

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

**INTERIM FINANCIAL REPORTS**

**31 DECEMBER 2012**

**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORTS****FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the three months ended 31 December 2012.

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 2011 and the accompanying explanatory notes attached to this report.

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

|  | Note | <u>Individual Quarter</u><br><u>3 months ended</u><br><u>Restated</u> |                             | <u>Cumulative Quarter</u><br><u>12 months ended</u><br><u>Audited</u> |                             |
|--|------|---|-----------------------------|---|-----------------------------|
|  |      | <u>31.12.2012</u><br>RM'000   | <u>31.12.2011</u><br>RM'000 | <u>31.12.2012</u><br>RM'000   | <u>31.12.2011</u><br>RM'000 |
| <b>Revenue</b>                               |      | 526,532   | 524,322                     | 2,112,021   | 1,908,993                   |
| Cost of sales                                |      | (351,210)   | (338,843)                   | (1,461,594)   | (1,307,136)                 |
| Gross profit                                 |      | 175,322   | 185,479                     | 650,427   | 601,857                     |
| Administration expenses                      |      | (160,829)   | (156,113)                   | (509,226)   | (451,351)                   |
| Other income                                 |      | 15,862  | 1,681                       | 30,434  | 11,957                      |
| Other operating expenses                     |      | (2,719)   | (932)                       | (4,883)   | (3,298)                     |
| Operating profit                             |      | 27,636  | 30,115                      | 166,752   | 159,165                     |
| Finance Income                               |      | 3,712   | 6,227                       | 10,537  | 10,295                      |
| Finance costs                                |      | (4,489)   | (4,403)                     | (25,628)  | (19,688)                    |
| Finance costs – net                          |      | (777)   | 1,824                       | (15,091)  | (9,393)                     |
| Associates                                   |      |   |                             |   |                             |
| - share of results                           |      | 17,847  | 37,977                      | 43,582  | 54,825                      |
| <b>Profit before zakat<br/>and tax</b>       | B1   | 44,706  | 69,916                      | 195,243   | 204,597                     |
| Zakat  |      | (330)   | (348)                       | (1,320)   | (1,300)                     |
| Income tax expense                           | B5   | (10,570)  | (17,438)                    | (45,946)  | (49,038)                    |
| Profit net of tax                            |      | 33,806  | 52,130                      | 147,977   | 154,259                     |
| Other comprehensive income                   |      | 7,844   | (2,763)                     | 7,761   | (1,553)                     |
| Total comprehensive income<br>for the period |      | 41,650  | 49,367                      | 155,738   | 152,706                     |

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**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

|  | Note | <u>Individual Quarter</u><br><u>3 months ended</u><br><u>Restated</u> |                             | <u>Cumulative Quarter</u><br><u>12 months ended</u><br><u>Audited</u> |                             |
|--|------|---|-----------------------------|---|-----------------------------|
|  |      | <u>31.12.2012</u><br>RM'000   | <u>31.12.2011</u><br>RM'000 | <u>31.12.2012</u><br>RM'000   | <u>31.12.2011</u><br>RM'000 |
| <b>Profit attributable to:</b>                         |      |   |                             |   |                             |
| Equity holders of the Company                          |      | 37,575  | 51,506                      | 139,079   | 143,670                     |
| Non-controlling interest                               |      | (3,769)   | 624                         | 8,898   | 10,589                      |
| <b>Net profit attributable to<br/>shareholders</b>     |      | <u>33,806</u>   | <u>52,130</u>               | <u>147,977</u>  | <u>154,259</u>              |
| <b>Total comprehensive income<br/>attributable to:</b> |      |   |                             |   |                             |
| Equity holders of the Company                          |      | 45,419  | 51,708                      | 146,840   | 145,082                     |
| Non-controlling interest                               |      | (3,769)   | (2,341)                     | 8,898   | 7,624                       |
| <b>Net profit attributable to<br/>shareholders</b>     |      | <u>41,650</u>   | <u>49,367</u>               | <u>155,738</u>  | <u>152,706</u>              |
| <b>Dividend per share (cents)</b>                      | A9   | <u>2.50</u>   | <u>2.50</u>                 | <u>12.20</u>  | <u>12.40</u>                |
| <b>Earnings per share (cents)</b>                      | B11  |   |                             |   |                             |
| - Basic  |      |   |                             |   |                             |
| - at par value RM0.50                                  |      | 6.40  | 9.42                        | 23.78   | 26.31                       |
| - Diluted  |      |   |                             |   |                             |
| - at par value RM0.50                                  |      | <u>5.58</u>   | <u>8.32</u>                 | <u>20.88</u>  | <u>23.34</u>                |

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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

|  | Note | <u>31.12.2012</u>       | <u>Audited</u><br><u>31.12.2011</u> | <u>Audited</u><br><u>01.01.2011</u> |
|--|------|-------------------------|-------------------------------------|-------------------------------------|
|  |      | RM'000                  | RM'000                              | RM'000                              |
| <b>ASSETS</b>  |      |                         |                                     |                                     |
| <b>Non-current assets</b>  |      |                         |                                     |                                     |
| Property, plant and equipment  | A11  | 925,740                 | 641,729                             | 536,773                             |
| Investment properties  |      | 27,509                  | 26,223                              | 24,810                              |
| Interest in associates   |      | 477,836                 | 398,712                             | 307,352                             |
| Available-for-sale financial assets                                      |      | 3,074                   | 3,074                               | 3,447                               |
| Intangible assets  |      | 180,910                 | 167,830                             | 136,317                             |
| Deferred tax assets  |      | 16,245                  | 14,962                              | 15,864                              |
|  |      | <u>1,631,314</u>        | <u>1,252,530</u>                    | <u>1,024,563</u>                    |
| <b>Current assets</b>  |      |                         |                                     |                                     |
| Inventories  |      | 57,585                  | 47,066                              | 41,615                              |
| Receivables, deposits and prepayments                                    |      | 357,086                 | 304,636                             | 298,427                             |
| Tax refund receivable  |      | 3,994                   | 8,661                               | 12,342                              |
| Deposit, cash and bank balances  |      | 217,583                 | 252,080                             | 197,118                             |
|  |      | <u>636,248</u>          | <u>612,443</u>                      | <u>549,502</u>                      |
| Non-current assets held for sale   |      | 3,590                   | 94,291                              | 105,974                             |
|  |      | <u>639,838</u>          | <u>706,734</u>                      | <u>655,476</u>                      |
| <b>Total assets</b>  |      | <u><u>2,271,152</u></u> | <u><u>1,959,264</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  | A8   | 323,091                 | 292,492                             | 279,954                             |
| Reserves   |      | 744,206                 | 600,485                             | 488,716                             |
|  |      | <u>1,067,297</u>        | <u>892,977</u>                      | <u>768,670</u>                      |
| Less: Treasury Shares  |      | (23)                    | (23)                                | (23)                                |
| <b>Total equity attributable to shareholders of the Company</b>          |      | <u>1,067,274</u>        | <u>892,954</u>                      | <u>768,647</u>                      |
| <b>Minority interest</b>   |      | <u>65,505</u>           | <u>103,898</u>                      | <u>94,741</u>                       |
| <b>Total equity</b>  |      | <u><u>1,132,779</u></u> | <u><u>996,852</u></u>               | <u><u>863,388</u></u>               |
| <b>LIABILITIES</b>   |      |                         |                                     |                                     |
| <b>Non-current liabilities</b>   |      |                         |                                     |                                     |
| Borrowings   | B7   | 379,486                 | 302,480                             | 36,747                              |
| Deposits   |      | 15,687                  | 14,785                              | 13,782                              |
| Deferred tax liabilities   |      | 43,679                  | 47,413                              | 41,204                              |
|  |      | <u>438,852</u>          | <u>364,678</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 DECEMBER 2012**

|  | <u>Note</u> | <u>31.12.2012</u> | <u>Audited</u><br><u>31.12.2011</u> | <u>Audited</u><br><u>01.01.2011</u> |
|--|-------------|-------------------|-------------------------------------|-------------------------------------|
|  |             | RM'000            | RM'000                              | RM'000                              |
| <b>Current liabilities</b>   |             |                   |                                     |                                     |
| Payables   |             | 359,837           | 335,229                             | 308,107                             |
| Borrowings   | B7          |                   |                                     |                                     |
| - bank overdrafts  |             | 1,045             | 1,141                               | 18                                  |
| - others   |             | 210,307           | 139,850                             | 362,658                             |
| Current tax liabilities  |             | 9,959             | 8,552                               | 3,318                               |
| Deferred revenue   |             | 102,219           | 98,339                              | 36,144                              |
| Dividend Payable   |             | 16,154            | 14,623                              | 14,673                              |
|  |             | <hr/>             | <hr/>                               | <hr/>                               |
|  |             | 699,521           | 597,734                             | 724,918                             |
|  |             | <hr/>             | <hr/>                               | <hr/>                               |
| <b>Total liabilities</b>   |             | 1,138,373         | 962,412                             | 816,651                             |
|  |             | <hr/>             | <hr/>                               | <hr/>                               |
| <b>Total equity and liabilities</b>  |             | 2,271,152         | 1,959,264                           | 1,680,039                           |
|  |             | <hr/>             | <hr/>                               | <hr/>                               |
| <b>Net assets per share attributable to Ordinary equity holders of the parent (RM)</b> |             |                   |                                     |                                     |
| - at par value RM0.50  |             | 1.75              | 1.70                                | 1.54                                |

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## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

|   | Attributable to shareholders of the Company                |                            |                            |                              |                             |                               |                                 |                                  |                                |                 |                      |                 |
|---|--|----------------------------|----------------------------|------------------------------|-----------------------------|-------------------------------|---------------------------------|----------------------------------|--------------------------------|-----------------|----------------------|-----------------|
|   | Issued and fully<br>paid ordinary shares<br>of RM0.50 each |                            |                            |                              |                             |                               | Non-distributable               |                                  | Distributable                  |                 | Minority<br>Interest | Total<br>equity |
|   | Number of<br>shares<br>'000                                | Nominal<br>value<br>RM'000 | Share<br>premium<br>RM'000 | Treasury<br>shares<br>RM'000 | Merger<br>reserve<br>RM'000 | Exchange<br>reserve<br>RM'000 | Fair Value<br>reserve<br>RM'000 | Revaluation<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000 |                      |                 |
| At 1 January 2012                                   | 584,985  | 292,492                    | 73,852                     | (23)                         | (3,367)                     | (995)                         | 0                               | 45,215                           | 485,780                        | 892,954         | 103,898              | 996,852         |
| Total comprehensive income<br>for the period        | 0  | 0                          | 0                          | 0                            | 0                           | 1,055                         | 0                               | 6,706                            | 139,079                        | 146,840         | 8,898                | 155,738         |
| Acquisition of minority interest                    | 0  | 0                          | 0                          | 0                            | 0                           | 0                             | 0                               | 0                                | 0                              | 0               | (47,291)             | (47,291)        |
| Issue of shares:<br>- exercise of share warrants    | 61,197   | 30,599                     | 73,436                     | 0                            | 0                           | 0                             | 0                               | 0                                | 0                              | 104,035         | 0                    | 104,035         |
| Dividend in respect of the<br>financial year ended: |  |                            |                            |                              |                             |                               |                                 |                                  |                                |                 |                      |                 |
| - 31 December 2011<br>(4th Interim)                 | 0  | 0                          | 0                          | 0                            | 0                           | 0                             | 0                               | 0                                | (28,835)                       | (28,835)        | 0                    | (28,835)        |
| - 31 December 2012<br>(1st Interim)                 | 0  | 0                          | 0                          | 0                            | 0                           | 0                             | 0                               | 0                                | (15,619)                       | (15,619)        | 0                    | (15,619)        |
| (2nd Interim)                                       | 0  | 0                          | 0                          | 0                            | 0                           | 0                             | 0                               | 0                                | (15,947)                       | (15,947)        | 0                    | (15,947)        |
| (3rd Interim)                                       | 0  | 0                          | 0                          | 0                            | 0                           | 0                             | 0                               | 0                                | (16,154)                       | (16,154)        | 0                    | (16,154)        |
|   | 0  | 0                          | 0                          | 0                            | 0                           | 0                             | 0                               | 0                                | (76,555)                       | (76,555)        | 0                    | (76,555)        |
| At 31 December 2012                                 | 646,182  | 323,091                    | 147,288                    | (23)                         | (3,367)                     | 60                            | 0                               | 51,921                           | 548,304                        | 1,067,274       | 65,505               | 1,132,779       |

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## KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

AUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

|   | 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                                     | Nominal value | Share premium | Treasury shares | Merger reserve | Exchange reserve | Fair value reserve | Revaluation reserve | Retained earnings | Total    |                   |              |
| '000  | RM'000   | RM'000        | RM'000        | RM'000          | RM'000         | RM'000           | RM'000             | RM'000              | RM'000            | RM'000   | 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              | 300              | (172)              | 1,284               | 143,670           | 145,082  | 7,624             | 152,706      |
| Realisation of reserve                          | 0  | 0             | 0             | 0               | 0              | 0                | 0                  | (12,179)            | 12,179            | 0        | 0                 | 0            |
| Acquisition of subsidiaries                     | 0  | 0             | 0             | 0               | 0              | 0                | 0                  | 0                   | 0                 | 0        | 1,533             | 1,533        |
| Issue of shares:                                |  |               |               |                 |                |                  |                    |                     |                   |          |                   |              |
| - exercise of share warrants                    | 25,077   | 12,538        | 30,093        | 0               | 0              | 0                | 0                  | 0                   | 0                 | 42,631   | 0                 | 42,631       |
| Dividend in respect of the financial year ended |  |               |               |                 |                |                  |                    |                     |                   |          |                   |              |
| - 31 December 2010 (4th Interim)                | 0  | 0             | 0             | 0               | 0              | 0                | 0                  | 0                   | (21,218)          | (21,218) | 0                 | (21,218)     |
| - 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                   | (14,494)          | (14,494) | 0                 | (14,494)     |
| (3rd Interim)                                   | 0  | 0             | 0             | 0               | 0              | 0                | 0                  | 0                   | (14,623)          | (14,623) | 0                 | (14,623)     |
|   | 0  | 0             | 0             | 0               | 0              | 0                | 0                  | 0                   | (63,406)          | (63,406) | 0                 | (63,406)     |
| At 31 December 2011                             | 584,985  | 292,492       | 73,852        | (23)            | (3,367)        | (995)            | 0                  | 45,215              | 485,780           | 892,954  | 103,898           | 996,852      |

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

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

|   | <u>12 months ended</u> |                |
|---|------------------------|----------------|
|   | <u>31.12.2012</u>      | <u>Audited</u> |
|   | RM'000                 | 31.12.2011     |
|   |                        | RM'000         |
| <b>OPERATING ACTIVITIES</b>   |                        |                |
| Profit for the financial year attributable to equity holders of the Company | 195,243                | 204,597        |
| Adjustments for:  |                        |                |
| Associated companies  | (43,582)               | (54,825)       |
| Interest income   | (10,537)               | (10,295)       |
| Interest expenses   | 21,098                 | 19,379         |
| Accretion of interest   | 0                      | 309            |
| Bad debts recovered   | (460)                  | (393)          |
| Provision for impairment of trade receivables                               | 5,227                  | 2,285          |
| Bad debts written off   | 0                      | 871            |
| Loss/(Gain) on disposal of non-current assets held for sale                 | 1,112                  | (1,321)        |
| Gain on fair value of investment properties                                 | (1,283)                | (1,413)        |
| Property, plant and equipment   |                        |                |
| - depreciation  | 78,051                 | 69,612         |
| - written off   | 0                      | 655            |
| - loss on disposals   | 806                    | 320            |
| - revaluation surplus   | 0                      | (1,877)        |
| Inventories written off   | 0                      | 644            |
| Amortisation of deferred consultancy expenses                               | 0                      | (305)          |
| Operating profit before changes in working capital                          | <u>245,675</u>         | <u>228,243</u> |
| Changes in working capital:   |                        |                |
| Inventories   | 10,519                 | (6,095)        |
| Receivables   | (52,450)               | (8,972)        |
| Payables  | (75,977)               | 44,569         |
| Cash from operations  | <u>127,767</u>         | <u>257,745</u> |
| Long term deposit   | 902                    | 999            |
| Interest paid   | (21,098)               | (19,379)       |
| Zakat paid  | (1,300)                | (1,269)        |
| Income tax refund   | 3,278                  | 4,838          |
| Income tax paid   | (41,024)               | (37,850)       |
| Net cash from operating activities  | <u>68,525</u>          | <u>205,084</u> |



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**KPJ HEALTHCARE BERHAD**  
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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012 (CONTINUED)**

|  | <u>12 months ended</u> |                   |
|--|------------------------|-------------------|
|  | <u>31.12.2012</u>      | <u>31.12.2011</u> |
|  | RM'000                 | RM'000            |
| <b>INVESTING ACTIVITIES</b>                                    |                        |                   |
| Purchase of property, plant and equipment                      | (284,011)              | (138,792)         |
| Purchase of non-current assets held for sale                   | 0                      | (37,149)          |
| Proceeds from disposal of property, plant and equipment        | 5,373                  | 2,256             |
| Proceeds from disposal of non-current assets held for sale     | 32,942                 | 50,270            |
| Acquisition of subsidiaries, net of cash acquired              | (9,345)                | (36,068)          |
| Additional investment in subsidiary and associates company     | (109,356)              | (26,000)          |
| Proceeds from disposal of shares in associate                  | 47,992                 | 26,465            |
| Interest received  | 10,537                 | 10,295            |
|  | <u>(305,868)</u>       | <u>(148,723)</u>  |
| <b>FINANCING ACTIVITIES</b>                                    |                        |                   |
| Issuance of shares   |                        |                   |
| - exercise of share warrants                                   | 104,035                | 42,631            |
| Bank borrowings  |                        |                   |
| - drawdown   | 172,900                | 32,498            |
| - repayment  | (13,592)               | (15,415)          |
| Dividend paid to shareholders                                  | (60,401)               | (63,456)          |
|  | <u>202,942</u>         | <u>(3,742)</u>    |
| NET CHANGES IN CASH AND CASH EQUIVALENTS                       | (34,401)               | 52,619            |
| CURRENCY TRANSLATION DIFFERENCES                               | 0                      | 1,220             |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | <u>250,939</u>         | <u>197,100</u>    |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       | <u>216,538</u>         | <u>250,939</u>    |
| <b>DEPOSITS, CASH AND BANK BALANCES</b>                        |                        |                   |
| Deposits with licensed banks                                   | 73,080                 | 89,287            |
| less: Deposits pledged   | (5,299)                | (5,299)           |
| Cash and bank balances   | 149,802                | 168,092           |
|  | <u>217,583</u>         | <u>252,080</u>    |
| Bank overdraft   | (1,045)                | (1,141)           |
| CASH AND CASH EQUIVALENTS                                      | <u>216,538</u>         | <u>250,939</u>    |

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

**A1 BASIS OF PREPARATION**

These condensed consolidated interim financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and the Companies Act, 1965 in Malaysia. The financial statements comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

For periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). The impact of the transition from FRS to MFRS is described in Note A2.

The financial statements of the Group and the Company have been prepared on the historical cost basis, unless otherwise disclosed in significant accounting policies.

The financial statements of the Group are presented in Ringgit Malaysia ("RM").

**A2 FIRST – TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")**

These financial statements, for the year ended 31 December 2012, are the first the Group has prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). For periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

Accordingly, the Group has prepared financial statements which comply with MFRS applicable for annual periods ending on or after 31 December 2012, together with the comparative period data as at and for the year ended 31 December 2011, as described in the summary of significant accounting policies.

The MFRS are effective for the Group from 1 January 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant financial statements is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS.

The significant accounting policies adopted in preparing these financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

**a. Business combination**

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

*Acquisition before date of transition*

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

**b. Leases**

The Group has applied the transitional provision in IC Interpretation 4 Determining whether an Arrangement Contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition.

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**A2 FIRST – TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”)  
(continued)**

**c. Estimates**

The estimates at 1 January 2011 and at 31 December 2011 are consistent with those made for the same dates in accordance with FRS (after adjustments to reflect any differences in accounting policies). The estimates used by the Group and Company to present these amount in accordance with MFRS reflect conditions as at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

Adoption of MFRS framework does not have any impact on the financial position as at 1 January 2011 and 31 December 2011, financial performance and cash flows of the Group and of the Company for the year ended 31 December 2011.

**A3 MFRS AND AMENDMENTS TO MFRS ISSUED BUT NOT YET EFFECTIVE**

At the date of authorisation of the audited financial statements, the following applicable MFRS and Amendments to MFRS were issued but not yet effective and have not been applied by the Group:

| <b>MFRS and Amendments to MFRS</b>  | <b>Effective for annual periods<br/>beginning on or after</b> |
|---|---|
| MFRS 10 Consolidated Financial Statements   | 1 January 2013  |
| MFRS 11 Joint Arrangements  | 1 January 2013  |
| MFRS 12 Disclosure of Interests in Other Entities   | 1 January 2013  |
| MFRS 13 Fair Value Measurement  | 1 January 2013  |
| MFRS 119 Employee Benefits  | 1 January 2013  |
| MFRS 127 Separate Financial Statements  | 1 January 2013  |
| MFRS 128 Investments in Associates and Joint Ventures                                     | 1 January 2013  |
| MFRS 9 Financial Instruments (IFRS 9 issued by IASB<br>in November 2009 and October 2010) | 1 January 2015  |
| Amendments<br>to MFRS 101 Presentation of Items of Other Comprehensive Income             | 1 July 2012   |
| Amendments<br>to MFRS 7 Disclosures-Offsetting Financial Assets and Financial Liabilities | 1 January 2013  |
| Amendments<br>to MFRS 132 Offsetting Financial Assets and Financial Liabilities           | 1 January 2014  |

The adoption of the above standards and interpretations will not have any significant effect on the financial performance and position of the Group.

**A4 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

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

**A5 SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

**A6 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.

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**A7 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.

**A8 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 Corporate 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>31.12.2012</u>       | <u>31.12.2012</u> |
|---|-------------------------|-------------------|
|   | Number of shares ('000) | RM'000            |
| <u>Ordinary shares of RM0.50 each</u>                           |                         |                   |
| At start of the financial period                                | 584,985                 | 292,492           |
| Issued during the financial period                              |                         |                   |
| - exercise of Free Warrants (1 free warrant for every 4 shares) | 61,197                  | 30,599            |
|   | <u>646,182</u>          | <u>323,091</u>    |
| At end of financial period                                      | <u>646,182</u>          | <u>323,091</u>    |

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

**i. Share Buy-back**

On 25 June 2012, 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.

On 11 January 2013, the Company bought back from the open market 60,000 unit of KPJ Healthcare Berhad shares, listed on the Main Market of Bursa Malaysia Securities Berhad, at an average buy-back price of RM5.66 per share.

**A9 DIVIDENDS PAID**

For the financial year ended 31 December 2011, the Directors declared a fourth interim single tier dividend of 4.70 cents per share on 613,520,412 ordinary shares amounting to RM28,835,459. The dividend was fully paid on 12 April 2012.

There were no final dividends declared for the financial year ended 31 December 2011.

For the financial year ended 31 December 2012, the Directors declared the following:

1. First interim single tier dividend of 2.50 cents per share on 624,774,912 ordinary shares amounting to RM15,619,374. The dividend was fully paid on 12 July 2012.
2. Second interim single tier dividend of 2.50 cents per share on 637,871,224 ordinary shares amounting to RM15,946,780. The dividend was fully paid on 5 October 2012.
3. Third interim single tier dividend of 2.50 cents per share on 646,171,586 ordinary shares amounting to RM16,154,289. The dividend was fully paid on 15 January 2013.

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## A10 SEGMENT REPORTING

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

The Group principally operates in one main business segment namely the operating of specialist hospitals. Other operations of the Group mainly comprise of the provision of hospital management services, pathology and laboratory services, marketing and distribution of pharmaceutical, medical and surgical products and operating a healthcare university.

|                              | HOSPITALS            |                       | AGED CARE FACILITY    | SUPPORT SERVICES | GROUP            |
|------------------------------|----------------------|-----------------------|-----------------------|------------------|------------------|
|                              | Malaysia<br>(RM'000) | Indonesia<br>(RM'000) | Australia<br>(RM'000) | (RM'000)         | (RM'000)         |
| Revenue                      | 1,909,956            | 22,134                | 30,783                | 684,787          | 2,647,660        |
| Intersegment revenue         | 0                    | 0                     | 0                     | (535,639)        | (535,639)        |
| External revenue             | <u>1,909,956</u>     | <u>22,134</u>         | <u>30,783</u>         | <u>149,148</u>   | <u>2,112,021</u> |
| Profit/(loss) for the period | 124,619              | (10,113)              | (5,006)               | 38,477           | 147,977          |

|                              | HOSPITALS            |                       | AGED CARE FACILITY    | SUPPORT SERVICES | GROUP            |
|------------------------------|----------------------|-----------------------|-----------------------|------------------|------------------|
|                              | Malaysia<br>(RM'000) | Indonesia<br>(RM'000) | Australia<br>(RM'000) | (RM'000)         | (RM'000)         |
| Revenue                      | 1,718,453            | 11,541                | 6,609                 | 636,028          | 2,372,631        |
| Intersegment revenue         | 0                    | 0                     | 0                     | (463,638)        | (463,638)        |
| External revenue             | <u>1,718,453</u>     | <u>11,541</u>         | <u>6,609</u>          | <u>172,390</u>   | <u>1,908,993</u> |
| Profit/(loss) for the period | 118,256              | (10,348)              | (241)                 | 46,592           | 154,259          |

## KPJ HEALTHCARE BERHAD

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### A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2012

#### A11 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The freehold land, long leasehold land and buildings were re-valued 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.

#### A12 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the financial period ended 31 December 2012 that has not been reflected in the interim financial reports except as stated in note B6.

#### A13 CHANGES IN THE COMPOSITION OF THE GROUP

- 1) On 27<sup>th</sup> February 2012, Johor Corporation ("JCorp"), a major shareholder of KPJ Healthcare Berhad ("KPJHB"), offered to sell its entire holding in PT Khidmat Perawatan Jasa Medika ("PT KPJ Medika") of 16,000 ordinary shares of Rp1,000,000 each or equivalent to 80% equity in PT KPJ Medika ("Offer") for a total cash consideration of RM15,840,000. Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") had then, via a letter dated 23<sup>rd</sup> March 2012, accepted the Offer ("Acceptance").

On 9<sup>th</sup> July 2012, KPJSB has entered into a conditional Sale of Shares Agreement ("SSA") with JCorp in relation to the Proposed Acquisition.

The proposed acquisition is expected to be completed in first (1<sup>st</sup>) quarter of 2013.

- 2) On 12<sup>th</sup> September 2012, Ipoh Specialist Hospital Sdn Bhd ("ISH"), a subsidiary of KPJ Healthcare Bhd ("KPJHB"), proposed to acquire 100% equity interest in Sri Manjung Specialist Centre Sdn Bhd ("SMSC") equivalent to the total of 900,000 ordinary share of RM1.00 each for a total cash consideration of RM14,250,000.

The proposed acquisition is expected to be completed in first (1<sup>st</sup>) quarter of 2013.

- 3) On 23<sup>rd</sup> November 2012, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a subsidiary of KPJ Healthcare Bhd ("KPJHB"), proposed to acquire 23.37% equity interest in Vejthani Public Company Limited ("VPCL") equivalent to the total of 8,000,000 preference shares of THB10.00 each for a total cash consideration of THB605,615,991 equivalent to RM60,529,200.

The proposed acquisition was completed on 23<sup>rd</sup> November 2012.

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#### A14 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 2011.

#### A15 CAPITAL COMMITMENT

Capital expenditures not provided for in the interim financial report as at 31 December 2012 are as follows:

|                                     | RM'000      |
|-------------------------------------|-------------|
| Approved and contracted             | 197,728     |
| Approved but not contracted         | 170,786     |
|                                     | <hr/>       |
|                                     | 368,514     |
|                                     | <hr/> <hr/> |
| Analysed as follows:                |             |
| Prepaid leases (leasehold land)     | 10,431      |
| Building                            | 220,885     |
| Medical equipment                   | 59,188      |
| Other property, plant and equipment | 78,010      |
|                                     | <hr/>       |
|                                     | 368,514     |
|                                     | <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 2012

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

The profit before taxation for the current quarter of RM44.7 million is 36.1% less than of corresponding quarter in 2011, due to recognition of accumulated fair value adjustments in relation to investment properties of an associate, Al-'Aqar Healthcare REIT, amounting to RM25.9 million was included in the profit before taxation in the corresponding quarter in 2011 of RM69.9 million.

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

##### a. Current financial period compared to last financial period (twelve months)

The Group recorded a revenue of RM2,112.0 million for 12 months ended 31 December 2012 with an increase of 10.6% from RM1,909.0 million as reported for 2011. The higher revenue for the period is mainly due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

##### Malaysia

The Malaysian segment revenue for 12 months ended 31 December 2012 has increased by 11.1% to RM1,910.0 million compared with RM1,718.5 million as reported in 2011. The higher revenue reported is due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

##### Indonesia

The Indonesian segment revenue of RM22.1 million for 12 months ended 31 December 2012 is 92.2% higher than the revenue reported in 2011 of RM11.5 million. The increase in revenue from this segment is due to the increase in number of patients during the period.

##### Aged Care Facility

The Aged Care Facility segment revenue for 12 months ended 31 December 2012 is RM30.8 million, 366.7% higher than the revenue reported in 2011 of RM6.6 million. However, in last financial year, Jeta Gardens Waterford Trust only reported one month revenue as it was acquired on 30 November 2011.

##### Support Services

The revenue from Support Services segment of RM684.8 million for 12 months ended 31 December 2012 is 7.7% higher, compared to revenue from the same period in 2011 of RM636.0 million. Marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services contributed to the revenue growth of this segment, which has increased in line with the increase in revenue of the hospitals within the Group.

##### b. Current quarter compared with the corresponding quarter of the preceding year (three months)

The Group recorded a revenue of RM526.5 million for the 3 months ended 31 December 2012, an increase of 0.4% from RM524.3 million which was reported in 2011. The higher revenue for the period is due to the increase in revenue of the hospitals in the Group.



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#### 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)

##### Malaysia

The Malaysia segment revenue for the current quarter has increased by 2.0% to RM473.7 million compared to RM464.4 million reported for the 3 months ended 31 December 2011. The higher revenue reported is due to the increase in the revenue of the hospitals in the Group.

##### Indonesia

The Indonesian segment revenue of RM5.81 million for the 3 months ended 31 December 2012 is 47.1% higher than the revenue reported for the 3 months ended 31 December 2011 of RM3.95 million. The increase in revenue from this segment is due to the increase in number of patients during the period.

##### Aged Care Facility

The Aged Care Facility segment revenue of RM10.4 million for the 3 months ended 31 December 2012 is 57.6% higher than the revenue reported for the 3 months ended 31 December 2011 of RM6.6 million. However, in last financial year, Jeta Gardens Waterford Trust only reported one month revenue as it was acquired on 30 November 2011.

##### Support Services

The revenue from Support Services segment of RM291.0 million for the 3 months ended 31 December 2012 is 0.7% higher than the revenue reported in the same period in 2011 of RM289.0 million. Marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services contributed to the revenue growth of this segment, which has increased in line with the increase in revenue of the hospitals within the Group.

#### B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM44.7 million decreased by 6.7% as compared to the preceding quarter of RM47.9 million. Profit from hospital operations was lower as compared to preceding quarter due to the losses contributed by the newly open hospitals in the Group.

#### B3 CURRENT YEAR PROSPECTS

The healthcare industry is expected to enjoy continued growth in this current year. This is mainly due to the nation's growing middle income population which triggers higher demand for healthcare services.

The Group will continue to strengthen its presence in Malaysia and Asia by continually building its capacity through the expansion of existing hospitals as well as building new hospitals; namely KPJ Sabah Specialist Hospital, Pasir Gudang Specialist Hospital and Maharani Specialist Hospital which are expected to start operations in 2013.

The expansion of existing hospitals will have a positive impact to the Group results for 2013, however this will be moderated by the new greenfield hospitals where each of this hospital will have an average gestation period between three to five years.

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**B4 PROFIT FORECAST / GUARANTEE**

The Company is not subject 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>31.12.2012</u>     | <u>31.12.2011</u> | <u>31.12.2012</u>      | <u>31.12.2011</u> |
|          |                       | <u>Restated</u>   |                        | <u>Audited</u>    |
|          | RM'000                | RM'000            | RM'000                 | RM'000            |
| Taxation | 10,570                | 17,438            | 45,946                 | 49,038            |

The effective tax rate of the Group for the period ended 31 December 2012 is lower than the statutory tax rate due to recognition of previously unrecognised tax losses of subsidiaries.

**B6 STATUS OF CORPORATE PROPOSALS**

a) Free Warrants

On 15 January 2010, the Company has granted 131,906,484 units of 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 with 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<br/>shares</u><br>'000 |
|--|-------------------------------------|
| Issued on 15.01.2010                           | 131,907                             |
| Exercised in Financial Year Ended 2010         | (32,281)                            |
| Balance not exercised as at 01.01.2011         | 99,626                              |
| Exercised in Financial Year Ended 2011         | (25,077)                            |
| Balance not exercised as at 01.01.2012         | 74,549                              |
| Exercised in Financial Period Ended 31.12.2012 | (61,197)                            |
| Balance not exercised as at 01.01.2013         | 13,352                              |

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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 2012

#### B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

b) Proposed Acquisition by Pahang Specialist Hospital Sdn Bhd ("PSHSB") of a leasehold land

On 22<sup>nd</sup> June 2011, Pahang Specialist Hospital Sdn Bhd ("PSHSB"), a wholly-owned subsidiary of Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), proposed 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 in the first (1<sup>st</sup>) quarter of 2013.

c) Proposed Acquisition by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") of 80% equity interest in PT Khidmat Perawatan Jasa Medika ("PT KPJ Medika")

On 23<sup>rd</sup> March 2012, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly-owned subsidiary of KPJ Healthcare Berhad ("KPJHB"), accepted the offer from Johor Corporation to acquire of up to 80% equity interest in PT Khidmat Perawatan Jasa Medika ("PT KPJ Medika") for a total cash consideration of RM15,840,000.

On 9<sup>th</sup> July 2012, KPJSB has entered into a conditional Sale of Shares Agreement ("SSA") with Johor Corporation ("JCorp") in relation to the Proposed Acquisition.

The proposed acquisition is expected to be completed in the first (1<sup>st</sup>) quarter of 2013.

d) Proposed Acquisition Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") of land at Mukim Tebrau, Johor Bahru.

On 16<sup>th</sup> May 2012, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a wholly owned subsidiary of KPJ Healthcare Berhad ("KPJHB"), proposed to acquire a parcel of vacant commercial land held under H.S (D) 501209, Lot no. PTD 163189, Mukim of Tebrau, district of Johor Bahru, Johor Darul Takzim, from Johor Land Berhad ("JLB" or "Vendor"), a subsidiary of Johor Corporation ("JCorp" or "Registered Owner"), for a total cash consideration of RM45,000,000.

The proposed acquisition was completed on 14<sup>th</sup> December 2012.

e) Proposed Acquisition by Pharmaserv Alliances Sdn Bhd ("PASB") of a 3 Storey Office Building together with a Single Storey Warehouse.

On 1<sup>st</sup> June 2012, Pharmaserv Alliances Sdn Bhd ("PASB"), a wholly owned subsidiary of Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), proposed to acquire a 3 Storey Office Building together with a Single Storey Warehouse from Lewre International Sdn Bhd ("LEWRE") for a total purchase consideration of RM14,200,000.

The proposed acquisition was completed on 16<sup>th</sup> January 2013.

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#### B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

- f) Proposed Disposal by Puteri Specialist Hospital (Johor) Sdn Bhd ("PSH") of two (2) pieces of land

On 8<sup>th</sup> August 2012, Puteri Specialist Hospital (Johor) Sdn Bhd ("PSH"), a subsidiary of KPJ Healthcare Bhd ("KPJHB"), proposed to dispose two (2) pieces of lands, both situated in the town of Johor Bahru, District of Johor Bahru, State of Johor to Al-'Aqar Healthcare REIT ("Al-'Aqar") for a total consideration of RM3,590,000 to be fully satisfied in cash.

The proposed disposal is expected to be completed in the second (2<sup>nd</sup>) quarter of 2013.

- g) Proposed Acquisition by Ipoh Specialist Hospital Sdn Bhd ("ISH") of 100% equity interest in Sri Manjung Specialist Centre ("SMSC")

On 12<sup>th</sup> September 2012, Ipoh Specialist Hospital Sdn Bhd ("ISH"), a subsidiary of KPJ Healthcare Bhd ("KPJHB"), proposed to acquire 100% equity interest in Sri Manjung Specialist Centre Sdn Bhd ("SMSC") equivalent to the total of 900,000 ordinary share of RM1.00 each for a total cash consideration of RM14,250,000.

The proposed acquisition is expected to be completed in the first (1<sup>st</sup>) quarter of 2013.

- h) Proposed Acquisition by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB") of 23.37% equity interest in Vejthani Public Company Limited ("VPCL")

On 23<sup>rd</sup> November 2012, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), a subsidiary of KPJ Healthcare Bhd ("KPJHB"), proposed to acquire 23.37% equity interest in Vejthani Public Company Limited ("VPCL") equivalent to the total of 8,000,000 preference shares of THB10.00 each for a total cash consideration of THB605,615,991 equivalent to RM60,529,200.

The proposed acquisition was completed on 23<sup>rd</sup> November 2012.

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**B7 BORROWINGS**

Details of the Group's borrowings as at 31 December 2012 are as follows:

|                                      | <u>31.12.2012</u><br>RM'000 | <u>Audited</u><br><u>31.12.2011</u><br>RM'000 |
|--------------------------------------|-----------------------------|---|
| <u>Current</u>                       |                             |   |
| Term loans:                          |                             |   |
| - Islamic (secured)                  | 17,528                      | 10,261  |
| - Conventional (secured)             | 8,196                       | 5,477   |
| Revolving Credit:                    |                             |   |
| - Islamic (unsecured)                | 120,000                     | 65,000  |
| - Conventional (unsecured)           | 55,900                      | 53,000  |
| Hire Purchase and lease liabilities: |                             |   |
| - Islamic (secured)                  | 1,975                       | 845   |
| - Conventional (secured)             | 6,708                       | 5,267   |
| Bank overdrafts                      |                             |   |
| - Conventional (unsecured)           | 1,045                       | 1,141   |
|                                      | <u>211,352</u>              | <u>140,991</u>                                |
| <u>Non current</u>                   |                             |   |
| Islamic Commercial papers (secured)  | 349,000                     | 249,000                                       |
| Term loans:                          |                             |   |
| - Islamic (secured)                  | 2,360                       | 9,614   |
| - Conventional (secured)             | 10,449                      | 35,234  |
| Hire Purchase and lease liabilities: |                             |   |
| - Islamic (secured)                  | 13,144                      | 2,577   |
| - Conventional (secured)             | 4,533                       | 6,055   |
|                                      | <u>379,486</u>              | <u>302,480</u>                                |
| Grand total                          | <u><u>590,838</u></u>       | <u><u>443,471</u></u>                         |

**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 were no pending material litigations.

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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 2012**

**B10 DIVIDENDS**

In respect of the financial year ended 31 December 2011:

On 27 February 2012, the Directors declared fourth interim single tier dividend of 4.70 cents per share on 613,520,412 ordinary shares amounting to RM28,835,459. The dividend was fully paid on 12 April 2012. Total dividend paid for financial year ended 31 December 2011 was 12.10 cents per share amounting to RM71,023,463. There was no final dividend declared.

In respect of the financial year ended 31 December 2012:

On 31 May 2012, the Directors declared first interim single tier dividend of 2.50 cents per share on 624,774,912 ordinary shares amounting to RM15,619,374. The dividend was fully paid on 12 July 2012.

On 16 August 2012, the Directors declared second interim single tier dividend of 2.50 cents per share on 637,871,224 ordinary shares amounting to RM15,946,780. The dividend was fully paid on 5 October 2012.

On 28 November 2012, the Directors declared third interim single tier dividend of 2.50 cents per share on 646,171,586 ordinary shares amounting to RM16,154,289. The dividend was fully paid on 15 January 2013.

**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>31.12.2012</u>      | <u>31.12.2011</u> |
|  |                        | <u>Audited</u>    |
| Profit for the financial year attributable to Equity Holders of the Company (RM'000) | 139,079                | 143,670           |
| Weighted average number of ordinary shares in issue ('000)                           | 584,893                | 546,128           |
| Basic earnings per share (sen)   |                        |                   |
| - at par value RM0.50  | <u>23.78</u>           | <u>26.31</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.

Company No.

|        |   |
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| 247079 | M |
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**B11 EARNINGS PER SHARE (CONTINUED)**

(b) Diluted (continued)

|  | <u>12 months ended</u> |                   |
|--|------------------------|-------------------|
|  | <u>31.12.2012</u>      | <u>31.12.2011</u> |
|  |                        | <u>Audited</u>    |
| Profit for the financial year attributable to Equity Holders of the Company (RM'000) | 139,079                | 143,670           |
| Weighted average number of ordinary shares in issue ('000)                           | 584,893                | 546,128           |
| Adjusted weighted average number of issued and issuable ordinary shares ('000)       | 81,144                 | 69,503            |
| Basic earnings per share (sen)   |                        |                   |
| - at par value RM0.50  | <u>20.88</u>           | <u>23.34</u>      |

**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.

|   | <u>As at</u><br><u>31.12.2012</u> | <u>As at</u><br><u>31.12.2011</u> |
|---|-----------------------------------|-----------------------------------|
|   | RM'000                            | <u>Audited</u><br>RM'000          |
| Total retained profits of the Company and its subsidiaries            |                                   |                                   |
| - Realised gains  | 574,105                           | 498,907                           |
| - Unrealised gains  | <u>(30,880)</u>                   | <u>(25,088)</u>                   |
|   | 543,225                           | 473,819                           |
| Total share of retained profits from associates                       |                                   |                                   |
| - Realised gains  | 32,068                            | 50,197                            |
| - Unrealised gains  | <u>(2,922)</u>                    | <u>(26,981)</u>                   |
|   | 572,371                           | 497,035                           |
| Less: Consolidation adjustments                                       | <u>(24,067)</u>                   | <u>(11,255)</u>                   |
| Total group retained profits as per consolidated financial statements | <u>548,304</u>                    | <u>485,780</u>                    |

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|        |   |
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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 2012**

**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 3<sup>rd</sup> 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>31.12.2012</u><br>RM'000 | <u>31.12.2011</u><br>RM'000 | <u>31.12.2012</u><br>RM'000 | <u>31.12.2011</u><br>RM'000 |
| (a) Finance income                 | 3,712                       | 6,227                       | 10,537                      | 10,295                      |
| (b) Other operating income         |                             |                             |                             |                             |
| including investment income        | 15,862                      | 1,681                       | 30,434                      | 11,957                      |
| (c) Interest expense               | 4,489                       | 4,403                       | 25,628                      | 19,688                      |
| (d) Depreciation and amortization  |                             |                             |                             |                             |
| -Depreciation                      | 20,925                      | 17,054                      | 78,051                      | 69,612                      |
| -Loss on disposal                  | (375)                       | (224)                       | (806)                       | (320)                       |
| -Written off                       | -                           | 655                         | -                           | 655                         |
| -Revaluation deficit/(surplus)     | -                           | 1,877                       | -                           | 1,877                       |
| (e) Write off of receivable        | -                           | 871                         | -                           | 871                         |
| (f) Write off of inventories       | -                           | 644                         | -                           | 644                         |
| (g) Foreign exchange (loss) / gain | 1,167                       | (910)                       | 1,055                       | 300                         |

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