Addition	4,207
Add: Reversal of impairment	0
	<hr/>
<u>At the end of period /Net book value</u>	<u>283,517</u>
Market value for quoted shares at RM1.17 as at 31 March 2011	<u>331,715</u>

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:

	Number of <u>shares</u> '000
At the start of period	99,626
Granted	
Exercised at RM1.70 per units (Converted into ordinary Shares at par value of RM0.50)	(6,389)
	<hr/>
At the end of period	<u>93,237</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 2011

B8 STATUS OF CORPORATE PROPOSALS (CONTINUED)

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

- i) On 22 September 2010, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") entered into a conditional Subscription Deed ("Deed") for the acquisition of up to 367,605 new ordinary units in Jeta Garden Waterford Trust ("JGWT") (representing up to 51% equity interest in JGWT) and up to 3,308,415 10-year convertible notes into new ordinary units in JGWT ("Convertible") for a total cash consideration of up to RM19,000,000 ("Purchase Consideration").

On 3 February 2011, KPJSB has paid RM4,750,000, being 25% of total purchase consideration equivalent to 21% shareholdings in JGWT. Balance of purchase consideration will be satisfied via put and call option which is exercisable within the period from 1 July 2011 until 1 August 2011 at an issue price of AUD1.00.

The acquisition is expected to complete by 3rd quarter 2011.

- ii) On 18 January 2011, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") entered into a Share Sale Agreement for the acquisition of:
- (i) 100% equity interest in Sibü Medical Centre Corporation Sdn Bhd ("SMCC") comprising 6,624,944 ordinary share of RM1.00 each for an aggregate purchase consideration of RM26,904,000
 - (ii) 100% equity interest in Sibü Geriatric Health & Nursing Centre Sdn Bhd ("SGHNC") comprising 1,080,000 share for an aggregate purchase consideration of RM1,242,000.

Total purchase consideration paid for the above acquisition was RM28,146,000 and completed on 6th April 2011.

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 RM55.51 by the issuance of 56.64 million new units in Al-'Aqar at an issue price of RM0.98 per unit to be credited as fully paid-up. The proposed disposal was approved by shareholders on 17 December 2010.

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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 2011

B8 STATUS OF CORPORATE PROPOSALS (CONTINUED)

- d) Issuance of up to RM500 million Islamic Commercial Papers/Medium Term Notes (ICP/IMTN Programme)

On 12 November 2010, KPJ proposed to issue Islamic Commercial Papers/Islamic Medium Term Notes of up to RM500 million ("ICP/IMTN Programme") by Point Zone (M) Sdn Bhd, a 100% owned subsidiary of KPJ. On 27 December 2010 the Securities Commission ("SC") has approved the ICP/IMTN Programme.

In January 2011, Rating Agency Malaysia Berhad ("RAM") has assigned a short term and long term rating of P1(s) and AA3(s) for the ICP/IMTN Programme. The AA3(s) rating indicates high safety for payment of financial obligations while the P1(s) rating reflects high safety for payment of financial obligations in the short term. The rating is premised on an unconditional and irrevocable guarantee from KPJ Healthcare Berhad. KPJ Group will utilise the proceeds from the ICP/IMTN Programme to repay the existing RM250 million CP/MTN programme and the remaining balance to finance the expansion of healthcare related business.

On 3 May 2011, KPJ has issued the first issuance of ICP/IMTN amounting to RM250 million and the tenure of up to seven (7) years starts on the same date.

B9 BORROWINGS

Details of the Group's borrowings as at 31 March 2011 are as follows:

	<u>31.03.2011</u>	Audited
	RM'000	<u>31.12.2010</u>
		RM'000
<u>Current</u>		
Commercial papers (unsecured)	249,000	249,000
Term loans:		
- Conventional (secured)	6,533	7,988
- Islamic (secured)	1,407	1,200
Revolving Credit:		
- Conventional (unsecured)	47,037	47,037
- Islamic (unsecured)	50,000	50,000
Hire Purchase and lease liabilities:		
- Conventional (secured)	5,407	5,985
- Islamic (secured)	1,034	1,448
Bank overdrafts (unsecured)	18	18
	<u>360,436</u>	<u>362,676</u>
<u>Non current</u>		
Term loans:		
- Conventional (secured)	18,064	18,599
- Islamic (secured)	1,630	900
Hire Purchase and lease liabilities:		
- Conventional (secured)	9,994	9,987
- Islamic (secured)	7,771	7,261
	<u>37,459</u>	<u>36,747</u>
Grand total	<u><u>397,877</u></u>	<u><u>399,423</u></u>

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 2011**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

In respect of the financial year ended 31 December 2010:

1. On 28 February 2011, the Directors declared fourth interim gross dividend of 5.00 cents per share on 562,162,650 ordinary shares, less 25% tax, amounting to RM21,081,099 and was fully paid on 15 April 2011.

In respect of the financial year ending 31 December 2011:

1. For the first quarter ended 31 March 2011, the Director declared first interim gross dividend on 566,296,913 ordinary shares of:
 - i. 0.4 cents per share, less 25% tax, amounting to RM1,698,891, and
 - ii. 2.0 cents per share, single tier, amounting to RM11,325,938

This represents a dividend payout of 47% of earnings for the first quarter ended 31 March 2011.

B13 EARNINGS PER SHARE**(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>31.03.2011</u>	<u>31.03.2010</u>
	RM'000	RM'000
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	27,510	27,247
Weighted average number of ordinary shares in issue ('000)	540,569	525,284
Basic earnings per share (sen)		
- at par value RM0.50	<u>5.09</u>	<u>5.19</u>

Company No.

247079

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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 2011

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 carried out 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>31.03.2011</u>	<u>31.03.2010</u>
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	27,510	27,247
Weighted average number of ordinary shares in issue ('000)	540,569	525,284
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	55,417	41,889
Basic earnings per share (sen)		
- at par value RM0.50	<u>4.62</u>	<u>4.80</u>

Company No.

247079	M
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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 2011 KPJ HEALTHCARE BERHAD (Incorporated in Malaysia)

B14 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realized and unrealized retained profits/(accumulated losses) is prepared pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	As at 31 March 2011 RM'000	As at 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	414,831	418,101
- Unrealised gain	(18,669)	(23,065)
	<u>396,162</u>	<u>395,036</u>
Total share of retained profits from associates		
- Realised gains	16,705	19,363
- Unrealised gain	(2,041)	(1,205)
	<u>410,826</u>	<u>413,194</u>
Less: Consolidation adjustments	(11,060)	(19,857)
Total group retained profits as per consolidated financial statements	<u><u>399,766</u></u>	<u><u>393,337</u></u>