

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORTS**

**30 JUNE 2017**

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

**INTERIM FINANCIAL REPORTS  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the second quarter and financial period ended 30 June 2017.

The interim report is prepared in accordance with MFRS134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this report.

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	793,025	765,124	1,586,934	1,509,070
Cost of sales		(555,995)	(542,973)	(1,110,427)	(1,054,673)
Gross profit		237,030	222,151	476,507	454,397
Administrative expenses		(188,428)	(178,056)	(366,980)	(352,803)
Other income		5,319	7,044	10,931	10,682
Operating profit		53,921	51,139	120,458	112,276
Finance income		4,247	2,434	6,621	5,127
Finance cost		(19,803)	(16,392)	(40,674)	(37,139)
Finance costs – net		(15,556)	(13,958)	(34,053)	(32,012)
Share of results of associates		7,178	8,905	13,767	17,243
<b>Profit before zakat and tax</b>	B2	45,543	46,086	100,172	97,507
Zakat		(1,811)	(740)	(2,211)	(1,140)
Taxation	B5	(12,280)	(13,879)	(26,453)	(28,277)
Net profit for the financial period		31,452	31,467	71,508	68,090
Other comprehensive income		896	105	896	105
Total comprehensive income for the financial year		32,348	31,572	72,404	68,195

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017 (CONTINUED)**

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended		6 months ended	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
		RM'000	RM'000	RM'000	RM'000
<b>Profit for the financial period attributable to:</b>					
Owners of the Company		32,164	30,334	70,436	64,507
Non-controlling interest		(712)	1,133	1,072	3,583
		<u>31,452</u>	<u>31,467</u>	<u>71,508</u>	<u>68,090</u>
<b>Total comprehensive income for the financial period attributable to:</b>					
Owners of the Company		33,060	30,439	71,332	64,612
Non-controlling interest		(712)	1,133	1,072	3,583
		<u>32,348</u>	<u>31,572</u>	<u>72,404</u>	<u>68,195</u>
<b>Dividend per share (sen)</b>	A7	<u>1.80</u>	<u>1.80</u>	<u>4.00</u>	<u>3.55</u>
<b>Earnings per share (sen)</b>	B11				
- Basic		2.94	2.81	6.45	6.06
- Diluted		<u>2.58</u>	<u>2.46</u>	<u>5.64</u>	<u>5.25</u>

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	<u>Note</u>	<u>30.06.2017</u> RM'000	<u>Audited</u> <u>31.12.2016</u> RM'000
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	A9	2,114,271	1,966,535
Investment properties		280,436	280,436
Intangible assets		252,845	245,567
Investment in associates		401,998	391,540
Available-for-sale financial assets		2,146	2,146
Deferred tax assets		26,558	18,757
Trade and other receivables		-	34,621
		<hr/>	<hr/>
		3,078,254	2,939,602
		<hr/>	<hr/>
<b><u>Current assets</u></b>			
Inventories		56,592	47,119
Trade and other receivables		628,332	555,518
Tax recoverable		32,258	33,861
Deposit, cash and bank balances		309,989	359,399
		<hr/>	<hr/>
		1,027,171	995,897
		<hr/>	<hr/>
Total assets		4,105,425	3,935,499
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Current liabilities</u></b>			
Trade and other payables		614,516	490,922
Current tax liabilities		7,570	12,047
Borrowings	B7	302,596	333,445
Deferred revenue		71,769	76,804
Dividends payable		18,912	15,720
		<hr/>	<hr/>
		1,015,363	928,938
		<hr/>	<hr/>
Net current assets		11,808	66,959
		<hr/>	<hr/>

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017 (CONTINUED)**

	<u>Note</u>	<u>30.06.2017</u> RM'000	<u>Audited</u> <u>31.12.2016</u> RM'000
<u>Non-current liabilities</u>			
Borrowings	B7	1,272,571	1,242,313
Deferred tax liabilities		62,671	63,041
Provision for retirement benefits		2,683	2,548
Deposits		14,122	13,930
		<u>1,352,047</u>	<u>1,321,832</u>
Total liabilities		<u>2,367,410</u>	<u>2,250,770</u>
Net assets		<u>1,738,015</u>	<u>1,684,729</u>
<u>Equity attributable to owners of the Company</u>			
Share capital	A6	720,155	531,784
Share premium		-	178,141
Less: Treasury shares		(54,777)	(54,777)
Reserves		981,924	939,940
		<u>1,647,302</u>	<u>1,595,088</u>
Non-controlling interest		90,713	89,641
Total equity		<u>1,738,015</u>	<u>1,684,729</u>
Total equity and liabilities		<u>4,105,425</u>	<u>3,935,499</u>
<u>Net assets per share attributable to owners of the Company (RM)</u>			
		<u>1.54</u>	<u>1.50</u>

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

	Non-distributable									Distributable		Non-controlling interest RM'000	Total equity RM'000
	Number of shares '000	Share capital 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 2017	1,063,569	531,784	178,141	(54,777)	31,692	50,111	(3,367)	(2,099)	87,862	775,741	1,595,088	89,641	1,684,729
Comprehensive income:													
Profit for the financial period	-	-	-	-	-	-	-	-	-	70,436	70,436	1,072	71,508
Other comprehensive income:													
Currency translation of foreign subsidiaries	-	-	-	-	-	-	-	896	-	-	896	-	896
Total other comprehensive income	-	-	-	-	-	-	-	896	-	-	896	-	896
Transactions with owners:													
Issue of shares:													
- Warrants	1	1	-	-	(1)	-	-	-	-	-	-	-	-
- ESOS	2,663	9,125	1,104	-	-	(533)	-	-	-	-	9,696	-	9,696
	2,664	9,126	1,104	-	(1)	(533)	-	-	-	-	9,696	-	9,696
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(41,985)	(41,985)	-	(41,985)
ESOS expenses during the period	-	-	-	-	-	13,171	-	-	-	-	13,171	-	13,171
Lapsed ESOS	-	-	-	-	-	(3,611)	-	-	-	3,611	-	-	-
Total transactions with owners	2,664	9,126	1,104	-	(1)	9,027	-	-	-	(38,374)	(19,118)	-	(19,118)
Transfer pursuant to S618(2) of CA 2016*	-	179,245	(179,245)	-	-	-	-	-	-	-	-	-	-
At 30 June 2017	1,066,233	720,155	-	(54,777)	31,691	59,138	(3,367)	(1,203)	87,862	807,803	1,647,302	90,713	1,738,015

Note: \*pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding Share Premium accounts shall become part of Share Capital.

Company No.

247079 M

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

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 JUNE 2016**

	Issued and fully paid ordinary shares of RM0.50 each			Non-distributable						Distributable		Non- controlling interest RM'000	Total equity RM'000
	Number of shares '000	Share capital 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 2016	1,054,493	527,246	147,827	(54,777)	31,693	24,496	(3,367)	(2,028)	105,914	694,579	1,471,583	88,442	1,560,025
Comprehensive income:													
Profit for the financial period	-	-	-	-	-	-	-	-	-	64,507	64,507	3,583	68,090
Other comprehensive income:													
Currency translation of foreign subsidiaries	-	-	-	-	-	-	-	106	-	-	106	-	106
Total other comprehensive income	-	-	-	-	-	-	-	106	-	-	106	-	106
Transactions with owners:													
Issue of shares:													
- Warrants	1	1	1	-	(1)	-	-	-	-	-	1	-	1
- ESOS	4,861	2,431	20,157	-	-	(4,892)	-	-	-	-	17,696	-	17,696
	4,862	2,432	20,158	-	(1)	(4,892)	-	-	-	-	17,697	-	17,697
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	(37,000)	(37,000)	-	(37,000)
ESOS expenses during the period	-	-	-	-	-	13,750	-	-	-	-	13,750	-	13,750
Lapsed ESOS	-	-	-	-	-	(1,511)	-	-	-	-	(1,511)	-	(1,511)
Total transactions with owners	4,862	2,432	20,158	-	(1)	7,347	-	-	-	(37,000)	(7,064)	-	(7,064)
At 30 June 2016	1,059,355	529,678	167,985	(54,777)	31,692	31,843	(3,367)	(1,922)	105,914	722,086	1,529,132	92,025	1,621,157

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

	<u>6 months ended</u>	
	<u>30.06.2017</u>	<u>30.06.2016</u>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before zakat and tax	100,172	97,507
Adjustments for:		
Share of results of associates	(13,767)	(17,243)
Finance income	(6,621)	(5,127)
Finance costs	40,674	37,139
Share based payments	13,171	13,750
Property, plant and equipment		
- Depreciation	66,843	62,473
- Loss on disposal	132	-
- written-off	-	27
Amortisation of software development expenditure	985	2,281
Operating profit before changes in working capital	<u>201,589</u>	<u>190,807</u>
Changes in working capital:		
Inventories	(9,473)	(9,610)
Receivables	(38,193)	(19,486)
Payables	122,948	(133,755)
Deferred revenue	(5,035)	-
Cash flows generated from operations	<u>271,836</u>	<u>27,956</u>
Zakat paid	(2,211)	-
Income tax paid (net of refund)	<u>(37,498)</u>	<u>(43,461)</u>
Net cash generated from / (used in) operating activities	<u>232,127</u>	<u>(15,505)</u>



Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 JUNE 2017 (CONTINUED)**

	<u>6 months ended</u>	
	<u>30.06.2017</u>	<u>30.06.2016</u>
	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(215,014)	(117,049)
Additions to intangible assets	(8,263)	-
Proceeds from disposal of property, plant and equipment	8,430	-
Interest received	6,621	5,127
	<u>(208,226)</u>	<u>(111,922)</u>
<b>FINANCING ACTIVITIES</b>		
Issue of shares:		
- Warrants	1	1
- ESOS	9,696	17,696
Bank borrowings		
- Drawdown	48,872	139,745
- Repayment	(48,585)	(28,467)
Interest paid	(40,674)	(37,139)
Dividend paid to shareholders	(41,985)	(18,212)
Designated account	-	7,632
	<u>(72,675)</u>	<u>81,256</u>
Net cash (used in) / generated from financing activities	<u>(72,675)</u>	<u>81,256</u>
Net changes in cash and cash equivalents	(48,774)	(46,171)
Currency translation differences	242	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>335,125</u>	<u>420,069</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<u><u>286,593</u></u>	<u><u>373,898</u></u>

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017**

**A1 BASIS OF PREPARATION**

The interim financial report has been prepared in accordance with Listing Requirements of the Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2016.

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 2016.

Standards, amendments to published standards and interpretations that are effective

The Group has applied the following amendments for the financial year beginning on 1 January 2017:

- Amendments to MFRS 12 ‘Disclosure of Interest in Other Entities’.
- Amendments to MFRS 107 ‘Statement of Cash Flows – Disclosure Initiative’.
- Amendments to MFRS 112 ‘Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses’.

The adoption of these amendments has required additional disclosures in the financial statements for the financial year ending 31 December 2017. Other than that, the adoption of these amendments did not have any material impact on the financial statements for the current financial period.

Standards that have been issued but not yet effective

The Group did not early adopt these new standards.

- MFRS 1 ‘Amendments to MFRS 1’ (Annual improvements to MFRS standards 2014-2016 cycle) (effective from 1 January 2018).
- MFRS 2 ‘Classification and Measurement of Share-based Payment Transactions’ (Amendments to MFRS 2) (effective from 1 January 2018).
- MFRS 9 ‘Financial Instruments’ (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.
- MFRS 15 ‘Revenue from contracts with customers’ and ‘Clarifications to MFRS 15’ (effective from 1 January 2018).
- Amendments to MFRS 128 ‘Investment in Associates and Joint Ventures’ (effective from 1 January 2018).
- Amendments to MFRS 140 “Classification on ‘Change in Use’ – Assets transferred to, or from, Investment Properties” (effective from 1 January 2018).
- IC Interpretation 22 ‘Foreign currency translations and Advance Consideration’ (effective from 1 January 2018).
- MFRS 16 ‘Leases’ (effective from 1 January 2019).

The effects of the above new standards and amendments to standards and interpretation are currently being assessed by the Directors.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017  
(CONTINUED)**

**A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the annual financial statements for the financial year ended 31 December 2016 was unqualified.

**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 material unusual items affecting assets, liabilities, equity, net income or cash flow during the 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 period under review, except for the followings:

**EQUITY SECURITIES**

i. Treasury shares

The Company did not purchase any ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") during the financial period.

On 20 April 2017, 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 2016, 15,520,000 units of KPJ Healthcare Berhad shares were bought by the Company from the open market, listed on the 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.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017  
(CONTINUED)**

**A6 DEBT AND EQUITY SECURITIES (CONTINUED)**

**EQUITY SECURITIES (CONTINUED)**

ii. Free warrants (2014/2019)

On 29 January 2014, Warrants 2014/2019 were 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 87,274,452 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 RM4.01 per Rights Share ("Rights Issue").

Each new warrant (2014/2019) is entitled at any time during the exercise year, to subscribe for one (1) new ordinary share at the exercise price of RM4.01

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)

An Employees Share Option Scheme ("ESOS") was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Company. The ESOS shall be in-force for a period of 5 years. The fair value of each share option on the grant date was RM1.01. The options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives.

The exercise price of the share options granted under the ESOS is RM3.64 each. The options granted are divided into 5 equal tranches which vest on 14 April 2015, 27 February 2016, 27 February 2017, 27 February 2018 and 27 February 2019. The vesting condition is that the offeree must be an employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates. The options expire on 27 February 2020.

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

	<u>30.06.2017</u>	<u>30.06.2017</u>
	Number of shares ('000)	RM'000
At start of the financial period	1,063,569	531,784
Issued during the financial period		
- exercise of Free warrants (1 free warrant for every 15 shares) (Refer A6 (ii))	1	1
- exercise of ESOS	2,663	9,125
Transfer of share premium pursuant to S618(2) of CA 2016	-	179,245
At end of financial period	<u>1,066,233</u>	<u>720,155</u>

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017  
(CONTINUED)**

**A6 DEBT AND EQUITY SECURITIES (CONTINUED)**

**EQUITY SECURITIES (CONTINUED)**

iv. Proposed Share Split

On 20 April 2017, the Company proposed to undertake a share split involving the subdivision of every 1 ordinary share in KPJ into 4 ordinary shares in KPJ held on an entitlement date to be determined and announced later.

On 8 June 2017, Bursa Malaysia Securities Berhad ("Bursa Malaysia") had vide its letter approved the following:-

1. Proposed share split
2. Listing of and quotation of up to 259,725,882 additional warrants to be issued pursuant to the adjustments arising from the proposed share split
3. Listing of and quotation of up to 259,725,882 new KPJ Shares to be issued arising from the exercise of additional warrants

On 3 July 2017, Bursa Malaysia had vide its letter, resolved to grant the company an extension of time up to 4 August 2017 to issue the circular to shareholders in relation to the proposed share split.

On 2 August 2017, a circular in relation to the proposed share split has been issued to shareholders and Extraordinary General Meeting scheduled on 24 August 2017.

**A7 DIVIDENDS**

In respect of the financial year ending 31 December 2017, the Directors declared:

- (i) First interim single tier dividend of 2.20 sen per share on 1,048,780,787 ordinary shares amounting to RM23,073,175. The dividend was declared on 22 February 2017 and was fully paid on 28 April 2017.
- (ii) Second interim single tier dividend of 1.80 sen per share on 1,050,642,255 ordinary shares amounting to RM18,911,560. The dividend was declared on 26 May 2017 and was fully paid on 21 July 2017.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017  
(CONTINUED)**

**A8 SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker (“CODM”), which is the Executive Committee (“EXCO”). The EXCO considers the business by geographical location. The reportable segments have been identified as follows:

- (i) Malaysia - All healthcare activities including the private hospitals, pathology and laboratory services and distribution of pharmaceutical, medical and consumer healthcare products.
- (ii) Indonesia - Private hospitals
- (iii) Australia - Providing retirement village and aged care facilities
- (iv) Others - Operating segments involved in provision of hospital services in Thailand and Bangladesh, private university college of nursing and allied health and sale of hospital merchandise and other similar activities, none of which are individually significant to warrant separate disclosure.

The EXCO assesses the performance of the operating segments based on EBITDA and profit before zakat and tax.

<u>Period ended 30 June 2017</u>	<u>Malaysia</u> (RM'000)	<u>Indonesia</u> (RM'000)	<u>Australia</u> (RM'000)	<u>Others</u> (RM'000)	<u>Group</u> (RM'000)
<u>Revenue</u>					
Revenue from external customers	1,502,973	24,865	29,097	29,999	1,586,934
<u>Results</u>					
EBITDA*	206,108	4,719	(3,706)	1,553	208,674
Profit/(loss) before zakat and tax	105,361	913	(5,111)	(991)	100,172
Total assets	3,563,311	149,214	200,536	192,364	4,105,425
Total liabilities	2,046,681	52,452	218,403	49,874	2,367,410
Additions to property, plant and equipment	213,257	128	-	1,629	215,014

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017  
(CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

<u>Period ended 30 June 2016</u>	<u>Malaysia</u> (RM'000)	<u>Indonesia</u> (RM'000)	<u>Australia</u> (RM'000)	<u>Others</u> (RM'000)	<u>Group</u> (RM'000)
<u>Revenue</u>					
Revenue from external customers	1,431,986	28,262	23,874	24,948	1,509,070
<u>Results</u>					
EBITDA*	199,181	2,497	(4,764)	205	197,119
Profit/(loss) before zakat and tax	104,197	837	(5,687)	(1,840)	97,507
Total assets	3,490,896	157,115	187,304	116,572	3,951,887
Total liabilities	1,958,357	140,084	150,143	82,146	2,330,730
Additions to property, plant and equipment	111,558	438	3,414	1,639	117,049

\* Earnings before interest, taxation, depreciation and amortisation ("EBITDA")

**A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

In accordance with the Group Accounting policy, certain land and buildings of the Group were updated on 31 December 2016 to reflect the fair value of the properties that has changed significantly based on a valuation carried out by an independent firm of professional valuers. The book values of the 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 QUARTER PERIOD**

Except as stated in note B6, there were no material events subsequent to the quarter ended 30 June 2017 that has not been reflected in the interim financial reports.

**A11 CHANGES IN THE COMPOSITION OF THE GROUP**

There are no material changes in the composition of the Group during the current quarter.

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017  
(CONTINUED)**

**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 2016 except as stated in note B9.

**A13 CAPITAL COMMITMENTS**

Capital expenditures not provided for in the interim financial report as at 30 June 2017 are as follows:

	RM'000
Approved by the Directors and contracted	283,088
Approved by the Directors but not contracted	123,755
	<hr/>
	406,843
	<hr/> <hr/>

Analysed as follows:

Building	329,317
Medical equipment	46,266
Other property, plant and equipment	31,260
	<hr/>
	406,843
	<hr/> <hr/>



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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017**

**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 year (3 months)

The Group's revenue for the current quarter ended 30 June 2017 was RM793.0 million, an increase of 4% as compared to RM765.1 million in the corresponding quarter of the preceding year. The profit before zakat and tax for the 3 months ended 30 June 2017 was recorded at RM45.5 million, slightly decrease from RM46.1 million in 2016.

Malaysia

The Malaysia segment reported revenue of RM753.0 million increase by 4% from RM724.4 million in the same quarter in 2016. The revenue for the current quarter was higher as compared to the corresponding quarter of the preceding year mainly attributed by the increase in revenue generated by the newly opened hospital, KPJ Pahang and existing hospitals that had turnaround during the last financial year. Besides, increased activities at the support companies also contributed to the revenue growth.

Indonesia

The Indonesia segment reported a decrease of 23% in revenue in current quarter, RM11.3 million as compared to the revenue of RM14.7 million in the preceding year, however, the EBITDA improved due to economies of scale of Rumah Sakit Medika Bumi Serpong Damai with improved number of outpatient. EBITDA for this segment is reported at RM1.8 million, 64% increased as compared to EBITDA of RM1.1 million reported in the corresponding quarter of the preceding year.

Australia

Revenue from Australia segment was reported at RM14.4 million, increased by 11% as compared to revenue in the corresponding quarter of the preceding year which was reported at RM13.0 million. The increase was mainly attributable to the higher capacity of the retirement village. The currency exchange fluctuation also contributed to favorable impact on the increment of the revenue of the Group.

This segment reported a negative EBITDA of RM1.3 million, an improvement of 28% as compared to the negative EBITDA of RM1.8 million reported in the corresponding quarter of the preceding year. Losses for the current quarter was reported at RM2.0 million, an improvement of 13% as compared to RM2.3 million loss in the corresponding quarter of the preceding year.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

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

Additional information as required by Appendix 9B of Bursa Malaysia Listing Requirements: (cont'd)

a. Current quarter compare with the corresponding quarter of the preceding year (3 months) (cont'd)

Others

Revenue from this segment was reported at RM14.3 million, increased by 10% from RM13.0 million in 2016, mainly contributed by the additional revenue of RM1.3 million from KFC College which was acquired in November 2016. KPJ Dhaka had also contributed to the increased revenue recorded in this segment, as a result from additional hospital services offered starting early this year.

b. Current financial period compared to prior financial period (6 months)

The Group's revenue for the current period ended 30 June 2017 was RM1,586.9 million, an increase of 5% as compared to RM1,509.1 million in the corresponding period of the preceding year. The profit before zakat and tax for the 6 months ended 30 June 2017 was recorded at RM100.2 million, an increase of 3% from RM97.5 million in 2016 in line with the increased in revenue.

Malaysia

The Malaysia segment reported revenue of RM1,503.0 million increase by 5% from RM1,432.0 million in the same period in 2016. The revenue for the current period was higher as compared to the corresponding period of the preceding year mainly attributed by the increase in revenue generated by the newly opened hospital, KPJ Pahang and existing hospitals that had turnaround during the last financial year. Besides, support companies also contributed to the revenue growth.

Indonesia

The Indonesia segment reported a decrease of 12% in revenue of RM24.9 million as compared to the revenue of RM28.3 million in the preceding year, however, the EBITDA improved due to economies of scale of Rumah Sakit Medika Bumi Serpong Damai with improved number of outpatient as well as reduced administrative costs during the year. EBITDA for this segment is reported at RM4.7 million, 88% increased as compared to EBITDA of RM2.5 million reported in the corresponding period of the preceding year. Profit for the current period was reported at RM0.9 million, an increase of 13% as compared to RM0.8 million recorded in the corresponding period of the preceding year.

**KPJ HEALTHCARE BERHAD**

(Incorporated in Malaysia)

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)****B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONTINUED)**

Additional information as required by Appendix 9B of Bursa Malaysia Listing Requirements: (cont'd)

**b. Current financial period compared to prior financial period (6 months) (cont'd)****Australia**

Revenue from Australia segment was reported at RM29.1 million, increased by 22% as compared to revenue in the corresponding period of the preceding year which was reported at RM23.9 million. The increase was mainly attributable to the higher capacity of the retirement village. The currency exchange fluctuation also contributed to favorable impact on the increment of the revenue of the Group.

This segment reported a negative EBITDA of RM3.7 million, an improvement of 23% as compared to the negative EBITDA of RM4.8 million reported in the corresponding period of the preceding year. Losses for the current quarter was reported at RM5.1 million, an improvement of 11% as compared to RM5.7 million loss in the corresponding period of the preceding year.

**Others**

Revenue from this segment was reported at RM30.0 million, increased by 20% from RM24.9 million in 2016, mainly contributed by the additional revenue of RM2.4 million from KFC College which was acquired in November 2016. KPJ Dhaka had also contributed to the increased revenue by RM1.5 million, as a result from additional hospital services offered starting early this year.

**B2 MATERIAL CHANGES IN QUARTERLY RESULTS**

Revenue during the current quarter was recorded at RM793.0 million, slightly decreased as compared to the revenue in preceding quarter of RM793.9 million. The decline in the revenue was largely due to the festive holidays during current quarter which has affected the EBITDA and profit before zakat and tax to decrease to RM101.1 million from RM107.6 million and RM45.5 million from RM54.6 million in the preceding quarter, respectively.

However in comparison to the same quarter in 2016, the result from both quarters in 2017 has improved despite having to weather for the rising cost of employees due to additional provision for ESOS and higher depreciation charge from new equipment in current quarter.

Even with these additional costs incurred, for the 6 months ended 30 June 2017, the Group recorded an increased profit of RM100.2 million against prior year of RM97.5 million, this is driven by demand for private healthcare services and economies of scale achieved from the operation of new hospitals. The Group anticipate that these notably performance will be progressively improved in the following quarters.

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B3 CURRENT YEAR PROSPECTS**

For the financial year ending 31 December 2017, the Group is confident that the revenue from the matured and new hospitals will continue to improve and foresee that our results will be improving in tandem with more new hospitals completing their gestation period. Having recognised the socio-economic and geopolitical issues, the Group is committed to work harder to sustain its positive business performance and add value to its shareholders.

**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**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	<u>30.06.2017</u>	<u>30.06.2016</u>	<u>30.06.2017</u>	<u>30.06.2016</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	12,280	13,879	26,453	28,277

The effective tax rate of the Group for the 6 months period ended 30 June 2017 is slightly lower as compared to the same period in prior year, mainly due to certain companies within the Group had managed to utilise the benefits from tax losses and capital allowances resulted from improvement in business performance of the new hospitals.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**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 RM4.01 per Rights Share ("Rights Issue").

Set out below are details of the Warrants (2014/2019) issued by the Company during the financial period:

<u>Issuance date</u>	<u>Expiry date</u>	<u>Exercise price</u> RM/share	<u>Number of warrants 2014/2019</u>		
			<u>01.01.2017</u> '000	<u>Exercised</u> '000	<u>30.06.2017</u> '000
29 January 2014	23 January 2019	4.01	86,575	(1)	86,574

(b) Proposed leasing of a hospital building by Puteri Specialist Hospital (Johor) Sdn Bhd ("PSH")

On 17 October 2016, a wholly-owned subsidiary of the Company, PSH, had entered into an Agreement To Lease ("ATL") with Johor Land Berhad ("JLand") and Johor Corporation ("JCorp") for the development and leasing of a hospital building and the land to be known as "KPJ Batu Pahat Specialist Hospital".

The proposal was completed on 30 June 2017.

(c) Proposed collaboration with Se Barun Hospital by Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB")

On 23 September 2016, a wholly-owned subsidiary of the Company, KPJSB, has signed a Memorandum of Agreement (MOA) in Seoul, Korea for the development of spine centre in KPJ Tawakkal Health Centre. Based on the MOA, KPJ will prepare and sign the Supplementary Agreement with Barun Development Co. Barun Development Co is the owner of Se Barun Hospital.

During the quarter, KPJ and Se Barun have agreed to change the collaboration on the development of spine centre to training arrangement.

The terms and conditions of this training arrangement are expected to be finalised by (3rd) quarter of 2017.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

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

(d) On 1 December 2016, the Company has entered into a Sale and Purchase Agreement with Dr Mohd Adnan bin Sulaiman and Azizan bin Sulaiman (“Purchasers”) to dispose thirty percent (30%) equity shareholding of Hospital Penawar amounting to 720,000 ordinary shares to the Purchasers for a total cash consideration of RM2,209,860.

On 14 December 2016, the Purchasers has made payment of RM220,986 being 10% deposit of total cash consideration.

As at period end, the balance purchase price amounting to RM1,988,874 is still outstanding.

The proposal is expected to be completed in the third (3rd) quarter of 2017.

(e) Proposed share split.

On 20 April 2017, the Company proposed to undertake a proposed share split involving the subdivision of every 1 ordinary share in KPJ into 4 ordinary shares in KPJ held on an entitlement date to be determined and announced later.

On 2 August 2017, a circular in relation to the proposed share split has been issued to shareholders.

The proposal is expected to be completed in the third (3rd) quarter of 2017.

(f) Proposed acquisition of an office premise in Kota Bharu by Perdana Specialist Hospital Sdn Bhd (“PSHSB”)

On 11 June 2017, a subsidiary of the Company, PSHSB, has signed a Sale and Purchase Agreement (SPA) with KTC Convention and Apartment Sdn Bhd (“KTC”) for a total cash consideration of RM6,800,000 for the proposed acquisition of an office premise in Kota Bharu, Kelantan.

The proposal is expected to be completed in the fourth (4th) quarter of 2017.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B7 BORROWINGS**

Details of the Group's borrowings are as follows:

	<u>30.06.2017</u>	<u>Audited</u> <u>31.12.2016</u>
	RM'000	RM'000
<u>Current</u>		
Islamic financing		
- Term loans (secured)	12,920	26,082
- Revolving credits (unsecured)	234,500	212,500
- Finance lease liabilities (secured)	18,718	28,475
- Bank overdrafts (unsecured)	11,735	5,369
	<u>277,873</u>	<u>272,426</u>
Conventional financing		
- Term loans (secured)	15,777	41,398
- Revolving credits (unsecured)	6,007	5,905
- Finance lease liabilities (secured)	2,939	6,472
- Bank overdrafts (unsecured)	-	7,244
	<u>24,723</u>	<u>61,019</u>
	<u>302,596</u>	<u>333,445</u>
<u>Non-current</u>		
Islamic financing		
- Islamic Medium Term Notes (unsecured)	900,000	900,000
- Term loans (secured)	357,827	330,333
- Finance lease liabilities (secured)	10,123	9,086
	<u>1,267,950</u>	<u>1,239,419</u>
Conventional financing		
- Term loans (secured)	1,952	2,375
- Finance lease liabilities (secured)	2,669	519
	<u>4,621</u>	<u>2,894</u>
	<u>1,272,571</u>	<u>1,242,313</u>
	<u>1,575,167</u>	<u>1,575,758</u>

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

The Group's borrowings are denominated as follows:

	<u>30.06.2017</u>	<u>Audited</u> <u>31.12.2016</u>
	RM'000	RM'000
Ringgit Malaysia	1,489,679	1,479,915
Australian Dollar	40,176	46,976
US Dollar	45,312	48,867
Total	<u>1,575,167</u>	<u>1,575,758</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.

**B9 MATERIAL LITIGATIONS**

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 had fixed for a Trial to be held on 13 to 15 September 2016.

On 9 September 2016, the Defendant's solicitor served the Notice of Change of Solicitor to the Plaintiff and the Notice of Application for leave to amend the Statement of Defence with Affidavit in Support and Exhibit. During the Trial on 14 September 2016, the High Court dismissed the application by the Defendant to amend the Statement of Defence and awarded RM1,000 cost to the Plaintiff. The High Court had fixed for the Trial to continue on 18 and 31 October 2016.

On 31 October 2016, the High Court then proceeded to fix for a continuation of the trial on 13 to 16 December 2016. The Court later fixed for the next trial date to be held on 7 February 2017 for hearing of the Defendant's remaining witnesses.

The High Court completed the trial with the Defendant's first witness on 7 February 2017. On 8 February 2017, the Judge disallowed the calling of the Defendant's second witness thus the trial was concluded. The High Court Judge then fixed 31 March 2017 for submission by both solicitors.



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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**B9 MATERIAL LITIGATIONS (CONTINUED)**

On 19 May 2017, the Defendant's Counsel requested for time to file and serve the Written Submission in Reply (to Plaintiff's Written Submission). The Plaintiff's Counsel objected to the Defendant's late Written Submission in Reply. The High Court Judge required Written Submissions to be filed in court as this involved Submissions after Trial, The High Court Judge gave final extension of time as follows:

- (1) Defendant to file Written Submission in Reply (to Plaintiff's Written Submission) by 2 June 2017;
- (2) Plaintiff to file Written Submission in Reply (to Defendant's Written Submission in Reply) by 16 June 2017; and,
- (3) Decision on 6 July 2017.

On 6 July 2017, the High Court Judge delivered its decision in favour of the Plaintiff as follows:-

- (1) The Claim of the Plaintiff for the sum of RM4,160,000 was allowed;
- (2) Interest on the Judgement sum at 5% calculated from 18 February 2015, the effective termination date of the transaction.
- (3) The Counter Claim of the Defendant was dismissed.
- (4) Costs of RM50,000 to be paid by the Defendant.

Solicitors have extracted the Court Order and served it on the Defendant on 13 July 2017 to pay within 7 days but the Defendant had defaulted in payment.

The Plaintiff has filed an application to the Court seeking a Prohibitory Order ("PO") which will be registered on the subject Land once obtained. The validity of the PO is six months upon registration and can be extended further by the Court, if necessary.

The hearing for the application to court seeking a PO is scheduled on 16 August 2017. On 16 August 2017, the PO application had been granted by the High Court.

If the Defendant still defaults in payment thereafter, the Plaintiff will file a writ of execution to seek an order for sale and auction the property.

The Defendant has on 4 August 2017 filed his notice of appeal at Court of Appeal. The hearing of the appeal may only be fixed next year.

**B10 DIVIDEND PAYABLE**

In respect of the financial year ending 31 December 2017, the Directors declared:

- (i) First interim single tier dividend of 2.20 sen per share on 1,048,780,787 ordinary shares amounting to RM23,073,175. The dividend was declared on 22 February 2017 and was fully paid on 28 April 2017.
- (ii) Second interim single tier dividend of 1.80 sen per share on 1,050,642,255 ordinary shares amounting to RM18,911,560. The dividend was declared on 26 May 2017 and was fully paid on 21 July 2017.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**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>30.06.2017</u>	<u>As at</u> <u>30.06.2016</u>
Profit for the financial period attributable to equity holders of the Company (RM'000)	70,436	64,507
Weighted average number of ordinary shares in issue ('000)	1,091,273	1,064,107
Basic earnings per share (sen)	<u>6.45</u>	<u>6.06</u>

(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 and ESOS.

For the warrants issued and ESOS granted to employees 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 and ESOS. 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 and ESOS. 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 and ESOS calculation.

	<u>As at</u> <u>30.06.2017</u>	<u>As at</u> <u>30.06.2016</u>
Profit for the financial year attributable to equity holders of the Company (RM'000)	<u>70,436</u>	<u>64,507</u>
Weighted average number of ordinary shares in issue ('000)	1,091,273	1,064,107
Assumed shares issued from the		
- exercise of warrants ('000)	86,574	86,575
- exercise of ESOS ('000)	71,035	79,140
Weighted average number of ordinary shares in issue ('000)	<u>1,248,882</u>	<u>1,229,822</u>
Diluted earnings per share (sen)	<u>5.64</u>	<u>5.25</u>

Company No.

247079	M
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**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2017 (CONTINUED)**

**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.

	As at <u>30.06.2017</u> RM'000	As at <u>30.06.2016</u> RM'000
Total retained profits of the Company and its subsidiaries		
- Realised gains	780,686	675,069
- Unrealised loss	(50,148)	(36,712)
	<u>730,538</u>	<u>638,357</u>
Total share of retained profits from associates		
- Realised gains	49,806	63,569
- Unrealised gains	48,621	42,075
	<u>828,965</u>	<u>744,001</u>
Less: Consolidation adjustments	(21,162)	(21,915)
Total group retained profits as per consolidated financial statements	<u><u>807,803</u></u>	<u><u>722,086</u></u>