

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

31 DECEMBER 2011

Company No.

247079	M
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KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

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

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		12 months ended	
			Restated		Audited
		31.12.2011	31.12.2010	31.12.2011	31.12.2010
		RM'000	RM'000	RM'000	RM'000
Revenue		506,629	431,843	1,891,300	1,654,611
Cost of sales		(341,209)	(284,343)	(1,309,502)	(1,150,716)
Gross profit		165,420	147,500	581,798	503,895
Other operating income		11,410	5,987	25,754	19,641
Administrative and other operating expenses		(126,095)	(122,001)	(423,699)	(372,360)
Reversal of impairment in Associate		0	6,460	0	6,460
Profit from operations		50,735	37,946	183,853	157,636
Finance cost		(1,691)	(314)	(16,976)	(13,597)
Share of results of associated companies		8,240	7,869	25,088	23,919
Profit from ordinary activities before zakat and tax	B1	57,284	45,501	191,965	167,958
Zakat		(348)	(1,269)	(1,300)	(1,269)
Income tax expense	B5	(14,472)	(11,109)	(46,072)	(40,468)
Profit for the period		42,464	33,123	144,593	126,221
Other comprehensive income		1,544	7,608	2,754	8,219
Total comprehensive income for the period		44,008	40,731	147,347	134,440

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

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>3 months ended</u>		<u>12 months ended</u>	
		<u>31.12.2011</u>	<u>Restated</u> <u>31.12.2010</u>	<u>31.12.2011</u>	<u>Audited</u> <u>31.12.2010</u>
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Equity holders of the Company		39,544	32,255	131,708	118,894
Minority interest		2,920	868	12,885	7,327
Net profit attributable to shareholders		<u>42,464</u>	<u>33,123</u>	<u>144,593</u>	<u>126,221</u>
Total comprehensive income attributable to:					
Equity holders of the Company		41,088	36,410	134,462	123,660
Minority interest		2,920	4,321	12,885	10,780
Net profit attributable to shareholders		<u>44,008</u>	<u>40,731</u>	<u>147,347</u>	<u>134,440</u>
Dividend per share (sen)	A8	<u>2.50</u>	<u>3.50</u>	<u>12.40</u>	<u>10.00</u>
Earnings per share (sen)	B13				
- Basic					
- at par value RM0.50		7.23	6.37	24.12	22.57
- Diluted					
- at par value RM0.50		<u>6.37</u>	<u>5.65</u>	<u>21.39</u>	<u>20.31</u>

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KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

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

	<u>Note</u>	<u>31.12.2011</u>	<u>Audited</u> <u>31.12.2010</u>
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A10	616,556	536,773
Investment properties		26,205	24,810
Interest in associates		310,677	307,352
Available-for-sale financial assets		3,074	3,447
Intangible assets		165,613	136,317
Deferred tax assets		17,684	15,864
		<u>1,139,809</u>	<u>1,024,563</u>
Current assets			
Inventories		45,217	41,615
Receivables, deposits and prepayments		300,842	298,427
Tax refund receivable		10,487	12,342
Deposit, cash and bank balances		177,325	197,118
		<u>533,871</u>	<u>549,502</u>
Non-current assets held for sale		91,351	105,974
		<u>625,222</u>	<u>655,476</u>
Total assets		<u><u>1,765,031</u></u>	<u><u>1,680,039</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	A7	292,492	279,954
Reserves		590,448	488,716
		<u>882,940</u>	<u>768,670</u>
Less: Treasury Shares		(23)	(23)
Total equity attributable to shareholders of the Company		<u>882,917</u>	<u>768,647</u>
Minority interest		<u>107,626</u>	<u>94,741</u>
Total equity		<u><u>990,543</u></u>	<u><u>863,388</u></u>
LIABILITIES			
Non-current liabilities			
Borrowings	B9	274,141	36,747
Deposits		16,822	13,782
Deferred tax liabilities		43,052	41,204
		<u>334,015</u>	<u>91,733</u>

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UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	<u>31.12.2011</u> RM'000	<u>Audited</u> <u>31.12.2010</u> RM'000
Current liabilities		
Payables	248,870	308,107
Borrowings	B9	
- bank overdrafts	1,192	18
- others	118,751	362,658
Current tax liabilities	2,786	3,318
Deferred revenue	54,380	36,144
Dividend Payable	14,494	14,673
	<hr/>	<hr/>
	440,473	724,918
	<hr/>	<hr/>
Total liabilities	774,488	816,651
	<hr/>	<hr/>
Total equity and liabilities	1,765,031	1,680,039
	<hr/> <hr/>	<hr/> <hr/>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
- at par value RM0.50	1.69	1.54

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KPJ HEALTHCARE BERHAD

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	1,217	0	1,537	131,708	134,462	12,885	147,347
Issue of shares: - exercise of share warrants	25,077	12,538	30,091	0	0	0	0	0	0	42,629	0	42,629
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)
- 2nd Interim	0	0	0	0	0	0	0	0	(14,175)	(14,175)	0	(14,175)
- 3rd Interim	0	0	0	0	0	0	0	0	(14,494)	(14,494)	0	(14,494)
	0	0	0	0	0	0	0	0	(62,821)	(62,821)	0	(62,821)
At 31 December 2011	584,985	292,492	73,850	(23)	(3,367)	(78)	172	57,647	462,224	882,917	107,626	990,543

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KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**AUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2010**

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 2010	422,102	211,051	36,391	0	(3,367)	(235)	0	50,456	337,715	632,011	45,427	677,438
Changes in accounting policy	A2 (a) 0	0	0	0	0	0	0	0	(755)	(755)	0	(755)
As restated	422,102	211,051	36,391	0	(3,367)	(235)	0	50,456	336,960	631,256	45,427	676,683
Total comprehensive income for the period	0	0	0	0	0	(1,060)	172	5,654	118,894	123,660	10,780	134,440
Issuance of bonus shares	105,525	52,762	(31,369)	0	0	0	0	0	(21,393)	0	0	0
Acquisition of a subsidiary	0	0	0	0	0	0	0	0	0	0	38,534	38,534
Shares bought back	0	0	0	(23)	0	0	0	0	0	(23)	0	(23)
Issue of shares												
- exercise of share warrants	32,281	16,141	38,737	0	0	0	0	0	0	54,878	0	54,878
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)
- 3rd Interim		0	0	0	0	0	0	0	(14,673)	(14,673)	0	(14,673)
	0	0	0	0	0	0		0	(41,124)	(41,124)	0	(41,124)
At 31 December 2010	559,908	279,954	43,759	(23)	(3,367)	(1,295)	172	56,110	393,337	768,647	94,741	863,388

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KPJ HEALTHCARE BERHAD
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

	<u>12 months ended</u>	
	<u>31.12.2011</u>	<u>Audited</u>
	RM'000	31.12.2010
		RM'000
OPERATING ACTIVITIES		
Profit for the financial year attributable to equity holders of the Company	131,708	118,894
Adjustments for:		
Zakat	1,300	1,269
Taxation	46,072	40,468
Minority interest	12,885	7,327
Associated companies	(25,088)	(23,919)
Reversal of impairment in associates	0	(6,460)
Interest income	(10,611)	(7,157)
Interest expense	16,976	13,597
Allowance for doubtful debts	1,804	4,923
Bad debts written off	52	489
Property, plant and equipment		
- depreciation	71,225	59,367
- gain on disposals	(1,096)	(1,770)
- written off	378	15
- revaluation deficit	0	885
Inventories written off	66	28
Amortisation of deferred consultancy expenses	0	(414)
Gain on fair value of investment properties	(1,395)	(755)
Operating profit before changes in working capital	<u>244,276</u>	<u>206,787</u>
Changes in working capital:		
Inventories	(3,602)	(7,428)
Receivables	(937)	(5,228)
Payables	(44,208)	43,663
Related companies	4,204	0
Cash from operations	<u>199,733</u>	<u>237,794</u>
Long term deposit	3,040	828
Interest paid	(16,976)	(13,268)
Zakat paid	(1,269)	(1,395)
Income tax paid	(32,075)	(35,683)
Net cash from operating activities	<u>152,453</u>	<u>188,276</u>

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

	12 months ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(170,958)	(227,538)
Purchase of investment property	0	(840)
Proceeds from disposal of property, plant and equipment	40,040	64,710
Acquisition of subsidiaries, net of cash acquired	(35,914)	(38,400)
Additional investment in subsidiary and associates company	(25,999)	(22,128)
Proceeds from disposal of share in associated company	0	1,134
Decrease/(increase) in deposits pledged with banks	0	(3,648)
Dividends received	19,996	20,085
Net cash used in investing activities	<u>(172,835)</u>	<u>(206,625)</u>
FINANCING ACTIVITIES		
Treasury shares purchased	0	(23)
Issuance of shares		
- exercise of share warrants	42,629	54,878
Interest received	10,611	7,157
Bank borrowings		
- drawdown	6,258	120,200
- repayment	(10,397)	(89,576)
Dividend paid to shareholders	(48,327)	(26,451)
Net cash (used in)/from financing activities	<u>774</u>	<u>66,185</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(19,608)</u>	<u>47,836</u>
CURRENCY TRANSLATION DIFFERENCES	(185)	1,767
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>197,118</u>	<u>142,198</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>177,325</u>	<u>191,801</u>
DEPOSITS, CASH AND BANK BALANCES		
Deposits with licensed banks	75,257	74,622
Cash and bank balances	108,559	122,496
Bank overdraft	(1,192)	(18)
	<u>182,624</u>	<u>197,100</u>
less: Deposits pledged with licensed banks	(5,299)	(5,299)
CASH AND CASH EQUIVALENTS	<u>177,325</u>	<u>191,801</u>

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER
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 January 2010, the movement of share capital as a result of warrants being exercised during the period under review is as follows:

	<u>31.12.2011</u>	<u>31.12.2011</u>
	Number of shares ('000)	RM'000
<u>Ordinary shares of RM0.50 each</u>		
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>25,077</u>	<u>12,538</u>
At end of financial period	<u><u>584,985</u></u>	<u><u>292,492</u></u>

Balance of free warrants yet to be exercised at the end of the financial period is disclosed in Note B6.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER
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

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. Total dividend paid for financial year ended 31 December 2010 was 15 cents per share less 25% tax amounting to RM62,342,695. There were no final dividend declared.

Financial year ended 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 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.

3. Third interim gross dividend on 584,905,160 ordinary shares of 2.50 cents per share, single tier, amounting to RM14,622,630.

The dividend was fully paid on 13 January 2012.

As at the reporting date, total Interim Dividend paid for financial year ended 31 December 2011 were made up gross dividend of 0.4 cents per share, less 25%, and 7 cents per share, single tier, totalling to RM42,188,004.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER
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 December 2011</u>	HOSPITALS		OTHERS (RM'000)	GROUP (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)		
Revenue	1,757,976	11,541	602,664	2,372,181
Intersegment revenue	0	0	(480,881)	(480,881)
External revenue	<u>1,757,976</u>	<u>11,541</u>	<u>121,783</u>	<u>1,891,300</u>
Profit/(loss) for the period	110,600	(10,591)	44,584	144,593
<u>31 December 2010 (Audited)</u>	HOSPITALS		OTHERS (RM'000)	GROUP (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)		
Revenue	1,532,868	2,835	485,285	2,020,988
Intersegment revenue	0	0	(366,377)	(366,377)
External revenue	<u>1,532,868</u>	<u>2,835</u>	<u>118,908</u>	<u>1,654,611</u>
Profit/(loss) for the period	92,873	(7,177)	40,525	126,221

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.

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

A11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

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

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 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.

2) 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.

On 29 November 2011, Kumpulan Perubatan (Johor) Sdn Bhd had exercised the Call Option to require Jeta Garden Waterford Trust ("JGWT") to issue 275,704 ordinary shares and 2,481,311 New A Class Convertible Notes in JGWT at AUD equivalent to RM14,250,001 at the exchange rate prevalent on the date of payment.

The Call Option was completed on 30 November 2011 with the receipt of the aforementioned option consideration by JGWT as well as the issuance of the 275,704 ordinary shares and 2,481,311 New A Class Convertible Notes in JGWT to KPJSB.

In view of the above, JGWT is now a subsidiary of KPJSB and thereon KPJ, commencing from 30 November 2011.

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KPJ HEALTHCARE BERHAD

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 December 2011 are as follows:

	RM'000
Approved and contracted	59,923
Approved but not contracted	242,556
	<hr/>
	302,479
	<hr/> <hr/>

Analysed as follows:

Prepaid leases (leasehold land)	9,536
Building	182,463
Medical equipment	97,061
Other property, plant and equipment	13,419
	<hr/>
	302,479
	<hr/> <hr/>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

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

The profit before taxation for the current quarter has increased by 25.9% to RM57.3 million from RM45.5 million in the corresponding quarter 2010. The increase is in line with the increase in revenue of the hospitals.

Additional Information As Required By Appendix 9B of Bursa Malaysia Listing Requirements

a) Current financial year compared to last financial year (twelve months)

The group recorded revenue of RM1,891.3 million for 12 months ended 2011 an increase of 14.3% from RM1,654.6 million as reported for 2010. The higher revenue for the period is due mainly to increase in revenue of the hospitals in the group.

Malaysia

The Malaysian segment revenue for the current financial year has increased by 14.7% to RM1,758 million as compared to RM1,533 million reported in 2010. The higher revenue reported is due to increase in revenue of the hospitals in the group.

Indonesia

The Indonesian segment revenue of RM11.5 million for the financial year ended 2011 is 311% higher than the revenue reported in 2010 of RM2.8 million. The increase in revenue from this segment is due to increasing in number of patients during the period.

Others

The revenue from others segment of RM602.7 million for the financial year ended 2011 is 24.2% higher, as compared to revenue from the same period in 2010 of RM485.3 million. The revenue reported is contributed by marketing and distribution of pharmaceutical, medical and surgical products and pathology and laboratory services.

b) Current quarter compared to the corresponding quarter of the preceding year (three months)

The group reported revenue of RM506.6 million for the 3 months ended 31 December 2011, an increase of 17.3% from RM431.8 million which was reported in 2010. The higher revenue for the period is due to increase in revenue of the hospitals in the group.

Malaysia

The Malaysian segment revenue for the current quarter has increased by 16.4% to RM504.0 million, as compared to RM433.0 million reported for the 3 months ended in 2010. The higher revenue reported is due to increase in revenue of the hospitals in the group.

KPJ HEALTHCARE BERHAD

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONTINUED)**

- b) Current quarter compared to the corresponding quarter of the preceding year (three months) (continued)

Indonesia

The Indonesian segment revenue of RM4.0 million for 3 months ended 2011 is 90.5% higher than the revenue reported for 3 months ended in 2010 of RM2.1 million. The higher revenue from the segment is due mainly to increasing in number of patients during the period.

Others

The revenue from others segment of RM255.6 million for 3 months ended 2011 is 30.9% higher than the revenue reported in the same period in 2010 of RM195.2 million. The increase in revenue reported is contributed by marketing and distribution of pharmaceutical, medical and surgical products and pathology and laboratory services.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM57.3 million increased by 19.6% as compared to preceding quarter of RM47.9 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

Based on the positive performance for the current financial period, the Board of Directors is confident that the Group's performance will continue to improve in the following year in tandem with increasing 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>12 months ended</u>	
	<u>31.12.2011</u>	<u>31.12.2010</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
		<u>Restated</u>		<u>Audited</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	14,472	11,109	46,072	40,468

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

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B6 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 at an exercise price of RM1.70 per units (converted into ordinary shares at par value of RM0.50).

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

	<u>Number of shares</u> '000
Issued on 15.01.2010	131,907
Exercised in Financial Year Ended 2010	(32,281)
	<hr/>
Balance not exercised as at 01.01.2011	99,626
	<hr/>
Exercised in Financial Year Ended 2011	(25,077)
	<hr/>
Balance not exercised as at 31.12.2011	<u>74,549</u>

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

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.

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.

The proposed disposal of Kluang Utama Specialist Hospital Building was completed on 6 January 2012.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

d) Proposed Acquisition of Land 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.

e) 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.

f) Disposal of Redeemable Preference Shares in Intrapreneur Development Sdn Bhd.

References are made in relation to the Subscription Agreement entered into with Intrapreneur Development Sdn Bhd ("IDSB") for the proposed subscription of 100,000 Redeemable Preference Shares ("RPS") of RM 0.01 each in IDSB at issue price of RM100 each.

As at to date, KPJ has only subscribed and is the registered owner of 15,369 RPS with the total cost of the investment being RM1,536,900.00.

KPJ had on 30 January 2012 entered into a Sale of Shares Agreement with Johor Corporation to dispose 15,369 RPS at the total sale consideration of RM1,536,900.00.

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

KPJ HEALTHCARE BERHAD
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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

- g) Proposed Acquisition of 8 units of service apartments for a total purchase consideration of RM1,934,880

On 8 February 2012, Kumpulan Perubatan (Johor) Sdn Bhd entered into separate Sale and Purchase Agreements ("SPAs") with JCorp Hotels and Resorts Sdn Bhd to acquire eight (8) units of Service Apartments for a total purchase consideration of RM1,934,880. The purchase consideration for each one (1) unit of the Service Apartment is RM241,860.00.

The Service Apartments are part of the Berjaya Tioman Suites developed by Tioman Island Resort Bhd. The Berjaya Tioman Suites is located on a parcel of land at PN14711 Lot 5006, Bandar Tioman, Daerah Rompin, Pahang.

The proposed acquisition was completed on 8 February 2012.

B7 BORROWINGS

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

	<u>31.12.2011</u> RM'000	<u>Audited</u> <u>31.12.2010</u> RM'000
<u>Current</u>		
Islamic Commercial papers (unsecured)	0	249,000
Term loans:		
- Islamic (secured)	9,303	7,988
- Conventional (secured)	1,551	1,200
Revolving Credit:		
- Islamic (unsecured)	50,000	50,000
- Conventional (unsecured)	53,000	47,037
Hire Purchase and lease liabilities:		
- Islamic (secured)	1,999	1,448
- Conventional (secured)	2,898	5,985
Bank overdrafts		
- Conventional (unsecured)	1,192	18
	<u>119,943</u>	<u>362,676</u>
<u>Non current</u>		
Commercial papers (unsecured)	249,000	0
Term loans:		
- Islamic (secured)	12,829	18,599
- Conventional (secured)	4,232	900
Hire Purchase and lease liabilities:		
- Islamic (secured)	2,245	7,261
- Conventional (secured)	5,835	9,987
	<u>274,141</u>	<u>36,747</u>
Grand total	<u><u>394,084</u></u>	<u><u>399,423</u></u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B8 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.

B9 MATERIAL LITIGATIONS

Since the date of the last annual statement of financial position, there was no pending material litigation.

B10 DIVIDENDS

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. Total dividend paid for financial year ended 31 December 2010 was 15 cents per share less 25% tax amounting to RM62,342,695. There were no final dividend declared.

Financial year ended 31 December 2011:

The Directors declared the following:

4. First interim gross dividend on 568,306,400 ordinary shares of:

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

The dividend was fully paid on 29 July 2011.

5. 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.

6. Third interim gross dividend on 584,905,160 ordinary shares of 2.50 cents per share, single tier, amounting to RM14,622,630.

The dividend was fully paid on 13 January 2012.

As at the reporting date, total Interim Dividend paid for financial year ended 31 December 2011 were made up gross dividend of 0.4 cents per share, less 25%, and 7 cents per share, single tier, totalling to RM42,188,004.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B11 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>12 months ended</u>	
	<u>31.12.2011</u>	<u>31.12.2010</u>
	RM'000	<u>Audited</u> RM'000
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	131,708	118,894
Weighted average number of ordinary shares in issue ('000)	546,128	526,706
Basic earnings per share (sen)		
- at par value RM0.50	<u>24.12</u>	<u>22.57</u>

(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>12 months ended</u>	
	<u>31.12.2011</u>	<u>31.12.2010</u>
	RM'000	<u>Audited</u> RM'000
Profit for the financial year attributable to Equity Holders of the Company (RM'000)	131,708	118,894
Weighted average number of ordinary shares in issue ('000)	546,128	526,706
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	69,503	58,832
Basic earnings per share (sen)		
- at par value RM0.50	<u>21.39</u>	<u>20.31</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B12 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 December 2011 RM'000	As at 31 December 2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	484,979	418,101
- Unrealised gain	(18,697)	(23,065)
	<u>466,282</u>	<u>395,036</u>
Total share of retained profits from associates		
- Realised gains	24,297	19,363
- Unrealised gain	(1,081)	(1,205)
	<u>489,498</u>	<u>413,194</u>
Less: Consolidation adjustments	(27,274)	(19,857)
Total group retained profits as per consolidated financial statements	<u><u>462,224</u></u>	<u><u>393,337</u></u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

B13 NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME

Pursuant to the amendment to paragraph 9.22 of Bursa Malaysia listing announcement which is effective from 3rd January 2012, the following amounts have been debited or credited in arriving at the Total Comprehensive Income for the period.

	<u>3 months ended</u>		<u>12 months ended</u>	
	<u>31.12.2011</u>	<u>Restated</u>	<u>31.12.2011</u>	<u>Audited</u>
	<u>RM'000</u>	<u>31.12.2010</u>	<u>31.12.2011</u>	<u>31.12.2010</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(a) Interest income	4,861	4,246	10,611	7,157
(b) Other operating income				
including investment income	11,410	5,987	25,754	19,641
(c) Interest expense	1,691	314	16,976	13,597
(d) Depreciation and amortization				
-Depreciation	18,667	16,320	71,225	59,367
-Gain on disposal	932	1,511	1,096	1,770
-Written off	-	-	378	15
-Revaluation deficit	-	-	-	885
(e) Write off of receivable	-	-	-	489
(f) Write off of inventories	-	-	-	28
(g) Foreign exchange gain / (loss)	1,544	(1,671)	2,754	(1,060)

Save as disclosed above, there is no other information required by Bursa Malaysia which affects the Company.