

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

**INTERIM FINANCIAL REPORTS**

**30 SEPTEMBER 2011**

Company No.

247079	M
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## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORTS

FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the three months ended 30 September 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 30 SEPTEMBER 2011

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u>		<u>9 months ended</u>	
		<u>30.09.2011</u>	<u>30.09.2010</u>	<u>30.09.2011</u>	<u>30.09.2010</u>
		RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		476,025	436,484	1,384,671	1,222,768
Cost of sales		(332,781)	(308,996)	(968,293)	(866,373)
Gross profit		143,244	127,488	416,378	356,395
Other operating income		5,664	4,431	14,344	13,654
Administrative and other operating expenses		(102,220)	(90,201)	(297,604)	(250,359)
Profit from operations		46,688	41,718	133,118	119,690
Finance cost		(4,569)	(4,664)	(15,285)	(13,283)
Share of results of associated companies		5,784	6,057	16,848	16,050
<b>Profit from ordinary activities before zakat and tax</b>					
	B1	47,903	43,111	134,681	122,457
Zakat		(317)	0	(952)	(0)
Income tax expense	B5	(10,833)	(9,852)	(31,600)	(29,359)
Profit for the period		36,753	33,259	102,129	93,098
Other comprehensive income					
Translation of foreign subsidiaries		(1,535)	289	1,210	611
Total comprehensive income for the period		<u>35,218</u>	<u>33,548</u>	<u>103,339</u>	<u>93,709</u>

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**KPJ HEALTHCARE BERHAD**

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**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u>		<u>9 months ended</u>	
		<u>30.09.2011</u>	<u>30.09.2010</u>	<u>30.09.2011</u>	<u>30.09.2010</u>
		RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to:</b>					
Equity holders of the Company		34,494	30,229	92,164	86,639
Minority interest		2,259	3,030	9,965	6,459
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net profit attributable to shareholders</b>		<u>36,753</u>	<u>33,259</u>	<u>102,129</u>	<u>93,098</u>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		32,959	30,518	93,374	87,250
Minority interest		2,259	3,030	9,965	6,459
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net profit attributable to shareholders</b>		<u>35,218</u>	<u>33,548</u>	<u>103,339</u>	<u>93,709</u>
<b>Dividend per share (sen)</b>	A8	<u>2.5</u>	<u>3.25</u>	<u>9.90</u>	<u>6.50</u>
<b>Earnings per share (sen)</b>	B13				
- Basic					
- at par value RM0.50		5.66	5.65	16.89	16.20
- Diluted					
- at par value RM0.50		<u>5.03</u>	<u>5.12</u>	<u>15.02</u>	<u>14.66</u>

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2011**

	<u>Note</u>	<u>30.09.2011</u>	<u>Audited</u> <u>31.12.2010</u>
		RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A10	564,595	536,773
Investment properties		24,810	24,810
Interest in associates		324,217	307,352
Available-for-sale financial assets		3,447	3,447
Intangible assets		136,317	136,317
Deferred tax assets		17,251	15,864
		<u>1,070,637</u>	<u>1,024,563</u>
<b>Current assets</b>			
Inventories		44,348	41,615
Receivables, deposits and prepayments		295,118	298,427
Tax refund receivable		11,966	12,342
Deposit, cash and bank balances		219,446	197,118
		<u>570,878</u>	<u>549,502</u>
Non-current assets held for sale		85,818	105,974
		<u>656,696</u>	<u>655,476</u>
<b>Total assets</b>		<u><u>1,727,333</u></u>	<u><u>1,680,039</u></u>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	A7	289,346	279,954
Reserves		556,304	488,716
		<u>845,650</u>	<u>768,670</u>
Less: Treasury Shares		(23)	(23)
<b>Total equity attributable to shareholders of the Company</b>		<u>845,627</u>	<u>768,647</u>
<b>Minority interest</b>		<u>104,706</u>	<u>94,741</u>
<b>Total equity</b>		<u>950,333</u>	<u>863,388</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	B9	283,865	36,747
Deposits		14,156	13,782
Deferred tax liabilities		40,702	41,204
		<u>338,723</u>	<u>91,733</u>

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**KPJ HEALTHCARE BERHAD**

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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2011**

	<u>30.09.2011</u> RM'000	Audited <u>31.12.2010</u> RM'000
<b>Current liabilities</b>		
Payables	243,929	308,107
Borrowings	B9	
- bank overdrafts	0	18
- others	122,653	362,658
Current tax liabilities	1,144	3,318
Deferred revenue	56,376	36,144
Dividend Payable	14,175	14,673
	<hr/> 438,277	<hr/> 724,918
<b>Total liabilities</b>	<hr/> 777,000	<hr/> 816,651
<b>Total equity and liabilities</b>	<hr/> <hr/> 1,727,333	<hr/> <hr/> 1,680,039
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>		
- at par value RM0.50	1.64	1.54

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**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

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	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	1,210	0	0	92,164	93,374	9,965	103,339
Issue of shares:												
- exercise of share warrants	18,784	9,392	22,541	0	0	0	0	0	0	31,933	0	31,933
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)
- 31 December 2011 (1st Interim)	0	0	0	0	0	0	0	0	(13,071)	(13,071)	0	(13,071)
- 31 December 2011 (2nd Interim)	0	0	0	0	0	0	0	0	(14,175)	(14,175)	0	(14,175)
	0	0	0	0	0	0	0	0	(48,327)	(48,327)	0	(48,327)
At 30 September 2011	578,692	289,346	66,300	(23)	(3,367)	(85)	172	56,110	437,174	845,627	104,706	950,333

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## KPJ HEALTHCARE BERHAD

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### UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	5,779	5,779	0	5,779
As restated	422,102	211,051	36,391	0	(3,367)	(235)	50,456	343,494	637,790	45,427	683,217
Total comprehensive income for the period	0	0	0	0	0	611	0	86,639	87,250	6,459	93,709
Issuance of bonus shares	105,524	52,762	(31,369)	0	0	0	0	(21,393)	0	0	0
Acquisition of a subsidiary	0	0	0	0	0	0	0	0	0	40,476	40,476
Shares bought back	0	0	0	(23)	0	0	0	0	(23)	0	(23)
Issue of shares											
- exercise of share warrants	26,160	13,080	31,392	0	0	0	0	0	44,472	0	44,472
Dividend in respect of the Financial year ended 31 December 2010											
- 1st Interim	0	0	0	0	0	0	0	(12,953)	(12,953)	0	(12,953)
- 2nd Interim	0	0	0	0	0	0	0	(13,498)	(13,498)	0	(13,498)
	0	0	0	0	0	0	0	(26,451)	(26,451)	0	(26,451)
At 30 September 2010	553,786	276,893	36,414	(23)	(3,367)	376	50,456	382,289	743,038	92,362	835,400

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	<u>30.09.2011</u>	<u>9 months ended</u> <u>30.09.2010</u>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit for the financial year attributable to equity holders of the Company	92,164	86,639
Adjustments for:		
Taxation	31,600	29,359
Minority interest	9,965	6,459
Associated companies	(16,848)	(16,050)
Interest income	(5,750)	(2,911)
Interest expense	15,285	13,283
Allowance for doubtful debts	5,597	4,756
Property, plant and equipment		
- depreciation	52,558	43,047
- (gain)/loss on disposals	0	(259)
Amortisation of prepaid lease	0	49
	<hr/>	<hr/>
Operating profit before changes in working capital	184,571	164,372
Changes in working capital:		
Inventories	(2,733)	(9,469)
Receivables	3,457	(25,850)
Payables	(62,719)	(8,949)
Related companies	3,275	954
	<hr/>	<hr/>
Cash (used in)/from operations	125,851	121,058
Long term deposit	374	(317)
Interest paid	(15,285)	(13,283)
Income tax paid	(20,846)	(16,888)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	90,094	90,570



**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (CONTINUED)**

	<u>30.09.2011</u>	<u>9 months ended</u> <u>30.09.2010</u>
	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(70,820)	(133,638)
Proceeds from disposal of property, plant and equipment	40,040	44,290
Additional investment in subsidiary and associates company	(32,980)	(23,060)
Dividends received	0	10,919
Net cash used in investing activities	<u>(63,760)</u>	<u>(101,489)</u>
<b>FINANCING ACTIVITIES</b>		
Issuance of shares		
- exercise of share warrants	31,933	44,472
- shares bought back	0	(23)
Interest received	5,750	2,061
Bank borrowings		
- drawdown	15,595	69,212
- repayment	(8,500)	(24,397)
Disposal of shares in investment	0	2,004
Dividend paid to shareholders	(48,784)	(26,451)
Net cash (used in)/from financing activities	<u>(4,006)</u>	<u>66,878</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>22,328</b>	<b>55,959</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>197,118</b>	<b>142,198</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b><u>219,446</u></b>	<b><u>198,157</u></b>
<b>DEPOSITS, CASH AND BANK BALANCES</b>		
Deposits with licensed banks	33,581	32,912
Cash and bank balances	191,164	167,031
Bank overdraft	0	(135)
	<u>224,745</u>	<u>199,808</u>
less: Deposits pledged with licensed banks	(5,299)	(1,651)
<b>CASH AND CASH EQUIVALENTS</b>	<b><u>219,446</u></b>	<b><u>198,157</u></b>

## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

### A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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.

Pursuant to the Completion Exercise announced and completed on 15 June 2010, the movement of share capital as a result of warrants being exercised during the period under review is as follows:

Ordinary shares of RM0.50 each

	<u>30.09.2011</u>	<u>30.09.2011</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)	<u>18,784</u>	<u>9,392</u>
At end of financial period	<u><u>578,692</u></u>	<u><u>289,346</u></u>

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## KPJ HEALTHCARE BERHAD

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### A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

#### A7 DEBT AND EQUITY SECURITIES (CONTINUED)

##### (i) Share Buy-back

On 16 June 2011, 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.

In the previous 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 DIVIDENDS PAID

For the financial year ended 31 December 2010, the Directors declared 4th interim gross dividend of 5.00 cents per share on 565,821,150 ordinary shares less 25% tax amounting to RM21,218,292. The dividend was fully paid on 15 April 2011.

For the financial year ending 31 December 2011, the Directors declared the following:

1. First interim gross dividend on 568,306,400 ordinary shares of:
  - i. 0.4 cents per share, less 25% tax, amounting to RM1,704,918 and
  - ii. 2.0 cents per share, single tier, amounting to RM11,366,128

The dividend was fully paid on 29 July 2011.

2. Second interim gross dividend for the financial year ending 31 December 2011, on 579,773,114 ordinary shares of 2.50 cents per share, single tier, amounting to RM14,494,328.

The dividend was fully paid on 14 October 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.

## KPJ HEALTHCARE BERHAD

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A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

## A9 SEGMENT REPORTING (CONTINUED)

	HOSPITALS		OTHERS (RM'000)	GROUP (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)		
<u>30 September 2011</u>				
Revenue	1,254,007	7,591	347,076	1,608,674
Intersegment revenue	0	0	(224,003)	(224,003)
External revenue	<u>1,254,007</u>	<u>7,591</u>	<u>123,073</u>	<u>1,384,671</u>
Profit/(loss) for the period	103,202	(8,558)	7,485	102,129
<u>30 September 2010</u>				
Revenue	1,099,851	770	290,124	1,390,745
Intersegment revenue	0	0	(167,977)	(167,977)
External revenue	<u>1,099,851</u>	<u>770</u>	<u>122,147</u>	<u>1,222,768</u>
Profit/(loss) for the period	91,586	(5,320)	6,832	93,098

## 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 30 September 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

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

- 1) 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 Sibuh 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 Sibuh 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 6<sup>th</sup> 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 30 September 2011 are as follows:

	RM'000
Approved and contracted	90,017
Approved but not contracted	222,587
	312,604
	312,604
 Analysed as follows:	
Prepaid leases (leasehold land)	9,536
Building	169,324
Medical equipment	104,933
Other property, plant and equipment	28,811
	312,604
	312,604

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

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

The profit before taxation for the current quarter has increased by 11.1% to RM47.9 million from RM43.1 million in the corresponding quarter 2010. The increase is in line with the increase in revenue of the hospitals.

**B1 MATERIAL CHANGE IN QUARTERLY RESULTS**

The profit before taxation for the current quarter of RM47.9 million increased by 6.0% as compared to preceding quarter of RM45.2 million. The increase in the net profit before tax is in line with the increase in revenue and contribution from the hospitals.

**B2 CURRENT YEAR PROSPECTS**

Based on the positive performance for the current financial period, the Board of Directors is confident that the Group will achieve better performance in comparison to the previous year.

**B3 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.

**B4 TAXATION**

	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>30.09.2011</u>	<u>30.09.2010</u>	<u>30.09.2011</u>	<u>30.09.2010</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	10,833	9,852	31,600	29,359

The effective tax rate of the Group for the period ended 30 September 2011 is lower than the statutory tax rate due to recognition of previously unrecognised tax losses of subsidiaries.

**B5 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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## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

### B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

#### B6 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	16,583
Add: Reversal of impairment	0
	<hr/>
<u>At the end of period /Net book value</u>	<u>295,893</u>
Market value for quoted shares at RM1.13 as at 30 September 2011	<u>334,359</u>

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

#### B7 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 01.01.2011	99,626
Granted	
Exercised at RM1.70 per units (Converted into ordinary Shares at par value of RM0.50)	(18,784)
	<hr/>
At 30.09.2011	<u>80,842</u>



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#### 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.

On 5 August 2011, KPJSB and JGWT had mutually agreed to further extend the expiry date of the options from 1 August 2011 to 30 September 2011.

On 30 September 2011, KPJSB and JGWT had mutually agreed to further extend the expiry date of the options from 30 September 2011 to 30 November 2011.

- ii) On 22 June 2011, Pahang Specialist Hospital Sdn Bhd ("PSHSB"), a wholly-owned subsidiary of KPJSB, propose to acquire a 3.12 acre leasehold land for a total consideration of RM3,756,750 to be satisfied via issuance of 3,756,750 ordinary shares of RM1.00 each in PSHSB.

The proposed acquisition is expected to be completed by 1st quarter 2012.

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**B8 STATUS OF CORPORATE PROPOSALS (CONTINUED)**

**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.

The proposed disposal of RSBSD Building was completed on 2 August 2011.

**d) Proposed Joint Venture between Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") and Yayasan Islam Perlis ("YIP")**

On 11 July 2011, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") had signed a Joint Venture Agreement ("JVA") with Yayasan Islam Perlis ("YIP") for the purpose of designing, developing, building, completing, owning and subsequently operating from a hospital building to be known as "KPJ Perlis Specialist Hospital" ("Proposed JV").

The Proposed JV was completed on the same date.

**e) Proposed Acquisition of Land Measuring an aggregate area of 1.8397 hectares at Mukim of Klang District of Klang State of Selangor**

On 11 November 2011, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") entered into a Sale and Purchase agreement ("SPA") with Sazean Development Sdn Bhd to acquire four (4) plots of land with an aggregate area of approximately 1.8397 hectares for a total cash consideration of RM23,762,400 located at Mukim of Klang District of Klang State of Selangor.

The Proposed Acquisition is expected to be completed by the 4th quarter 2012.

**f) Proposed Design, Build and Lease Agreement Between Lembaga Kemajuan Wilayah Pulau Pinang ("PERDA"), ASEANIA Development Sendirian Berhad ("ASEANIA") and Penang Specialist Hospital Sdn Bhd ("PgSHSB")**

On 11 November 2011, Penang Specialist Hospital Sdn Bhd ("PgSHSB") entered into a Design, Build and Lease Agreement with Lembaga Kemajuan Wilayah Pulau Pinang ("PERDA"), ASEANIA Development Sendirian Berhad ("ASEANIA") whereby:

- i) ASEANIA will design and construct a medical care facility ("Hospital") according to PgSHSB's specifications, on a four-(4) acre land in Seberang Perai Tengah Pulau Pinang; and
- ii) PgSHSB shall lease the Hospital from ASEANIA for ten (10) years upon completion of its construction.

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**B9 BORROWINGS**

Details of the Group's borrowings as at 30 September 2011 are as follows:

	<u>30.09.2011</u>	<u>Audited</u> <u>31.12.2010</u>
	RM'000	RM'000
<u>Current</u>		
Commercial papers (unsecured)	0	249,000
Term loans:		
- Conventional (secured)	142	7,988
- Islamic (secured)	1,775	1,200
Revolving Credit:		
- Conventional (unsecured)	60,000	47,037
- Islamic (unsecured)	55,000	50,000
Hire Purchase and lease liabilities:		
- Conventional (secured)	4,049	5,985
- Islamic (secured)	1,687	1,448
Bank overdrafts (unsecured)	0	18
	<u>122,653</u>	<u>362,676</u>
<u>Non current</u>		
Commercial papers (unsecured)	249,000	0
Term loans:		
- Conventional (secured)	4,751	18,599
- Islamic (secured)	12,650	900
Hire Purchase and lease liabilities:		
- Conventional (secured)	7,637	9,987
- Islamic (secured)	9,827	7,261
	<u>283,865</u>	<u>36,747</u>
Grand total	<u>406,518</u>	<u>399,423</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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**B12 DIVIDENDS**

In respect of the financial year ended 31 December 2010:

On 28 February 2011, the Directors declared fourth interim gross dividend of 5.00 cents per share on 565,821,150 ordinary shares, less 25% tax, amounting to RM21,218,292 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 568,306,400 ordinary shares of:

- i. 0.4 cents per share, less 25% tax, amounting to RM1,704,918, and
- ii. 2.0 cents per share, single tier, amounting to RM11,366,128

The dividend was fully paid on 29 July 2011.

iii. For the second quarter ended 30 June 2011, the Director declared second interim gross dividend on 579,773,114 ordinary shares of 2.50 cents per share, single tier, amounting to RM14,494,328.

The dividend was fully paid on 14 October 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>9 months ended</u>	
	<u>30.09.2011</u>	<u>30.09.2010</u>
	RM'000	RM'000
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	92,164	86,639
Weighted average number of ordinary shares in issue ('000)	545,717	553,786
Basic earnings per share (sen)		
- at par value RM0.50	<u>16.89</u>	<u>16.20</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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>9 months ended</u>	
	<u>30.09.2011</u>	<u>30.09.2010</u>
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	92,164	86,639
Weighted average number of ordinary shares in issue ('000)	545,717	553,786
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	67,771	56,277
Basic earnings per share (sen)		
- at par value RM0.50	<u>15.02</u>	<u>14.66</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

**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 30 September 2011 RM'000	As at 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	462,999	418,101
- Unrealised gain	(16,781)	(23,065)
	<u>446,218</u>	<u>395,036</u>
Total share of retained profits from associates		
- Realised gains	21,008	19,363
- Unrealised gain	(2,876)	(1,205)
	<u>464,350</u>	<u>413,194</u>
Less: Consolidation adjustments	(27,176)	(19,857)
Total group retained profits as per consolidated financial statements	<u><u>437,174</u></u>	<u><u>393,337</u></u>