

Registration No.

199201015575 (247079-M)

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Registration No.

199201015575 (247079-M)

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

**INTERIM FINANCIAL REPORTS  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2021**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the fourth quarter and financial year ended 31 December 2021.

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 financial year ended 31 December 2021 and the accompanying explanatory notes attached to this report.

**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	Individual Quarter			Cumulative Quarter		
		3 months ended			12 months ended		
		31.12.2021	31.12.2020	Var	31.12.2021	31.12.2020	Var
		RM'000	RM'000	%	RM'000	RM'000	%
		Audited	Audited				
Revenue		689,118	622,340	11	2,626,849	2,397,443	10
Cost of sales		(441,505)	(393,257)	12	(1,686,787)	(1,494,888)	13
Gross profit		247,613	229,083	8	940,062	902,555	4
Administrative expenses		(202,082)	(180,646)	12	(728,381)	(647,345)	13
Other income		21,365	8,718	>100	38,811	29,776	30
Zakat		(719)	(547)	31	(2,144)	(1,810)	18
Operating profit		66,177	56,608	17	248,348	283,176	(12)
Finance income		1,875	5,425	(65)	8,683	14,164	(39)
Finance costs							
- Borrowings		(22,639)	(24,270)	(7)	(90,544)	(94,252)	(4)
- Lease liabilities		(18,870)	(18,801)	0	(76,745)	(69,224)	11
Finance costs - net		(39,634)	(37,646)	5	(158,606)	(149,312)	6
Share of results of associates, net of tax		11,288	1,660	>100	25,856	16,946	53
Profit before tax	B2	37,831	20,622	83	115,598	150,810	(23)
Tax	B5	(14,099)	3,146	>(100)	(49,947)	(39,998)	25
Profit for the financial year		23,732	23,768	(0)	65,651	110,812	(41)

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**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

	Individual Quarter			Cumulative Quarter		
	31.12.2021	31.12.2020	Var	31.12.2021	31.12.2020	Var
	RM'000	RM'000	%	RM'000	RM'000	%
				Audited	Audited	
Other comprehensive income for the financial year, net of tax	11,852	94,963	(88)	11,852	94,963	(88)
Total comprehensive income for the financial year	<u>35,584</u>	<u>118,731</u>	(70)	<u>77,503</u>	<u>205,775</u>	(62)
<b>Profit for the financial year attributable to:</b>						
Owners of the Company	18,460	25,285	(27)	51,033	110,443	(54)
Non-controlling interests	5,272	(1,517)	>100	14,618	369	>100
	<u>23,732</u>	<u>23,768</u>	(0)	<u>65,651</u>	<u>110,812</u>	(41)
<b>Total comprehensive income for the financial year attributable to:</b>						
Owners of the Company	30,312	120,248	(75)	62,885	205,406	(69)
Non-controlling interests	5,272	(1,517)	>100	14,618	369	>100
	<u>35,584</u>	<u>118,731</u>	(70)	<u>77,503</u>	<u>205,775</u>	(62)
<b>Dividend per share (sen)</b>	<u>0.30</u>	<u>0.40</u>	(25)	<u>0.55</u>	<u>1.20</u>	(54)
<b>Earnings per share attributable to Owners of the Company:</b>						
Basic (sen)	0.43	0.59		1.19	2.58	
Diluted (sen)	0.43	0.57		1.16	2.48	

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**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>31.12.2021</u> RM'000	<u>31.12.2020</u> RM'000
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	A9	2,676,238	2,863,583
Right-of-use assets		1,149,310	1,051,172
Investment properties		346,116	337,748
Intangible assets		220,010	235,828
Investment in associates		437,052	450,794
Equity instruments classified as FVOCI*		1,458	1,120
Deferred tax assets		125,218	130,921
Trade and other receivables		13,501	10,548
		<u>4,968,903</u>	<u>5,081,714</u>
<b><u>Current assets</u></b>			
Inventories		53,753	52,052
Trade and other receivables		481,393	446,852
Tax recoverable		106,170	93,737
Deposits, bank and cash balances		318,011	462,234
Dividend receivable		9,248	4,842
		<u>968,575</u>	<u>1,059,717</u>
Non-current assets held for sale		<u>250,163</u>	<u>-</u>
		<u>1,218,738</u>	<u>1,059,717</u>
Total assets		<u>6,187,641</u>	<u>6,141,431</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Current liabilities</u></b>			
Trade and other payables		618,260	605,055
Contract liabilities		50,922	55,978
Current tax liabilities		18,255	19,638
Borrowings	B7	860,457	505,776
Lease liabilities		31,178	45,531
Dividends payable		1,074	-
		<u>1,580,146</u>	<u>1,231,978</u>
Net current liabilities		<u>(361,408)</u>	<u>(172,261)</u>

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**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021 (CONTINUED)**

	<u>Note</u>	<u>31.12.2021</u> RM'000	<u>31.12.2020</u> RM'000
<u>Non-current liabilities</u>			
Trade and other payables		4,740	4,281
Borrowings	B7	968,007	1,449,231
Lease liabilities		1,288,083	1,153,419
Deferred tax liabilities		81,592	85,650
Provision for retirement benefits		2,355	2,786
Deposits		12,210	11,874
		<u>2,356,987</u>	<u>2,707,241</u>
Total liabilities		<u>3,937,133</u>	<u>3,939,219</u>
Net assets		<u>2,250,508</u>	<u>2,202,212</u>
<u>Equity attributable to Owners of the Company</u>			
Share capital	A6	959,521	909,504
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,331,219	1,295,890
		<u>2,135,430</u>	<u>2,050,084</u>
Non-controlling interests		115,078	152,128
Total equity		<u>2,250,508</u>	<u>2,202,212</u>
Total equity and liabilities		<u>6,187,641</u>	<u>6,141,431</u>
<u>Net assets per share attributable to Owners of the Company (RM)</u>			
		<u>0.48</u>	<u>0.46</u>

\* "FVOCI" refers to fair value through other comprehensive income.

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**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Non-distributable						Distributable		Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Esos reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 1 January 2021	4,442,043	909,504	(155,310)	59,798	(3,367)	(937)	226,128	1,014,268	2,050,084	152,128	2,202,212
Comprehensive income:											
Profit for the financial year	-	-	-	-	-	-	-	51,033	51,033	14,618	65,651
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	212	-	-	212	-	212
Revaluation surplus	-	-	-	-	-	-	11,640	-	11,640	-	11,640
Total other comprehensive income	-	-	-	-	-	212	11,640	-	11,852	-	11,852
Transactions with Owners:											
Issue of share capital:											
- ESOS	47,116	50,017	-	(7,141)	-	-	-	-	42,876	-	42,876
	47,116	50,017	-	(7,141)	-	-	-	-	42,876	-	42,876
Actuarial gain on defined benefit obligation	-	-	-	-	-	-	-	508	508	-	508
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	2,804	2,804	(1,244)	1,560
Lapsed ESOS	-	-	-	(7,035)	-	-	-	7,035	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(23,727)	(23,727)	-	(23,727)
Dividends paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	(50,424)	(50,424)
Total transactions with Owners	47,116	50,017	-	(14,176)	-	-	-	(13,380)	22,461	(51,668)	(29,207)
At 31 December 2021	4,489,159	959,521	(155,310)	45,622	(3,367)	(725)	237,768	1,051,921	2,135,430	115,078	2,250,508

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**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Non-distributable						Distributable		Total	Non-controlling interest	Total equity
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Esos reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 1 January 2020	4,439,197	906,743	(155,310)	61,153	(3,367)	8,806	121,422	953,378	1,892,825	156,439	2,049,264
Comprehensive income:											
Profit for the financial year	-	-	-	-	-	-	-	110,443	110,443	369	110,812
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(9,743)	-	-	(9,743)	-	(9,743)
Revaluation Surplus	-	-	-	-	-	-	104,706	-	104,706	-	104,706
Total other comprehensive income	-	-	-	-	-	(9,743)	104,706	-	94,963	-	94,963
Transactions with Owners:											
Issue of share capital:											
- ESOS	2,846	2,761	-	(172)	-	-	-	-	2,589	-	2,589
	2,846	2,761	-	(172)	-	-	-	-	2,589	-	2,589
ESOS expenses during the financial year	-	-	-	619	-	-	-	-	619	-	619
Lapsed ESOS	-	-	-	(1,802)	-	-	-	1,802	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(51,355)	(51,355)	-	(51,355)
Dividends paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	(4,680)	(4,680)
Total transactions with Owners	2,846	2,761	-	(1,355)	-	-	-	(49,553)	(48,147)	(4,680)	(52,827)
At 31 December 2020	4,442,043	909,504	(155,310)	59,798	(3,367)	(937)	226,128	1,014,268	2,050,084	152,128	2,202,212

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**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<u>31.12.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	115,598	150,810
Adjustments for:		
Share of results of associates	(25,856)	(16,946)
Finance income	(8,683)	(14,164)
Finance costs		
- Borrowings	90,544	94,252
- Lease liabilities	76,745	69,224
Share-based payments	-	(50)
Loss on disposal of interest in a subsidiary	750	-
Trade receivables:		
- Impairment charge for the year (net)	11,568	(21)
Share-based payments	-	619
Property, plant and equipment:		
- Depreciation	185,782	172,699
- Written-off	702	1,067
- Gain on disposal	(561)	(342)
- Impairment	10,073	16,973
Right-of-use assets:		
- Depreciation	57,981	50,644
- Gain on disposal	(137)	-
Investment properties:		
- Gain on fair value	(13,410)	(464)
- Written-off	-	420
Intangible assets:		
- Amortisation of software development expenditure	11,508	15,413
- Impairment of goodwill	4,028	1,610
- Written-off	474	-
Fair value loss on equity instruments	162	3,558
Inventories written-off	627	387
Provision for retirement benefits	214	321
Operating profit before working capital changes	<u>518,109</u>	<u>546,010</u>
Changes in working capital:		
Inventories	(2,328)	1,170
Receivables	(54,218)	98,493
Payables	14,791	(238,282)
Contract liabilities	(5,056)	(10,918)
Cash flows generated from operations	<u>471,298</u>	<u>396,473</u>
Income tax refund	5,095	10,071
Income tax paid	(64,037)	(69,487)
Retirement benefits paid	(137)	(310)
Net cash generated from operating activities	<u>412,219</u>	<u>336,747</u>



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**AUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

	<u>31.12.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(216,572)	(240,489)
Additions to investment properties	(251)	(677)
Additions to intangible assets	(192)	(1,516)
Additions to investment in equity instrument classified as FVOCI	(500)	-
Proceeds from disposal of property, plant and equipment	725	680
Proceed from disposal of interest in a subsidiary	1,560	-
Interest received	8,683	14,164
Decrease/(increase) in deposits with licensed banks with maturity of more than 3 months	223,295	(34,023)
Dividends received from associates	21,004	15,551
Investments in a subsidiary	-	(27,404)
Additional investments in subsidiaries	-	(2,000)
Net cash generated/(used in) investing activities	<u>37,752</u>	<u>(275,714)</u>
<b>FINANCING ACTIVITIES</b>		
Grant income received	6,830	3,003
Dividends paid to non-controlling interest	(49,000)	(4,680)
Issue of shares:		
- ESOS	42,876	2,589
Borrowings:		
- Drawdown	235,285	348,177
- Repayments	(385,710)	(194,144)
Payment of lease liabilities	(111,550)	(98,978)
Interest paid	(90,544)	(94,252)
Dividends paid to shareholders	(23,727)	(72,745)
Designated account	(18,283)	(269)
Net cash used in financing activities	<u>(393,823)</u>	<u>(111,299)</u>
Net changes in cash and cash equivalents	56,148	(50,266)
Currency translation differences	(1,195)	(3,076)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>215,020</u>	<u>268,362</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>269,973</u>	<u>215,020</u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2021**

**A1 BASIS OF PREPARATION**

These interim financial statements have been prepared in accordance with the 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 2021.

As at 31 December 2021, the Group’s current liabilities exceeded its current assets by RM361.4 million mainly due to reclassification of borrowings amounting to RM400.0 million which are now due and payable in the next 12 months from non-current liabilities to current liabilities. To address this, the Group has implemented its plan to refinance the borrowings as disclosed in Note B7.

For the financial year ended 31 December 2021, the Group recorded a profit for the year of RM65.7 million, operating cash inflows of RM412.2 million and shareholders’ equity of RM2,250.5 million. The directors believe that there are no material uncertainties that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern and it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis.

**SIGNIFICANT ACCOUNTING POLICIES**

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2021:

- Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above standards and amendments did not give rise to significant effect on the financial performance or position of the Group.

**STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE**

The standards and amendments that are issued but not yet effective are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
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2021 (CONTINUED)**

**A1 BASIS OF PREPARATION (CONTINUED)**

**STANDARDS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)**

	<b>Effective for annual periods beginning on or after</b>
Annual Improvements to MFRS Standards 2018-2020:	
• Amendments to MFRS 1: First-time Adoption of International Financial Reporting Standards - Subsidiary as a First-time Adopter	1 January 2022
• Amendments to MFRS 9: Financial Instruments - Fees in the '10 percent' Test for Derecognition of Financial Liabilities	1 January 2022
• Amendments to MFRS 141: Agriculture - Taxation in Fair Value Measurements	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group intends to adopt these standards when they become effective. The Directors of the Company do not anticipate that the application of these standards will have a significant impact on the Group's financial statements.

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

The audit report of the annual financial statements for the financial year ended 31 December 2021 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 DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence in the financial year ended 31 December 2021.

**A5 MATERIAL CHANGES IN ESTIMATES AND POLICIES USED**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period under review.

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER  
2021 (CONTINUED)**

**A6 DEBT AND EQUITY SECURITIES**

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year ended 31 December 2021 except as follows:

**EQUITY SECURITIES**

**i. Treasury shares**

On 9 July 2020, 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.

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

As at 31 December 2021, the Company held a total of 162,306,700 of its 4,489,159,101 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,152 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

**ii. Employees Share Option Scheme**

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 was initially be in-force for a period of 5 years. However, upon approval from KPJ's Board of Directors on 3 December 2019, it has been resolved that ESOS's period is extended to another 3 years, whereby no additional options will be granted. The options will expire on 27 February 2023.

The fair value of each share option on the grant date is RM0.25. 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 RM0.91 each. The options granted remained dividable 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 fair value of ESOS issued is RM0.25 and the exercise price is RM0.91 (2020: RM0.91).

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2021 (CONTINUED)**

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

**EQUITY SECURITIES (CONTINUED)**

ii. Employees Share Option Scheme (continued)

There has been no issuance of shares and repayments of debt and equity securities by the Company in the current period under review, except the followings:

Movement of ESOS during the year:

	<u>31.12.2021</u> Units '000	<u>31.12.2020</u> Units '000
At 1 January	180,510	188,403
- Exercised	(47,116)	(2,846)
- Lapsed	(9,589)	(5,047)
At 31 January	<u>123,805</u>	<u>180,510</u>

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

	<u>31.12.2021</u> Number of shares ('000)	<u>31.12.2021</u> RM'000
At 1 January	4,442,043	909,504
Issued during the financial year - exercise of ESOS	47,116	50,017
At 31 December	<u>4,489,159</u>	<u>959,521</u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
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2021 (CONTINUED)**

**A7 DIVIDENDS**

The amount of dividend paid or declared by the Company since 31 December 2020 was as follows:-

RM

In respect of the financial year ended 31 December 2021:

First interim dividend of 0.25 sen per share on 4,299,041,642 shares. The dividend was declared on 24 August 2021 and paid on 15 October 2021.	10,747,604
Second interim dividend of 0.30 sen per share on 4,326,306,794 shares. The dividend was declared on 26 November 2021 and paid on 28 December 2021.	12,978,918
	<u>23,726,522</u>

The Directors are of the opinion that the Company is able to pay its debts, identified as at the date of the statements of financial position, as being the debts as they fall due and that the company will remain solvent for the period of twelve months after the date of declaration.

The Directors did not recommend the payment of a final dividend in respect of the financial year ended 31 December 2021.

**A8 SEGMENT REPORTING**

Operating Segment information for the financial year ended 31 December 2021 is as follows:

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the KPJ Group Management Committee ("KGMC"). The KGMC 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. Others - Operating segments involved in provision of hospital and aged care services in Indonesia, Thailand, Bangladesh and Australia, 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 per quantitative thresholds required by MFRS 8.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The KGMC assesses the performance of the operating segments based on earnings before interest, tax, depreciation and amortisation ("EBITDA") and profit before tax.

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2021 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>31 December 2021</u>					
<u>Revenue</u>					
Revenue from external customers	655,529	36,934	692,463	(3,345)	689,118
<u>Results</u>					
EBITDA	144,719	(2,689)	142,030	(3,179)	138,851
Finance costs (net)	(36,225)	(6,475)	(42,700)	3,066	(39,634)
Depreciation and amortisation	(55,771)	(5,735)	(61,506)	120	(61,386)
Profit/(loss) before tax	52,723	(14,899)	37,824	7	37,831
Tax	(12,623)	(1,476)	(14,099)	-	(14,099)
Profit/(loss) after tax	40,100	(16,375)	23,725	7	23,732
Total assets	5,915,288	512,443	6,427,731	(240,090)	6,187,641
Total liabilities	3,555,019	622,285	4,177,304	(240,171)	3,937,133
Additions to property, plant and equipment	110,986	1,949	112,935	-	112,935

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**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>31 December 2020</u>					
<u>Revenue</u>					
Revenue from external customers	593,098	32,442	625,540	(3,200)	622,340
<u>Results</u>					
EBITDA	133,178	(8,538)	124,640	(2,987)	121,653
Finance costs (net)	(33,898)	(6,309)	(40,207)	2,561	(37,646)
Depreciation and amortisation	(62,805)	(1,059)	(63,864)	479	(63,385)
Profit/(loss) before tax	36,475	(15,906)	20,569	53	20,622
Tax	436	2,710	3,146	-	3,146
Profit/(loss) after tax	36,911	(13,196)	23,715	53	23,768
Total assets	5,798,780	596,733	6,395,513	(254,082)	6,141,431
Total liabilities	3,544,399	648,902	4,193,301	(254,082)	3,939,219
Additions to property, plant and equipment	132,810	1,432	134,242	-	134,242



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2021 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended (continued)

The functional currency for Indonesia and Australia operation is as follows:

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>31 December 2021</u>				
<u>Revenue</u>				
Revenue from external customers	28,726,970	8,342	4,934	15,165
<u>Results</u>				
EBITDA	5,862,574	1,698	(388)	(1,186)
Finance costs (net)	(9,284,198)	(2,695)	(361)	(1,112)
Depreciation and amortisation	(5,416,072)	(1,571)	(536)	(1,653)
Loss before tax	(8,837,696)	(2,568)	(1,285)	(3,951)
Tax	(926,616)	(269)	-	-
Loss after tax	(9,764,312)	(2,837)	(1,285)	(3,951)
Total assets	493,943,951	144,528	48,216	145,997
Total liabilities	606,363,636	177,422	60,529	183,281
Additions to property, plant and equipment	1,764,829	517	-	-

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2021 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended (continued)

The functional currency for Indonesia and Australia operation is as follows: (continued)

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>31 December 2020</u>				
<u>Revenue</u>				
Revenue from external customers	22,862,560	6,928	4,322	13,722
<u>Results</u>				
EBITDA	32,144,580	9,188	(6,547)	(19,367)
Finance costs (net)	(8,129,453)	(2,453)	(456)	(1,446)
Depreciation and amortisation	(2,705,502)	(819)	(401)	(1,419)
Loss before tax	21,309,625	5,916	(7,404)	(22,232)
Tax	(1,073,217)	(322)	1,308	3,901
Loss after tax	20,236,408	5,594	(6,096)	(18,331)
Total assets	524,937,238	150,552	65,004	200,998
Total liabilities	563,270,572	161,546	85,224	263,522
Additions to property, plant and equipment	401,110	182	-	-

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**A8 SEGMENT REPORTING (CONTINUED)**

Cumulative 12 months ended

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>31 December 2021</u>					
<u>Revenue</u>					
Revenue from external customers	2,494,341	145,341	2,639,682	(12,833)	2,626,849
<u>Results</u>					
EBITDA	542,688	(1,130)	541,558	(12,083)	529,475
Finance costs (net)	(143,208)	(27,030)	(170,238)	11,632	(158,606)
Depreciation and amortisation	(231,214)	(24,536)	(255,750)	479	(255,271)
Profit/(loss) before tax	168,266	(52,696)	115,570	28	115,598
Tax	(46,454)	(3,493)	(49,947)	-	(49,947)
Profit/(loss) after tax	121,812	(56,189)	65,623	28	65,651
Total assets	5,915,288	512,443	6,427,731	(240,090)	6,187,641
Total liabilities	3,555,019	622,285	4,177,304	(240,171)	3,937,133
Additions to property, plant and equipment	232,231	2,440	234,671	-	234,671

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2021 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Cumulative 12 months ended (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>31 December 2020</u>					
<u>Revenue</u>					
Revenue from external customers	2,285,390	122,698	2,408,088	(10,645)	2,397,443
<u>Results</u>					
EBITDA	556,788	(8,108)	548,680	(9,802)	538,878
Finance costs (net)	(134,857)	(23,831)	(158,688)	9,376	(149,312)
Depreciation and amortisation	(217,904)	(21,331)	(239,235)	479	(238,756)
Profit/(loss) before tax	204,027	(53,270)	150,757	53	150,810
Tax	(41,934)	1,936	(39,998)	-	(39,998)
Profit/(loss) after tax	162,093	(51,334)	110,759	53	110,812
Total assets	5,798,780	596,733	6,395,513	(254,082)	6,141,431
Total liabilities	3,544,399	648,902	4,193,301	(254,082)	3,939,219
Additions to property, plant and equipment	270,685	3,824	274,509	-	274,509

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2021 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Cumulative 12 months ended (continued)

The functional currency for Indonesia and Australia operation is as follows:

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>31 December 2021</u>				
<u>Revenue</u>				
Revenue from external customers	127,711,426	36,998	18,293	55,976
<u>Results</u>				
EBITDA	3,924,750	1,137	292	892
Finance costs (net)	(36,123,576)	(10,465)	(1,985)	(6,074)
Depreciation and amortisation	(15,236,452)	(4,414)	(3,238)	(9,907)
Loss before tax	(47,435,278)	(13,742)	(4,931)	(15,089)
Tax	(3,724,543)	(1,079)	-	-
Loss after tax	(51,159,821)	(14,821)	(4,931)	(15,089)
Total assets	493,943,951	144,528	48,216	145,997
Total liabilities	606,363,636	177,422	60,529	183,281
Additions to property, plant and equipment	2,987,013	874	-	-

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2021 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Cumulative 12 months ended (continued)

The functional currency for Indonesia and Australia operation is as follows: (continued)

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>31 December 2020</u>				
<u>Revenue</u>				
Revenue from external customers	92,182,881	26,816	16,562	49,393
<u>Results</u>				
EBITDA	(8,569,955)	(2,493)	(4,235)	(12,629)
Finance costs (net)	(30,165,005)	(8,775)	(1,725)	(5,143)
Depreciation and amortisation	(10,697,834)	(3,112)	(3,657)	(10,907)
Loss before tax	(49,432,794)	(14,380)	(9,617)	(28,679)
Tax	(3,523,548)	(1,025)	1,268	3,783
Loss after tax	<u>(52,956,342)</u>	<u>(15,405)</u>	<u>(8,349)</u>	<u>(24,896)</u>
Total assets	<u>524,937,238</u>	<u>150,552</u>	<u>65,004</u>	<u>200,998</u>
Total liabilities	<u>563,270,572</u>	<u>161,546</u>	<u>85,224</u>	<u>263,522</u>
Additions to property, plant and equipment	<u>8,877,266</u>	<u>2,546</u>	<u>-</u>	<u>-</u>

The key exchange rate used, provided by the ultimate holding corporation, is as follows;

	<u>31.12.2021</u>	<u>31.12.2020</u>
1 Australian Dollar		
Closing	3.0280	3.0921
Average	3.0600	2.9823
1,000 Indonesian Rupiah		
Closing	0.2926	0.2868
Average	<u>0.2897</u>	<u>0.2909</u>

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

The Group's land and buildings were fully revalued as at 31 December 2020. As at year end, the Group assess whether there is an indication that the carrying values of these assets have differ materially from its fair value. Where an indication exist, revaluations were carried out and the carrying value of these assets were updated to reflect its fair value based on independent valuation.

**A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER**

Except as stated in note B6, there were no material events subsequent to the financial year ended 31 December 2021 that has not been reflected in this interim financial report.

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

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

**A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no material changes in contingent liabilities or contingent assets since the statement of financial position as at 31 December 2021.

**A13 RELATED PARTY TRANSACTIONS**

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

**A14 CAPITAL COMMITMENTS**

Capital expenditures not provided for in the interim financial report as at 31 December 2021 are as follows:

	RM'000
Approved by the Directors and contracted	266,478
Approved by the Directors but not contracted	260,199
	<u>526,677</u>

Analysed as follows:

Building	77,767
Medical equipment	219,563
Other property, plant and equipment	229,347
	<u>526,677</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**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. Review on statements of comprehensive income for current quarter compared to the corresponding quarter of the preceding financial year (3 months)

Group

The Group recorded total revenue of RM689.1 million for the current quarter, an increase of 11% compared to RM622.3 million in the previous corresponding quarter. During the quarter under review, outpatient visits increased to 730,992 from 707,177, while inpatient visits increased to 71,007 from 57,722 in the previous corresponding quarter.

The Group recorded a total EBITDA of RM138.9 million, a 14% increase from RM121.7 million in the previous corresponding quarter and a total profit before tax ("PBT") of RM37.8 million, an increase of 83% from RM20.6 million recorded in the previous corresponding period. The increase was driven primarily by the performance from the Malaysia segment.

Malaysia

The Malaysia segment recorded total revenue of RM655.5 million for the current quarter, an increase of 11% compared to RM593.1 million in the previous corresponding quarter. During the quarter under review, outpatient visits increased to 687,895 from 658,290, while inpatient visits increased to 67,387 from 55,425 in the previous corresponding quarter.

During the current quarter, the healthy growth in revenue were driven by an increase in hospital activities resulting from the lifting of Movement Control Order ("MCO"), higher vaccination rate and the implementation of the National Recovery Plan ("NRP") by the Malaysian Government. The active management of selected COVID-19 cases in KPJ hospitals, provision of vaccination services and decanting of non-COVID-19 patients from public hospitals also contributed to the revenue growth.

The Malaysia segment recorded a total EBITDA of RM144.7 million, an increase of 9% compared to RM133.2 million, while PBT was recorded at RM52.7 million, an increase of 44% from RM36.5 million from the previous year.

The segment enjoyed gain on valuation of investment properties of RM13.4 million and increase in share of profit from associates up to RM11.3 million that give rise to the better EBITDA and PBT for the current quarter.



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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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:  
(continued)

- a. Review on statements of comprehensive income for current quarter compared to the corresponding quarter of the preceding financial year (3 months) (continued)

Others

The Others segment recorded total revenue of RM36.9 million, a 14% increase from RM32.4 million reported in the previous corresponding quarter. This segment consists mainly of hospital operations in Indonesia and an aged care and retirement village in Australia, Jeta Gardens.

The number of patient visits for Indonesian operations was recorded at 21,778 in the current quarter, an increase of 54% from the previous corresponding quarter. The occupancy rate at Jeta Gardens was 10% higher compared to the previous corresponding quarter.

This segment reported a negative EBITDA of RM2.7 million and loss before tax (“LBT”) of RM14.9 million, in comparison to a negative EBITDA of RM8.5 million and LBT of RM15.9 million in the previous corresponding quarter. The better performance in the current period correlates with the increase in revenue.

- b. Review on statements of comprehensive income for current financial year compared to prior financial year (12 months)

Group

The Group recorded total revenue of RM2,626.8 million in 2021, an increase of 10% against RM2,397.4 million recorded in 2020. The increase was due to increased activities throughout the year, including greater collaboration with the public healthcare sector to treat COVID-19 patients, higher COVID-19 screening, laboratory testing, and vaccination services.

Patient visits increased to 3,055,907 in 2021 from 2,876,438 in 2020. Group hospitals also performed 87,051 surgery cases and 15,802 delivery cases in 2021, an increase of 7% and 31% respectively in comparison to 2020.

During the year we had new revenue streams arising from collaboration with the public healthcare sector to treat COVID-19 patients and decanted cases from public hospitals, continuous increase of COVID-19 screenings, higher laboratory testing and vaccination services which contributed to the increases as well.

The Group recorded total EBITDA of RM529.5 million in 2021, lower by 2% from RM538.9 million in 2020. The Group recorded a total PBT of RM115.6 million in 2021, a decrease of 23% from RM150.8 million in 2020, mainly due to the increase in materials cost as a result of complying with the COVID-19 standard operating procedure (“SOP”)’s requirement, usage of personal protective equipment (“PPE”) by our employees and compulsory requirement for RT-PCR test for all inpatients had resulted to higher operating costs during this COVID-19 pandemic. In addition, the Group made a reversal of provisions in 2020 that was not repeated in 2021.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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: (continued)

b. Review on statements of comprehensive income for current financial year compared to prior financial year (continued)

Malaysia

The Malaysia segment recorded total revenue of RM2,494.3 million in 2021, an increase of 9% compared to RM2,285.4 million in 2020. In 2021, patient visits increased to 2,840,022 from 2,688,537 in 2020. The growth in revenue was mainly attributed to the improvement in hospital activities, especially with the relaxation from extended MCO and the introduction of NRP by the Malaysian Government. The Group's performance in 2020 were adversely impacted by the enforcement of the MCOs which resulted in fewer patient visits and lower activities at the hospitals.

The Malaysia segment recorded total EBITDA of RM542.7 million, a decrease of 3% compared to RM556.8 million, while PBT was recorded at RM168.3 million, a decline of 18% from RM204.0 million last year.

Even though the Malaysia segment recorded higher revenue during the period, EBITDA and PBT were lower due to higher fixed costs, the incremental cost for SOP compliance and losses incurred from new hospitals that are still in their gestation period. In addition, the Group made a reversal of provisions in 2020 that was not repeated in 2021.

Six hospitals in Malaysia renewed their lease rental agreement with Al-'Aqar Healthcare REIT for another 15 years, leading to an increase in the depreciation of right-of-use ("ROU") assets and interest on lease liabilities in accordance to MFRS 16 Leases, resulting in an additional expenses of RM7.5 million.

Others

The segment recorded total revenue of RM145.3 million in 2021, an 18% increase from RM122.7 million reported in 2020. The Indonesian hospitals recorded 79,889 patient visits in 2021 in comparison to 62,816 in 2020. The increase in revenue from Indonesian hospital of RM37.0 million in 2021 in comparison to RM26.8 million in 2020 was mainly due to a higher number of admissions of COVID-19 patients. In addition, the Group's aged care and retirement village in Australia, Jeta Gardens, recorded a higher occupancy rate of 95% for the year ended 31 December 2021 as compared to 85% in 2020, resulting in an increase of total revenue to RM56.0 million in 2021 compared to RM49.4 million in 2020.

The segment reported a negative EBITDA of RM1.1 million and LBT of RM52.7 million in 2021, in comparison to negative EBITDA of RM8.1 million and LBT of RM53.3 million in 2020. The Others segment recorded an impairment of land at Jeta Gardens and foreign exchange loss aggregated to RM18.3 million in 2020.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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:  
(continued)

c. Review on statements of financial position for current financial year compared to prior financial year

Group

The Group maintained its stable performance with net asset as at 31 December 2021 of RM2,250.5 million, 2% higher against RM2,202.2 million as at 31 December 2020.

Total assets as at 31 December 2021 closed at RM6,187.6 million, 1% higher in comparison to RM6,141.4 million as at 31 December 2020. This was primarily contributed by the increase in ROU assets balance from the renewal of lease agreement between KPJ's hospitals and Al-Aqar Healthcare REIT. The Group's total assets increased primarily due to the gain on fair value from investment properties valuation and the higher trade and other receivables as a result of a better revenue at the end of the year as compared to prior year.

Non-current asset balances were lower due to a decrease in deposits, cash and bank balances from the repayment of Islamic Medium-Term Notes ("IMTN") amounting to RM250.0 million in April 2021 and dividend payment to non-controlling interest at RM49.0 million. As at 31 December 2021 the Group's deposits, cash and bank balances were recorded at RM318.0 million.

The Group's total liabilities as at 31 December 2021 was RM3,937.1 million, slightly lower as compared to RM3,939.2 million as at 31 December 2020. The decrease was due to higher repayment of borrowing facilities in current year versus last year.

As at 31 December 2021, the Group is in a Net Current Liabilities position of RM361.4 million due to the reclassification of non-current liabilities, IMTN, which amounts to RM400.0 million as the repayment is currently due within the next 12 months.

Malaysia

Malaysia segment's total assets as at 31 December 2021 was at RM5,915.3 million, 2% higher in comparison to RM5,798.8 million as at 31 December 2020. This increase in total assets is mainly contributed by the increase in ROU assets balance from the renewal of lease agreement between KPJ's hospitals and Al-Aqar Healthcare REIT, gain on fair value from investment properties valuation and the higher trade and other receivables as a result of a better revenue at the end of the year as compared to prior year.

Meanwhile, total liabilities as at 31 December 2021 was RM3,555.0 million, slightly increased as compared to RM3,544.4 as at 31 December 2020. Other than additional drawdown in borrowings, increase in trade and other payable arising from the improved hospital activities during the reported period also contributed to the higher total liabilities.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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:  
(continued)

c. Review on statements of financial position for current financial year compared to prior financial year (continued)

Others

This segment's total assets and total liabilities as at 31 December 2021 registered at RM512.4 million and RM622.3 million respectively in comparison to RM596.7 million and RM648.9 million respectively as reported in the same period in 2020. The impairment of land at Jeta Gardens and the reduction in lease liabilities balances resulted in the decreases of 14% and 4% in total assets and total liabilities, respectively.

d. Review on statements of cash flows for current financial year compared to prior financial year

Net cash generated from operating activities for the year ended 31 December 2021 was RM412.2 million, 22% higher from the RM336.7 million generated in 2020.

The cash outflow from investing activities was mainly for payment to contractors for the new hospital building development projects of KPJ Penang and KPJ Puteri. Meanwhile, the cash inflows were from a liquidation of fixed deposits placed with licensed bank amounted to RM223.3 million and dividends received from investment in an associate, Al-'Aqar Healthcare REIT, amounting to RM18.2 million. The Group had also disposed of its interest in a subsidiary, Teraju Farma Sdn Bhd, in November 2021 with proceeds amounting to RM1.6 million.

The cash inflows from financing activities were mainly generated from the issuance of shares at RM42.9 million and the drawdown of borrowings amounting to RM235.3 million. In contrarily, the cash outflows were for repayment of IMTN and other borrowings facilities amounted to RM385.7 million followed by payment of lease liabilities and payment of dividend to non-controlling interest, amounting to RM111.6 million and RM49.0 million, respectively.

All the above resulted in a net change of cash and cash equivalents at RM56.1 million as at 31 December 2021, a twofold increase from a negative net change of cash and cash equivalents at RM50.3 million as reported in year 2020.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**B2 MATERIAL CHANGES IN QUARTERLY RESULTS**

	Quarter ended 31.12.2021 RM'000	Quarter ended 31.09.2021 RM'000	Var %
Revenue	689,118	698,958	(1)
Operating profit	66,177	81,967	(19)
EBITDA	138,851	147,932	(6)
Profit before tax	37,831	43,425	(13)
Net profit for the financial period	23,732	17,928	32
Total comprehensive income for the financial period	35,584	17,928	98
Profit attributable to Owners of the Company	18,460	12,639	46
No. of inpatient (episode)	71,007	55,220	29
No. of outpatient (episode)	730,992	727,512	0

The Group recorded total revenue of RM689.1 million during the current quarter as compared to RM699.0 million in the preceding quarter. During the quarter, the Group disposed of an investment in a subsidiary, Teraju Farma Sdn Bhd ("TFSB"), which resulted to lower pharmaceutical revenue. Revenue generated by TFSB in the current quarter was RM17.0 million in comparison to the RM35.6 million recorded in the preceding quarter.

The revenue generated from hospital activities during the quarter had increased by 1.3%, evidenced by the increase in patient visits. Outpatient visits were relatively flat at 730,992 during the quarter compared to 727,512 visits reported in the third quarter of 2021, but inpatient cases saw a strong 28.6% improvement to 71,007 versus 55,220 visits recorded in the third quarter of 2021. The number of surgeries performed during the quarter also increased with a total of 25,171 compared to 21,644 in the preceding quarter. The rise in patient visits and surgeries were also contributed by higher decanting non-COVID-19 cases during the quarter.

The decrease in revenue also resulted in lower EBITDA and PBT during the quarter review. EBITDA decreased by 6% from RM147.9 million and a PBT decrease of 13% from RM43.4 million in the previous quarter. During the quarter under review, the Group encountered loss in valuation of property, plant and equipment amounted to RM10.1 million and higher provision for doubtful debt with RM4.0 million.

The high fixed costs in running new hospital continued to be the main challenges in achieving group operational efficiency during this period, hence discipline and consistent cost optimisation continued to be our main focus.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**B3 CURRENT YEAR PROSPECTS**

For the financial year ended 31 December 2021, the Group's performance continued to be affected by the COVID-19 global pandemic and the imposition of a series of lockdowns due to the resurgence in the number of COVID-19 cases throughout the year, resulting in a higher overhead costs borne by the Group. Although economic and business activities have resumed towards year end, restricted cross-border movements and tighter SOPs continued to weigh on recovery efforts across the Group's business operations. Nevertheless, the Group had remained vigilant and focused on delivering its services to ensure that the Group remains resilient during these unprecedented times.

Whilst the Group continues to expand its operation, it is also anticipating that the challenges posed by the pandemic will continue in the year 2022. The Group has identified key strategic focus areas for 2022 that will shape its ability to navigate from recovering to thriving in the post-pandemic "new normal" and advance its journey in the industry. Our focus will continue to cover greater adoption of virtual health and other digital innovations, as well as public-private collaborations via decanting of non-COVID-19 cases in efforts to alleviate the strain on the public healthcare system.

**B4 PROFIT FORECAST / GUARANTEE**

The Company is not subject to any variance of actual profit from forecast profit/profit guarantee for the current period under review.

**B5 TAX**

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	(14,099)	3,146	(49,947)	(39,998)

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year. The effective tax rate of the Group was significantly above the statutory rate mainly due to non-recognition of tax benefits arising from the new hospitals under gestation period. As for the quarter in prior year, the effective tax rate was lower due to the recognition of tax credits arising from the investment tax allowances (ITA), which the Group had obtained approval from the authorities in the last quarter of 2020.

**B6 STATUS OF CORPORATE PROPOSALS**

There were no significant corporate proposals during the financial period under review.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**B7 BORROWINGS**

Details of the Group's borrowings are as follows:

	Current		Non-current		Total borrowings	
	Foreign	RM	Foreign	RM	Foreign	RM
	'000	'000	'000	'000	'000	'000
<u>As at 31 December 2021</u>						
<b>Secured:</b>						
Term loans						
- Conventional						
RM	-	2,040	-	49,583	-	51,623
AUD	1,600	4,845	58	175	1,658	5,020
- Syariah						
RM	-	77,166	-	232,749	-	309,915
USD	2,080	8,678	-	-	2,080	8,678
Hire purchase creditors						
- Conventional						
RM	-	56	-	133	-	189
- Syariah						
RM	-	15,584	-	35,367	-	50,951
<b>Unsecured:</b>						
Revolving credits						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,854	5,615	-	-	1,854	5,615
- Syariah						
RM	-	279,000	-	-	-	279,000
Bank overdrafts						
- Syariah						
RM	-	17,473	-	-	-	17,473
Islamic Medium Term Notes						
RM	-	400,000	-	650,000	-	1,050,000
Total		<u>860,457</u>		<u>968,007</u>		<u>1,828,464</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

Details of the Group's borrowings are as follows (continued):

	Current		Non-current		Total borrowings	
	Foreign '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
<u>As at 31 December 2020</u>						
<b>Secured:</b>						
Term loans						
- Conventional						
RM	-	2,040	-	51,793	-	53,833
AUD	3,188	9,858	69	215	3,257	10,073
- Syariah						
RM	-	66,637	-	296,308	-	362,945
USD	2,275	9,181	1,603	6,470	3,878	15,651
Hire purchase creditors						
- Conventional						
RM	-	539	-	25	-	564
- Syariah						
RM	-	13,650	-	44,420	-	58,070
<b>Unsecured:</b>						
Revolving credits						
- Conventional						
AUD	1,854	5,734	-	-	1,854	5,734
- Syariah						
RM	-	136,500	-	-	-	136,500
Bank overdrafts						
- Syariah						
RM	-	11,637	-	-	-	11,637
Islamic Medium						
Term Notes						
RM	-	250,000	-	1,050,000	-	1,300,000
Total		<u>505,776</u>		<u>1,449,231</u>		<u>1,955,007</u>

The key exchange rate used is as follows:

	<u>31.12.2021</u>	<u>31.12.2020</u>
1 Australian Dollar	3.0280	3.0921
1 US Dollar	<u>4.1731</u>	<u>4.0357</u>



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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

Material changes in borrowings

The Group's borrowings balances as at 31 December 2021 decreased by 6% compared to previous year mainly due to repayment of IMTN during the year amounting to RM250.0 million. The repayment was offset with the withdrawal of revolving credit during the year amounting to RM244.5 million. The withdrawal will be used for the working capital and IMTN repayment.

Weighted average interest rate of borrowings are as follows:

- Term loan: 4.50% p.a. (2020: 4.41% p.a.)
- Hire purchase: 2.63% p.a. (2020: 2.62% p.a.)
- Islamic Medium Term Notes: 5.23% p.a. (2020: 5.33% p.a.)
- Overdraft: 5.00% p.a. (2020: 4.81% p.a.)
- Revolving credit: 2.95% p.a. (2020: 2.82% p.a.)

As at 31 December 2021, tranches of the IMTN amounting to RM300.0 million and RM100.0 million will mature in April and June 2022 respectively. During the current financial year, the Group has implemented its plan to refinance the IMTN. At the date of the financial statements, the Group has completed the lodgement of the Sukuk Wakalah Programme with the Securities Commission Malaysia and received indicative offers from potential investors.

**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**

There were no pending material litigations since the date of the last statement of financial position.

**B10 DIVIDENDS**

The amount of dividend paid or declared by the Company since 31 December 2020 was as follows:-

RM

In respect of the financial year ended 31 December 2021:

First interim dividend of 0.25 sen per share on 4,299,041,642 shares. The dividend was declared on 24 August 2021 and paid on 15 October 2021.	10,747,604
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Second interim dividend of 0.30 sen per share on 4,326,306,794 shares. The dividend was declared on 26 November 2021 and paid on 28 December 2021.	12,978,918
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	23,726,522
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The Directors did not recommend the payment of a final dividend in respect of the financial year ended 31 December 2021.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**B11 EARNINGS PER SHARE**

(a) Basic earnings per share

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

	As at <u>31.12.2021</u>	As at <u>31.12.2020</u>
Profit attributable to Owners of the Company (RM'000)	51,033	110,443
Weighted average number of ordinary shares in issue ('000)	4,291,969	4,279,293
Basic earnings per share (sen)	<u>1.19</u>	<u>2.58</u>

(b) Diluted earnings per share

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 is ESOS.

For the ESOS granted to employees, 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 outstanding ESOS. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of 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 year for the ESOS calculation.

	As at <u>31.12.2021</u>	As at <u>31.12.2020</u>
Profit attributable to Owners of the Company (RM'000)	51,033	110,443
Weighted average number of ordinary shares in issue ('000)	4,291,969	4,279,293
Assumed shares issued from the - exercise of ESOS ('000)	<u>123,805</u>	<u>180,510</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,415,774</u>	<u>4,459,803</u>
Diluted earnings per share (sen)	<u>1.16</u>	<u>2.48</u>