

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

31 DECEMBER 2015

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS

FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the three months ended 31 December 2015.

The interim report is prepared in accordance with MFRS134 "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 2014 and the accompanying explanatory notes attached to this report.

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended	3 months ended	12 months ended	12 months ended
		Restated	Restated	Audited	Audited
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	694,204	716,493	2,818,466	2,639,136
Cost of sales		(539,710)	(549,483)	(1,994,001)	(1,865,438)
Gross profit		154,494	167,010	824,465	773,698
Administration and Other operating expenses		(123,887)	(126,740)	(638,344)	(602,567)
Other income		14,154	17,636	32,217	36,413
Operating profit		49,764	57,906	218,338	207,544
Finance income		1,493	3,860	10,198	12,982
Finance cost		(13,632)	(4,508)	(61,954)	(42,857)
Finance costs – net		(12,139)	(648)	(51,756)	(29,875)
Associates - share of results		11,646	13,736	39,198	40,415
Profit before zakat and tax	B2	44,268	70,994	205,780	218,084
Zakat		(570)	(877)	(2,280)	(2,272)
Income tax expense	B5	(16,788)	(26,781)	(61,050)	(68,566)
Profit net of tax		26,910	43,336	142,450	147,246
Other comprehensive income		14,820	11,241	13,460	8,420
Total comprehensive income for the period		41,730	54,577	155,910	155,666

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (continued)**

	Note	<u>Individual Quarter</u> <u>3 months ended</u> <u>Restated</u>		<u>Cumulative Quarter</u> <u>12 months ended</u> <u>Audited</u>	
		<u>31.12.2015</u> RM'000	<u>31.12.2014</u> RM'000	<u>31.12.2015</u> RM'000	<u>31.12.2014</u> RM'000
Profit attributable to:					
Equity holders of the Company		24,583	49,940	132,628	143,030
Non-controlling interest		2,327	(6,604)	9,822	4,216
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net profit attributable to shareholders		<u>26,910</u>	<u>43,336</u>	<u>142,450</u>	<u>147,246</u>
Total comprehensive income attributable to:					
Equity holders of the Company		39,403	61,295	146,088	151,564
Non-controlling interest		2,327	(6,718)	9,822	4,102
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net profit attributable to shareholders		<u>41,730</u>	<u>54,577</u>	<u>155,910</u>	<u>155,666</u>
Dividend per share (sen)	A7	<u>1.75</u>	<u>2.00</u>	<u>7.85</u>	<u>4.90</u>
Earnings per share (sen)	B11				
- Basic					
- at par value of RM0.50		2.33	4.84	12.78	14.06
- Diluted					
- at par value of RM0.50		<u>1.54</u>	<u>4.85</u>	<u>12.48</u>	<u>14.04</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	<u>Note</u>	<u>31.12.2015</u>	<u>Audited</u> <u>31.12.2014</u>
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A9	1,815,892	1,461,201
Investment properties		277,922	267,750
Interest in associates		482,640	474,991
Available-for-sale financial assets		288	288
Intangible assets		253,571	243,662
Deferred tax assets		36,255	27,841
		<u>2,866,568</u>	<u>2,475,733</u>
Current assets			
Inventories		48,054	44,567
Receivables, deposits and prepayments		565,533	437,855
Tax recoverable		25,646	14,687
Deposit, cash and bank balances		426,206	305,276
		<u>1,065,439</u>	<u>802,385</u>
Non-current assets held for sale		-	57,886
		<u>1,065,439</u>	<u>860,271</u>
Total assets		<u><u>3,932,007</u></u>	<u><u>3,336,004</u></u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	A6	527,246	515,374
Reserves		975,330	798,763
		<u>1,502,576</u>	<u>1,314,137</u>
Less: Treasury shares		<u>(54,777)</u>	<u>(54,777)</u>
Total equity attributable to shareholders of the Company		<u>1,447,799</u>	<u>1,259,360</u>
Non-controlling interest		<u>99,602</u>	<u>89,780</u>
Total equity		<u>1,547,401</u>	<u>1,349,140</u>
LIABILITIES			
Non-current liabilities			
Borrowings	B7	1,194,373	335,467
Deposits		13,914	17,996
Deferred tax liabilities		75,847	42,673
Deferred revenue		-	55,712
Provision for retirement benefits		2,298	2,260
		<u>1,286,432</u>	<u>454,108</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015 (continued)**

	<u>31.12.2015</u> RM'000	<u>Audited</u> <u>31.12.2014</u> RM'000
Current liabilities		
Payables	625,461	565,158
Borrowings	B7	
- bank overdrafts	63	15,727
- others	353,249	900,194
Current tax liabilities	18,225	18,361
Deferred revenue	82,995	13,012
Dividends payable	18,181	20,304
	<u>1,098,174</u>	<u>1,532,756</u>
Total liabilities	<u>2,384,606</u>	<u>1,986,864</u>
Total equity and liabilities	<u>3,932,007</u>	<u>3,336,004</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)		
- at par value of RM0.50	<u>1.42</u>	<u>1.27</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Note	Attributable to owners of the Company												
	Issued and fully paid ordinary shares of RM0.50 each				Non-distributable					Distributable		Non-controlling interest	Total equity
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Warrant reserve RM'000	Esos reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2015	1,030,748	515,374	70,507	(54,777)	31,952	-	(3,367)	1,895	58,429	639,347	1,259,360	89,780	1,349,140
Total comprehensive income for the period	-	-	-	-	-	-	-	(5,625)	19,085	132,628	146,088	9,822	155,910
Issue of shares:													
- exercise of share warrants	2,864	1,432	2,972	-	(1,608)	-	-	-	-	-	2,796	-	2,796
Private placement	17,509	8,754	69,685	-	-	-	-	-	-	-	78,439	-	78,439
Exercised of employees share options	3,372	1,686	17,701	-	-	(3,406)	-	-	-	-	15,981	-	15,981
Grant of equity – settled share options to employees	-	-	-	-	-	26,540	-	-	-	-	26,540	-	26,540
Dividend in respect of the financial year ended:													
31 December 2014													
- 4th Interim	-	-	-	-	-	-	-	-	-	(26,906)	(26,906)	-	(26,906)
31 December 2015													
- 1st Interim	-	-	-	-	-	-	-	-	-	(18,147)	(18,147)	-	(18,147)
- 2nd Interim	-	-	-	-	-	-	-	-	-	(18,171)	(18,171)	-	(18,171)
- 3rd Interim	-	-	-	-	-	-	-	-	-	(18,181)	(18,181)	-	(18,181)
	-	-	-	-	-	-	-	-	-	(81,405)	(81,405)	-	(81,405)
At 31 December 2015	1,054,493	527,246	160,865	(54,777)	30,344	23,134	(3,367)	(3,730)	77,514	690,570	1,447,799	99,602	1,547,401

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

Note	Attributable to owners of the Company											
	Issued and fully paid ordinary shares of RM0.50 each		Non-distributable Distributable									
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Treasury shares RM'000	Warrant reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total equity RM'000
At 1 January 2014	981,910	490,955	-	(364)	-	(3,367)	1,403	50,387	546,622	1,085,636	84,981	1,170,617
Total comprehensive income for the period	-	-	-	-	-	-	492	8,042	143,030	151,564	4,102	155,666
Rights issue	43,637	21,819	68,414	-	31,952	-	-	-	-	122,185	-	122,185
Rights issue cost	-	-	(1,183)	-	-	-	-	-	-	(1,183)	-	(1,183)
Issue of shares:												
- exercise of share warrants	5,200	2,600	3,276	-	-	-	-	-	-	5,876	-	5,876
- shares bought back	-	-	-	(54,413)	-	-	-	-	-	(54,413)	-	(54,413)
Changes in ownership Interest in subsidiaries	-	-	-	-	-	-	-	-	(464)	(464)	697	233
Dividend in respect of the financial year ended: 31 December 2014												
- 1st Interim	-	-	-	-	-	-	-	-	(14,826)	(14,826)	-	(14,826)
- 2nd Interim	-	-	-	-	-	-	-	-	(14,712)	(14,712)	-	(14,712)
- 3rd Interim	-	-	-	-	-	-	-	-	(20,303)	(20,303)	-	(20,303)
	-	-	-	-	-	-	-	-	(49,841)	(49,841)	-	(49,841)
At 31 December 2014	1,030,748	515,374	70,507	(54,777)	31,952	(3,367)	1,895	58,429	639,347	1,259,360	89,780	1,349,140

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<u>12 months ended</u>	
	<u>31.12.2015</u>	<u>31.12.2014</u>
	RM'000	<u>Audited</u> RM'000
OPERATING ACTIVITIES		
Profit for the financial period attributable to equity holders of the Company	142,450	147,246
Adjustments for:		
Zakat	2,280	2,272
Taxation	61,050	68,566
Associated companies	(39,198)	(40,415)
Finance income	(10,198)	(12,982)
Finance costs	61,954	42,857
Grant of equity – settled share options to employee and consultants	33,543	-
Trade receivables		
- provision for impairment of receivables	5,814	6,843
- reversal of impairment loss	(947)	(917)
Impairment of goodwill	-	728
Gain on fair value on investment properties	(9,510)	(14,461)
Gain on disposal of investment property	-	(166)
Gain on disposal of shares in an associate	(1,577)	(1,732)
Gain on disposal of non-current assets held for sale	(10,457)	(1,577)
Property, plant and equipment		
- depreciation	120,513	108,268
- written off	608	473
- loss on disposal	154	266
- reversal of impairment loss	-	(3,581)
Inventories written off	47	96
Available-for-sale financial assets written off	-	266
Amortisation of software development expenditure	-	1,140
Operating profit before changes in working capital	<u>356,526</u>	<u>303,190</u>
Changes in working capital:		
Inventories	(26,383)	8,013
Receivables	(66,815)	(16,700)
Payables	121,451	86,708
Deferred revenue	1,561	6,547
Cash from operations	<u>386,340</u>	<u>387,758</u>
Zakat paid	(2,280)	(2,272)
Income tax refund	24,452	3,482
Income tax paid	(71,837)	(70,451)
Net cash from operating activities	<u>336,675</u>	<u>318,517</u>

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

	12 months ended	
	31.12.2015	31.12.2014
	RM'000	Audited RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(518,137)	(372,417)
Purchase of intangible assets	(9,909)	(2,166)
Purchase of investment properties	(130)	(195,218)
Proceed from disposal of property, plant and equipment	13,158	2,183
Proceed from disposal of investment properties	-	1,375
Proceed from disposal of non-current assets held for sale	43,150	3,590
Acquisition of subsidiary company	(5,886)	(16,516)
Proceeds from disposal of shares in an associate	7,709	6,350
Interest received	10,198	12,982
Dividends received	29,410	28,952
	<u>(430,437)</u>	<u>(530,885)</u>
FINANCING ACTIVITIES		
Issuance of shares		
- right issues	-	121,002
- exercise of share warrants	4,403	5,876
- private placement	63,733	-
- exercise of ESOS	12,274	-
Purchase of treasury shares	-	(54,413)
Bank borrowings		
- drawdown	1,051,500	779,229
- repayment	(739,539)	(568,686)
Decrease in deposits with licensed banks	10,209	(3,293)
Dividend paid to shareholders	(83,527)	(42,629)
Interest paid	(72,554)	(42,857)
	<u>256,302</u>	<u>194,229</u>
Net Changes In Cash And Cash Equivalents	162,540	(18,139)
Currency translation differences	(15,737)	(430)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>279,340</u>	<u>297,909</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>426,143</u>	<u>279,340</u>
DEPOSITS, CASH AND BANK BALANCES		
Deposits with licensed banks	43,112	126,504
Cash and bank balances	383,094	178,772
	<u>426,206</u>	<u>305,276</u>
less: Bank overdraft	(63)	(15,727)
Deposits pledged with licensed banks	-	(10,209)
CASH AND CASH EQUIVALENTS	<u>426,143</u>	<u>279,340</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

A1 BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2014.

The adoption of the following improvements to published standards that came into effect on 1 January 2015 did not have any significant impact on the audited condensed consolidated financial statements upon their initial application.

Annual Improvements 2010-2012 Cycle (effective from 1 July 2014)
to MFRSs

Annual Improvements 2011-2013 Cycle (effective from 1 July 2014)
To MFRSs

MFRSs and amendments to MFRSs that are applicable to the Group but not yet effective

Malaysian Accounting Standards Board had issued the following new standards and amendments to standards which are effective for the financial period beginning on or after 1 January 2016. The Group did not early adopt these new standards, amendments and improvements to published standards.

MFRS 9	Financial Instruments (effective from 1 January 2018)
MFRS 15	Revenue from Contracts with Customers (effective from 1 January 2018)
Amendments to MFRS 101	Disclosure Initiative (effective from 1 January 2016)
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
Annual Improvements To MFRSs	2012-2014 Cycle (effective from 1 January 2016)

Adoption of the above standards and interpretations will not have any material impact on the interim financial report in the period of initial application.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015**

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4 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.

A5 CHANGE IN ACCOUNTING ESTIMATES

There is no change in the estimates of amounts reported in prior financial years that has a material effect in the current financial period under review.

A6 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 year under review, except for the followings:

a. DEBT

- i. Point Zone (M) Sdn Bhd ("Point Zone") (a wholly-owned subsidiary of the Company) had on 3 November 2014 received the authorisation from the Securities Commission Malaysia to establish the Sukuk Programmes. The proceeds raised from the Sukuk Programmes shall be utilised to refinance the outstanding amount under the existing Islamic Commercial Papers/Islamic Medium Term Notes Programme of up to RM500.0 million issued by Point Zone or under a Bridging Loan Facility of up to RM450.0 million; and to advance to the Company to finance the expansion and working capital requirements of the KPJ group's healthcare and healthcare related businesses (including to finance/refinance any borrowings incurred in relation thereto).

The ICP Programme shall have a tenure of 7 years from the first issuance date whilst the IMTN Programme shall have a tenure of 10 years from the first issuance date. The Sukuk Programmes will be secured against a charge and assignment over the designated account and an irrevocable and unconditional corporate guarantee from the Company. Both the ICP Programme and the IMTN Programme will not be rated.

The Sukuk Murabahah shall not be listed on Bursa Malaysia Securities Berhad or any other stock exchange and will be issued in tranches under the Sukuk Programmes via private placement on a best effort basis.

Point Zone (M) Sdn Bhd has made its first issuance of RM800.0 million IMTN under the Sukuk Programmes.

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

b. EQUITY SECURITIES

i. Treasury shares

On 28 May 2015, 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.

Up to 31 December 2014, 15,520,000 units of the Company shares were bought from the open market, listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), at an average buy-back price of RM3.46 per share for a total consideration of RM54,413,249 including transaction cost and was financed by internally generated fund. The shares were retained as treasury shares.

ii. Free warrants (2014/2019)

On 29 January 2014, warrants 2014/2019 are issued for free to the subscribers of the renounceable rights issue of 43,637,326 new ordinary shares of RM0.50 each in the Company's rights shares on the basis of one (1) Rights Share for every fifteen (15) existing shares held by the entitled shareholders of the Company, together with 87,274,652 free detachable new warrants ("Warrant(s) 2014/2019") on the basis of two (2) Warrants 2014/2019 for every one (1) Rights Share subscribed at an issue price of RM2.80 per Rights Share ("Rights Issue").

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

iii. Employees Share Option Scheme (ESOS)

On 27 February 2015, the Directors announced that pursuant to Paragraph 6.43(1) of the Listing Requirements, the effective date for the ESOS and the Restricted Issue has been fixed on 27 February 2015, being the date of submission of the following documents in relation to the ESOS to Bursa Malaysia:-

- i. Final By-Laws
- ii. Resolutions passed by the shareholders at the extraordinary general meeting of the Company held on 25 November 2014.

The Directors have also fixed the issue price at RM3.64 per share representing a discount of approximately ten percent (10%) or RM0.40 to the five (5) day volume weighted average market price of the Company's shares up to and including 26 February 2015 of RM4.04, being the market day immediately preceding the price-fixing date.

On 13 March 2015, the placement of 17,509,000 new ordinary shares of RM0.50 each at an issue price of RM3.64 per placement share representing approximately 62.53% of the total number of Placement Shares available under the Restricted Issue. Accordingly, the Restricted Issue is deemed completed.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015**

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

b. EQUITY SECURITIES (CONTINUED)

The number of issued and paid up ordinary share capital as a result of the above mentioned exercise is as follows:

	<u>31.12.2015</u>	<u>31.12.2015</u>
	Number of shares ('000)	RM'000
<u>Ordinary shares of RM0.50 each</u>		
At start of the financial year	1,030,748	515,374
Issued during the financial year		
- exercise of Free Warrants (1 free warrant for every 4 shares)	2,165	1,082
- exercise of Free Warrants (1 free warrant for every 15 share) (Refer A6 (ii))	699	350
- private placement	17,509	8,754
- exercise of ESOS	3,372	1,686
	<u>1,054,493</u>	<u>527,246</u>
At end of financial year	<u>1,054,493</u>	<u>527,246</u>

A7 DIVIDENDS PAID

In respect of the financial year ended 31 December 2014, the Directors declared:

- (i) 3rd interim single tier dividend of 2.00 cents per share on 1,015,157,631 ordinary shares amounting to RM20,303,153. The dividend was declared on 25 November 2014 and was fully paid on 22 January 2015.
- (ii) 4th interim single tier dividend of 2.60 cents per share on 1,034,831,401 ordinary shares amounting to RM26,905,614. The dividend was declared on 27 February 2015 and was fully paid on 10 April 2015.

In respect of the financial year ended 31 December 2015, the Directors declared:

- (i) 1st interim single tier dividend of 1.75 cents per share on 1,036,961,766 ordinary shares amounting to RM18,146,827. The dividend was declared on 28 May 2015 and was fully paid on 14 July 2015.
- (ii) 2nd interim single tier dividend of 1.75 cents per share on 1,038,341,384 ordinary shares amounting to RM18,170,970. The dividend was declared on 27 August 2015 and was fully paid on 19 October 2015.
- (iii) 3rd interim single tier dividend of 1.75 cents per share on 1,038,902,605 ordinary shares amounting to RM18,180,792. The dividend was declared on 26 November 2015 and was fully paid on 15 January 2016.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

A8 SEGMENT REPORTING

The executive committee (EXCO) management is the chief operating decision-maker. The EXCO management reviews the Group's internal reporting in order to assess performance and allocate resources within each segment. The Group principally operates in two main business segments namely the operating of specialist hospitals. This business segment for the operating of specialist hospital is segregated geographically to Malaysia and Indonesia. Others segment of the Group mainly comprise of operating a private university college of nursing and allied health and investment in an associate in Thailand.

31 December 2015

	← Hospitals →			Aged Care Facility Australia (RM'000)	Support Services, Corporate & Others (RM'000)	Adjustments/ Elimination (RM'000)	Group (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)	Thailand (RM'000)				
Revenue	2,574,961	45,523	0	36,786	904,114	(742,918)	2,818,466
Intersegment revenue	0	0	0	0	(60,325)	60,325	0
External revenue	<u>2,574,961</u>	<u>45,523</u>	<u>0</u>	<u>36,786</u>	<u>843,789</u>	<u>(682,593)</u>	<u>2,840,202</u>
Profit/(loss) for the period	179,296	2,281	3,845	(5,511)	132,970	(170,431)	142,450

31 December 2014 (Audited)

	← Hospitals →			Aged Care Facility Australia (RM'000)	Support Services, Corporate & Others (RM'000)	Adjustments/ Elimination (RM'000)	Group (RM'000)
	Malaysia (RM'000)	Indonesia (RM'000)	Thailand (RM'000)				
Revenue	2,363,392	39,714	0	29,503	810,758	(604,231)	2,639,136
Intersegment revenue	0	0	0	0	(50,115)	50,115	0
External revenue	<u>2,363,392</u>	<u>39,714</u>	<u>0</u>	<u>29,503</u>	<u>760,643</u>	<u>(554,116)</u>	<u>2,639,136</u>
Profit/(loss) for the period	173,572	(2,332)	2,426	(3,198)	107,757	(130,979)	147,246

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015****A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

In accordance with the Group Accounting policy, leasehold land and buildings will be revalued within sufficient regularity. All leasehold land and buildings were revalued on 31 December 2015 based on open market valuations carried out by an independent firm of professional valuers to reflect its fair value. The book values of the leasehold land and buildings were adjusted to reflect the revaluation and the resultant surpluses were credited to revaluation reserve.

A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the financial year ended 31 December 2015 that has not been reflected in the interim financial reports.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

- On 31 March 2015, KPJSB, a wholly-owned subsidiary of the Company, KPJSB had entered into a share sale agreement with AmanahRaya Trustees Berhad, being the trustee for Al-'Aqar Healthcare REIT ("Al-'Aqar") for the acquisition of the entire equity interests in Crossborder Hall (M) Sdn Bhd and Crossborder Aim (M) Sdn Bhd, wholly-owned subsidiaries of Al-'Aqar, for a total cash consideration of RM4.718 million ("Crossborder SSA") upon the terms and conditions of the Crossborder SSA.

The proposed acquisition was approved by the shareholders at the EGM on 9 July 2015 and was completed on 16 December 2015.

A12 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 2015.

A13 CAPITAL COMMITMENT

Capital expenditures not provided for in the interim financial report as at 31 December 2015 are as follows:

	RM'000
Approved and contracted	246,150
Approved but not contracted	105,558
	<u>351,708</u>

Analysed as follows:

Building	232,023
Medical equipment	56,775
Other property, plant and equipment	62,910
	<u>351,708</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

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

a. Current quarter compare with the corresponding quarter of the preceding quarter (3 months)

For the 3 months ended 31 December 2015 the Group recorded revenue of RM694.2 million, a decrease of 3% from RM716.5 million as reported in the same quarter in 2014. The profit before tax for the 3 months ended 31 December 2015 was recorded at RM44.3 million, a decrease of 37% from RM70.1 million in 2014. The decrease of RM25.8 million was due to additional provision for Employee Share Option Scheme (ESOS) and Restricted Issue to Hospital Consultants based on an independent valuation at financial year end in accordance with requirement of MFRS 2 in the current quarter.

Malaysia

The Malaysia segment reported revenue of RM659.1 million an increase of 6% from RM623.7 million while profit for the period is reported at RM12.6 million a decrease of 31% from RM18.2 million in 2014. The increase in revenue was mainly due to the increase of revenue generating activities at the new hospitals, KPJ Klang, KPJ Rawang, KPJ Pasir Gudang and KPJ Maharani, which mostly are in its second and third year of operations. The existing hospitals also continue to contribute via its organic growth, through additions of new consultants and new services. However the decrease in profit was mainly due to the additional provision for Employee Share Option Scheme (ESOS) and Restricted Issue to Hospital Consultants based on an independent valuation at financial year end in accordance with requirement of MFRS 2 in current quarter.

Indonesia

The Indonesia segment reported revenue of RM11.2 million an increase of 37% from RM8.2 million while profit reported at RM2.2 million an increase of 1200% from loss of RM0.2 million in 2014. The increase in profit is a result of higher revenue generating activities at both hospitals and mainly from Rumah Sakit Bumi Serpong Damai which is now in its sixth year of operations.

Thailand

Share of profit from an associate in Thailand, Vejthani Hospital, was recorded at RM0.6 million a decrease of 33% from RM0.9 million in 2014. The decrease is due to the inclusion of legal severance pay adjustment as staffs' expenses in the current quarter.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONTINUED)

- a. Current quarter compare with the corresponding quarter of the preceding quarter (3 months) (continued)

Aged Care Facility

The Aged Care facility segment reported revenue of RM3.9 million 225% higher than revenue reported in 2014 of RM1.2 million. The loss was reported at RM0.3 million, higher by 329% from loss in 2014 of RM0.07 million. During the year the capacity at the aged care facility has increased from 540 beds to 648 beds hence the significant increase in revenue, however this was compensated by the additional depreciation and interest cost which resulted in higher loss for 2015.

Support Services, Corporate and Others

Revenue from this segment was reported at RM315.2 million an increase of 15% from RM275.2 million in 2014 and the profit at RM147.7 million an increase of 20% from RM123.5 million in 2014. The increase is in line with the activities in the Malaysia segment as included in this segment are subsidiaries providing bulk purchase, marketing and distribution of pharmaceutical items, surgical/medical supplies, laboratory and pathology services.

- b. Current financial period compared to prior financial period (12 months)

For the 12 months ended 31 December 2015 the Group recorded total revenue of RM2,840.2 million, an increase of 8% from RM2,639.1 million in 2014. The profit before tax for the 12 months ended 31 December 2015 was recorded at RM205.8 million, a decrease of 6% from RM218.1 million in 2014. As a result of the implementation of Employee Share Option Scheme (ESOS) and Restricted Issue to Hospital Consultants, the Group has recognized a total of RM46.2 million as the ESOS charge for the financial year ended 31 December 2015, hence the decrease in the profit in current year.

Malaysia

The Malaysia segment reported revenue of RM2,575.0 million an increase of 9% from RM2,363.4 million while profit for the period is reported at RM179.3 million an increase of 3% from RM173.6 million in 2014. The increase in revenue and profit was mainly due to the increase of revenue generating activities at the new hospitals, KPJ Klang, KPJ Rawang, KPJ Pasir Gudang and KPJ Maharani, which mostly are in its second and third year of operations. The existing hospitals also continue to contribute via its organic growth, through additions of new consultants and new services. The additional expenses from the new hospitals resulted in lower increase of profit.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONTINUED)

b. Current financial period compared to prior financial period (12 months) (continued)

Indonesia

The Indonesia segment reported revenue of RM45.5 million an increase of 15% from RM39.7 million while profit reported at RM2.3 million an increase of 198% from loss of RM2.3 million in 2014. The increase in profit is a result of higher revenue generating activities at both hospitals and mainly from Rumah Sakit Bumi Serpong Damai which is now in its sixth year of operations.

Thailand

Share of profit from an associate in Thailand, Vejthani Hospital, was recorded at RM3.8 million an increase of 58% from RM2.4 million in 2014. The increase is largely contributed by better demand for healthcare services due the political stability in 2015.

Aged Care Facility

The Aged Care facility segment reported revenue of RM36.8 million 25% higher than revenue reported in 2014 of RM29.5 million. The loss was reported at RM5.5 million, higher by 72% from loss in 2014 of RM3.2 million. During the year the capacity at the aged care facility has increased from 540 beds to 648 beds hence the significant increase in revenue, however this was compensated by the additional depreciation and interest cost which resulted in higher loss for 2015.

Support Services, Corporate and Others

Revenue from this segment was reported at RM843.8 million an increase of 11% from RM760.6 million in 2014 and the profit at RM133.0 million an increase of 23% from RM107.8 million in 2014. The increase is in line with the activities in the Malaysia segment as included in this segment are subsidiaries providing bulk purchase, marketing and distribution of pharmaceutical items, surgical/medical supplies, laboratory and pathology services.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM44.3 million decreased by 20% as compared to the preceding quarter of RM55.5 million. The decrease of RM11.2 million was largely due to additional provision for Employee Share Option Scheme and Restricted Issue to Hospital Consultants based on an independent valuation at financial year end in accordance with requirement of MFRS 2.

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B3 CURRENT YEAR PROSPECTS

In the year 2015, it was evidenced that the demand for healthcare services has increased in line with the population growth, better life expectancy, rapid ageing and the rising of middle income group. The Group will remain focused in maintaining its market position through enhancing its capacity and continuously improve service delivery to patients.

For the financial year ending 31 December 2016, the Group envisage that the revenue growth from the new start up and existing hospitals will continue to improve however the result will be moderated as most new greenfield hospitals will go through an average gestation period between three to five years. In light of the challenging economic environment the Group expects to deliver a moderate performance growth.

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>31.12.2015</u>	<u>31.12.2014</u>	<u>31.12.2015</u>	<u>31.12.2014</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	<u>16,788</u>	<u>26,781</u>	<u>61,050</u>	<u>68,566</u>

The effective tax rate of the Group for the period ended 31 December 2015 is higher than the statutory tax rate due to the Group is unable to utilise the benefits of current year accumulated losses from the newly opened subsidiaries to net off the total tax expenses for the Group.

B6 STATUS OF CORPORATE PROPOSALS

a) Free warrants (2014/2019)

On 29 January 2014, the Warrants 2014/2019 are issued for free to the subscribers of the renounceable rights issue of 43,637,326 new ordinary shares of RM0.50 each in the Company Rights Shares on the basis of one (1) Rights Share for every fifteen (15) existing shares held by the entitled shareholders of the Company, together with 87,274,652 free detachable new warrants ("Warrant(s) 2014/2019") on the basis of two (2) Warrants 2014/2019 for every one (1) Rights Share subscribed at an issue price of RM2.80 per Rights Share ("Rights Issue").

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

	Number of shares <u>'000</u>
Issued on 29.01.2014	87,275
Exercised in Financial Year Ended 2015	(699)
Balance not exercised as at 01.01.2016	<u>86,576</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

b) Proposed Combination of New Issue of Securities

On 28 November 2013, at the Extraordinary General Meeting, the shareholders of the Company have duly approved the combination of new issue detailed out below:

Proposed renounceable rights issue of up to 43,968,866 new shares on the basis of one (1) rights share for every fifteen (15) existing shares held, together with up to 87,937,732 free detachable new warrants 2013/2018 on the basis of two (2) new warrants for every one (1) rights share subscribed.

On 29 January 2014, 43,637,326 Rights Shares and 87,274,652 New Warrants as well as 96,098 additional warrants 2010/2015 consequential to the Rights Issue were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Rights shares has an issue price of RM2.80, was arrived based on a discount of approximately thirty percent (30%) over the theoretical ex-all price of the shares (after taking into account the Proposed Bonus Issue) based on the five (5)-day VWAP of the shares immediately preceding the price fixing date.

The new shares issued arising from the Bonus Issue, Rights Issue and Free Warrants exercised shall upon issue and allotment, rank pari passu in all respects.

The exercise of the Rights Shares and New Warrants as well as additional warrants 2010/2015 consequential to the Rights Issue were completed on 29 January 2014.

The gross proceeds from the Rights Issue of Shares with Warrants of RM122,185,000 was utilised as follows:

Descriptions	Proposed Utilisation RM'000	Actual utilisation as at 31 Dec 2015 RM'000	Amount unutilised as at 31 Dec 2015 RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Business expansion	80,000	49,600	30,400	Within 36 months
Repayment of borrowings	35,000	35,000	-	Within 12 months
Working capital	4,185	4,185	-	Within 12 months
Estimated expenses for the Bonus Issue and Rights Issue	3,000	3,000	-	Within 3 months
Total estimated proceeds	122,185	91,785	30,400	

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

c) Proposed Disposal of Two (2) Parcels of Freehold Land Together With Buildings ("Properties") by Puteri Nursing College Sdn Bhd ("PNCSB")

On 3 October 2014, PNCSB, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with AmanahRaya Trustees Berhad ("Trustee"), on behalf of Al-'Aqar Healthcare REIT ("Al-'Aqar"), to dispose the Properties for a total disposal consideration of RM77,800,000 upon the terms and conditions of the SPA ("Proposed Disposal").

Upon completion of the Proposed Disposal, PNCSB will enter into a lease agreement with Al-'Aqar, represented by its Trustee, and Damansara REIT Managers Sdn Berhad, being the manager of Al-'Aqar, for the lease of the Properties to PNCSB upon terms and conditions of the Lease Agreement to be agreed between the aforesaid parties.

On 12 February 2015, PNCSB exchanged letter with the Purchaser, to vary the terms of the Deferred Consideration Units ("Exchange Letter") for the inclusion of the following terms:-

(i) Minimum issue price for the Deferred Consideration Units

The issue price of the Deferred Consideration Units shall not be lower than RM1.04 per unit, based on the net assets value per unit of Al-'Aqar of RM1.15 as at 30 September 2014, being the latest available quarterly results of Al-'Aqar as at the date of the Exchange Letter, incorporating ten percent (10%) of discount.

(ii) Abnormal Market Condition

The Deferred Consideration Units shall not be issued during abnormal market conditions. Abnormal Market Conditions is defined as abnormal market condition resulting from the occurrence of any one or more of the following conditions:-

- (a) any material and adverse change in the business or financial condition, prospects, results of operations, properties or assets of Al-'Aqar or Al-'Aqar and its subsidiaries ("Al-'Aqar Group") which would result in Al-'Aqar or the Al-'Aqar Group to cease or threatens to cease to carry on the whole or any substantial part of its business;
- (b) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions which would have a significant adverse impact on both the FTSE Bursa Malaysia KLCI and the Al-'Aqar units price;
- (c) any situation resulting from the implementation of any new law, regulation, directive, policy or ruling or any material change in law, regulation, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority or any event or series of events beyond the reasonable control of Al-'Aqar which would prohibit or impede the obligations of Al-'Aqar to issue the Deferred Consideration Units; or
- (d) the imposition of any material restriction on trading of units or securities of Al-'Aqar by Bursa Securities for more than ten (10) consecutive business days.

The proposed disposal was approved by the shareholders at the EGM on 9 July 2015 and was completed on 1 December 2015.

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B6 STATUS OF CORPORATE PROPOSALS (CONTINUED)

d) Proposed Disposal of a Parcel of Freehold Land by Seremban Specialist Hospital Sdn Bhd ("SSHSB")

On 18 March 2015, SSHSB, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with the AmanahRaya Trustees Berhad ("Trustee"), being the trustee of Al-'Aqar Healthcare REIT ("Al-'Aqar"), to dispose a parcel of freehold land in Seremban, Negeri Sembilan ("SSH Land") to Al-'Aqar for a total cash consideration of RM4.25 million upon the terms and conditions as stipulated in the Sale and Purchase Agreement ("SSH SPA") ("Proposed Disposal").

As a condition to the Proposed Disposal, SSHSB will enter into a supplemental lease agreement with the Trustee and Damansara REIT Managers Sdn Berhad, being the manager of Al-'Aqar ("DRMSB"), for the lease of the SSH Land to SSHSB ("SSH Supplemental Lease Agreement") upon the terms and conditions to be agreed between the aforesaid parties ("Proposed Leaseback"). The SSH Supplemental Lease Agreement shall supplement a lease agreement dated 12 December 2012 entered into between SSHSB, the Trustee and DRMSB for the lease of the Existing Properties for the second lease term period (as defined herein) to SSHSB ("SSH Existing Lease Agreement").

The proposed disposal was approved by the shareholders at the EGM on 9 July 2015 and was completed on 11 November 2015.

e) Proposed Acquisition of the Entire Equity Interests in Crossborder Hall (M) Sdn Bhd and Crossborder Aim (M) Sdn Bhd by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB")

On 31 March 2015, KPJSB, a wholly-owned subsidiary of the Company, KPJSB had entered into a share sale agreement with AmanahRaya Trustees Berhad, being the trustee for Al-'Aqar Healthcare REIT ("Al-'Aqar") for the acquisition of the entire equity interests in Crossborder Hall (M) Sdn Bhd and Crossborder Aim (M) Sdn Bhd, wholly-owned subsidiaries of Al-'Aqar, for a total cash consideration of RM4.718 million ("Crossborder SSA") upon the terms and conditions of the Crossborder SSA.

The proposed acquisition was approved by the shareholders at the EGM on 9 July 2015 and was completed on 16 December 2015.

f) Proposed acquisition of commercial parcel(s) from Coronade Properties Sdn Bhd by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB")

On 19 November 2015, a wholly-owned subsidiary of the company, KPJSB had signed a Sale and Purchase Agreement ("SPA") with Coronade Properties Sdn Bhd (formerly known as Arab Asia Properties Sdn Bhd) for the proposed acquisition of commercial parcel(s) representing approximately 125,000 square feet in gross floor area in a building to be erected, for a total purchase consideration of RM90,000,000.

The proposed acquisition is expected to be completed in the second (2nd) quarter of 2016.

g) Proposed development and renting of a hospital building by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB")

On 9 December 2015, a wholly-owned subsidiary of the company, KPJSB, had entered into several agreements with Dinamik Serimas Sdn Bhd and Pelaburan Hartanah Berhad for the proposed development and renting of a hospital building to be known as the "KPJ Damansara Specialist Hospital II" ("Proposed Hospital").

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B7 BORROWINGS

Details of the Group's borrowings are as follows:

	<u>31.12.2015</u> RM'000	<u>Audited</u> <u>31.12.2014</u> RM'000
<u>Current</u>		
Bridging loan (unsecured)	-	449,000
Term loans (secured)		
- Islamic	30,689	18,675
- Conventional	112,811	38,506
Revolving credits (unsecured)		
- Islamic	182,500	327,500
- Conventional	-	50,000
Hire purchase and lease liabilities		
- Islamic	26,795	11,278
- Conventional	454	5,235
Bank overdrafts (unsecured)	63	15,727
	<hr/>	<hr/>
	353,312	915,921
<u>Non-current</u>		
Islamic Medium Term Notes – SUKUK	800,000	-
Term loans (secured)		
- Islamic	357,465	257,383
- Conventional	2,708	42,776
Hire purchase and lease liabilities		
- Islamic	34,166	18,805
- Conventional	34	16,503
	<hr/>	<hr/>
	1,194,373	335,467
Total	<hr/> <u>1,547,685</u>	<hr/> <u>1,251,388</u>

B8 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

As at the date of this report, there were no financial instruments with off balance sheet risk.

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B9 MATERIAL LITIGATIONS

- (i) On 16 April 2015, SMC Healthcare Sdn Bhd (Plaintiff), a wholly-owned subsidiary of the Company, had filed a writ of summon at Kota Kinabalu High Court claiming the balance of the Deposit for purchase of land measuring 4.0 acres in the sum of RM4,160,000 from Chen Sheau Yang (Defendant). The said sealed copy of writ of summons had been served to the Defendant on 13 May 2015. The High Court has fixed for a Trial to be held on 7 to 9 March 2016. A Mention to check status as to the trial has been fixed on 29 February 2016.

B10 DIVIDENDS

In respect of the financial year ended 31 December 2015, the Directors declared:

- (i) 1st interim single tier dividend of 1.75 cents per share on 1,036,961,766 ordinary shares amounting to RM18,146,827. The dividend was declared on 28 May 2015 and was fully paid on 14 July 2015.
- (ii) 2nd interim single tier dividend of 1.75 cents per share on 1,038,341,384 ordinary shares amounting to RM18,170,970. The dividend was declared on 27 August 2015 and was fully paid on 19 October 2015.
- (iii) 3rd interim single tier dividend of 1.75 cents per share on 1,038,902,605 ordinary shares amounting to RM18,180,792. The dividend was declared on 26 November 2015 and was fully paid on 15 January 2016.

For the financial year ended 31 December 2015, total dividends declared and paid is 5.25 cents per ordinary shares (2014: 7.50 cents)

B11 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the Group's net profit attributable to ordinary equity holders by the average number of ordinary shares in issue during the financial period.

	<u>As at</u> <u>31.12.2015</u>	<u>As at</u> <u>31.12.2014</u>
Profit for the financial period attributable to equity holders of the Company (RM'000)	132,628	143,030
Weighted average number of ordinary shares in issue ('000)	1,037,588	1,017,122
Basic earnings per share (sen) - at par value RM0.50	<u>12.78</u>	<u>14.06</u>

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

(b) Diluted

For the diluted earnings per share calculation, the 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 the warrants issued.

For the share warrants issued, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the 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 profit for the financial period for the warrants calculation.

	<u>As at</u> <u>31.12.2015</u>	<u>As at</u> <u>31.12.2014</u>
Profit for the financial period attributable to equity holders of the Company (RM'000)	132,628	143,040
Weighted average number of ordinary shares in issue ('000)	1,037,588	1,017,122
Assumed shares issued from the		
- exercise of warrants ('000)	3,917	1,583
- exercise of ESOS and restricted issue ('000)	20,881	-
Weighted average number of ordinary shares in issue ('000)	1,062,386	1,018,705
Diluted earnings per share (sen)		
- at par value RM0.50	12.48	14.04

Company No.

247079	M
--------	---

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

B12 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised 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> <u>31.12.2015</u>	<u>As at</u> <u>31.12.2014</u>
	RM'000	<u>Audited</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	648,529	585,978
- Unrealised gains	(45,603)	(29,453)
	<hr/>	<hr/>
	602,926	556,525
Total share of retained profits from associates		
- Realised gains	44,790	33,545
- Unrealised gains	70,924	61,945
	<hr/>	<hr/>
	718,640	652,015
Less: Consolidation adjustments	(28,070)	(12,668)
	<hr/>	<hr/>
Total group retained profits as per consolidated financial statements	<u>690,570</u>	<u>639,347</u>