

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE 30 SEPTEMBER 2022**

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORTS
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the third quarter and financial period ended 30 September 2022.

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 2021 and the accompanying explanatory notes attached to this report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Note	Individual Quarter			Cumulative Quarter		
		3 months ended			9 months ended		
		30.09.2022	30.09.2021	Var	30.09.2022	30.09.2021	Var
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue		809,161	698,958	16	2,167,748	1,937,731	12
Cost of sales		(470,965)	(452,924)	4	(1,303,066)	(1,245,282)	5
Gross profit		338,196	246,034	37	864,682	692,449	25
Administrative expenses		(220,067)	(170,667)	29	(595,508)	(526,299)	13
Other income		5,667	6,949	(18)	14,055	17,446	(19)
Zakat		(184)	(349)	(47)	(1,455)	(1,425)	2
Operating profit		123,612	81,967	51	281,774	182,171	55
Finance income		2,262	1,638	38	9,444	6,808	39
Finance costs							
- Borrowings		(22,104)	(21,824)	1	(72,160)	(67,905)	6
- Lease liabilities		(25,378)	(21,844)	16	(76,658)	(57,875)	32
Finance costs - net		(45,220)	(42,030)	8	(139,374)	(118,972)	17
Share of results of associates, net of tax		13,760	3,488	>100	33,666	14,568	>100
Profit before tax	B2	92,152	43,425	>100	176,066	77,767	>100
Tax	B5	(31,796)	(25,497)	25	(59,408)	(35,848)	66
Profit for the financial period		60,356	17,928	>100	116,658	41,919	>100

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>30.09.2022</u>	<u>30.09.2021</u>	<u>Var</u>	<u>30.09.2022</u>	<u>30.09.2021</u>	<u>Var</u>
	RM'000	RM'000	%	RM'000	RM'000	%
Other comprehensive income for the financial period, net of tax	(1,475)	(142)	>100	(1,475)	(142)	>100
Total comprehensive income for the financial period	<u>58,881</u>	<u>17,786</u>	>100	<u>115,183</u>	<u>41,777</u>	>100
Profit for the financial period attributable to:						
Owners of the Company	54,280	12,639	>100	103,568	32,573	>100
Non-controlling interests	6,076	5,289	15	13,090	9,346	40
	<u>60,356</u>	<u>17,928</u>	>100	<u>116,658</u>	<u>41,919</u>	>100
Total comprehensive income for the financial period attributable to:						
Owners of the Company	52,805	12,497	>100	102,093	32,431	>100
Non-controlling interests	6,076	5,289	15	13,090	9,346	40
	<u>58,881</u>	<u>17,786</u>	>100	<u>115,183</u>	<u>41,777</u>	>100
Dividend per share (sen)	<u>0.55</u>	<u>0.25</u>	>100	<u>1.00</u>	<u>0.25</u>	>100
Earnings per share attributable to Owners of the Company:						
Basic (sen)	1.25	0.29		2.39	0.76	
Diluted (sen)	<u>1.22</u>	<u>0.28</u>		<u>2.33</u>	<u>0.73</u>	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	<u>Note</u>	<u>30.09.2022</u> RM'000	<u>31.12.2021</u> RM'000 Audited
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	A9	2,696,853	2,676,238
Right-of-use assets		1,460,790	1,149,310
Investment properties		345,958	346,116
Intangible assets		210,410	220,010
Investment in associates		454,146	437,052
Equity instruments classified as FVOCI*		1,458	1,458
Deferred tax assets		112,520	125,218
Trade and other receivables		14,516	13,501
		<u>5,296,651</u>	<u>4,968,903</u>
<u>Current assets</u>			
Inventories		66,656	53,753
Trade and other receivables		613,031	481,393
Tax recoverable		101,675	106,170
Deposits, bank and cash balances		412,337	318,011
Dividend receivable		7,515	9,248
		<u>1,201,214</u>	<u>968,575</u>
Assets held for sale		397,844	250,163
		<u>1,599,058</u>	<u>1,218,738</u>
Total assets		<u><u>6,895,709</u></u>	<u><u>6,187,641</u></u>
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Trade and other payables		708,014	618,260
Contract liabilities		57,656	50,922
Current tax liabilities		14,380	18,255
Borrowings	B7	842,093	860,457
Lease liabilities		21,443	31,178
Dividends payable		23,912	1,074
		<u>1,667,498</u>	<u>1,580,146</u>
Liabilities associated with assets held for sale		13,872	-
		<u><u>1,681,370</u></u>	<u><u>1,580,146</u></u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022 (CONTINUED)

	<u>Note</u>	<u>30.09.2022</u> RM'000	<u>31.12.2021</u> RM'000 Audited
Net current liabilities		(82,312)	(361,408)
<u>Non-current liabilities</u>			
Trade and other payables		16,743	4,740
Borrowings	B7	1,060,775	968,007
Lease liabilities		1,701,841	1,288,083
Deferred tax liabilities		88,404	81,592
Provision for retirement benefits		2,212	2,355
Deposits		12,609	12,210
		<u>2,882,584</u>	<u>2,356,987</u>
Total liabilities		<u>4,563,954</u>	<u>3,937,133</u>
Net assets		<u>2,331,755</u>	<u>2,250,508</u>
<u>Equity attributable to Owners</u> <u>of the Company</u>			
Share capital	A6	976,329	959,521
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,387,047	1,331,219
		<u>2,208,066</u>	<u>2,135,430</u>
Non-controlling interests		123,689	115,078
Total equity		<u>2,331,755</u>	<u>2,250,508</u>
Total equity and liabilities		<u>6,895,709</u>	<u>6,187,641</u>
<u>Net assets per share attributable to Owners</u> <u>of the Company (RM)</u>			
		<u>0.49</u>	<u>0.48</u>

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	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 2022	4,489,159	959,521	(155,310)	45,622	(3,367)	(725)	237,767	1,051,922	2,135,430	115,078	2,250,508
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	103,568	103,568	13,090	116,658
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(1,475)	-	-	(1,475)	-	(1,475)
Total other comprehensive income	-	-	-	-	-	(1,475)	-	-	(1,475)	-	(1,475)
Transactions with Owners:											
Issue of share capital:											
- ESOS	16,369	16,808	-	(1,913)	-	-	-	-	14,895	-	14,895
	16,369	16,808	-	(1,913)	-	-	-	-	14,895	-	14,895
Acquisition of interest in a subsidiary	-	-	-	-	-	-	-	(921)	(921)	(4,479)	(5,400)
Lapsed ESOS	-	-	-	(3,205)	-	-	-	3,205	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(43,431)	(43,431)	-	(43,431)
Total transactions with Owners	16,369	16,808	-	(5,118)	-	-	-	(41,147)	(29,457)	(4,479)	(33,936)
At 30 September 2022	4,505,528	976,329	(155,310)	40,504	(3,367)	(2,200)	237,767	1,114,343	2,208,066	123,689	2,331,755

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 period	-	-	-	-	-	-	-	32,573	32,573	9,346	41,919
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(142)	-	-	(142)	-	(142)
Total other comprehensive income	-	-	-	-	-	(142)	-	-	(142)	-	(142)
Transactions with Owners:											
Issue of share capital:											
- ESOS	19,306	19,922	-	(2,354)	-	-	-	-	17,568	-	17,568
	19,306	19,922	-	(2,354)	-	-	-	-	17,568	-	17,568
Lapsed ESOS	-	-	-	(3,491)	-	-	-	3,491	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(10,748)	(10,748)	-	(10,748)
Dividends paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	(49,000)	(49,000)
Total transactions with Owners	19,306	19,922	-	(5,845)	-	-	-	(7,257)	6,820	(49,000)	(42,180)
At 30 September 2021	4,461,349	929,426	(155,310)	53,953	(3,367)	(1,079)	226,128	1,039,584	2,089,335	112,474	2,201,809

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<u>30.09.2022</u>	<u>30.09.2021</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	176,066	77,767
Adjustments for:		
Share of results of associates	(33,666)	(14,568)
Finance income	(9,444)	(6,808)
Finance costs		
- Borrowings	72,160	67,905
- Lease liabilities	76,658	57,875
Trade receivables:		
- Impairment charge for the period (net)	221	1,120
Property, plant and equipment:		
- Depreciation	139,748	140,364
- Written-off	57	6
- Gain on disposal	(33)	(177)
Right-of-use assets:		
- Depreciation	50,956	44,947
Intangible assets:		
- Amortisation of software development expenditure	8,918	8,574
Inventories written-off	187	-
Provision for retirement benefits	148	161
	<hr/>	<hr/>
Operating profit before working capital changes	481,976	377,166
Changes in working capital:		
Inventories	(13,775)	(3,099)
Receivables	(139,952)	(79,632)
Payables	126,422	3,797
Contract liabilities	6,734	5,300
	<hr/>	<hr/>
Cash flows generated from operations	461,405	303,532
Income tax refund	1,613	1,756
Income tax paid	(58,571)	(43,639)
	<hr/>	<hr/>
Net cash generated from operating activities	404,447	261,649

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	<u>30.09.2022</u> RM'000	<u>30.09.2021</u> RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(176,551)	(121,736)
Additions to intangible assets	-	(1,038)
Additions to investment properties	-	(103)
Proceeds from disposal of property, plant and equipment	100	187
Interest received	9,444	6,808
(Increase) / decrease in deposits with licensed banks with maturity of more than 3 months	(33,800)	145,878
Dividends received from associates	13,473	15,022
Additional investment in a subsidiary	(5,400)	-
Net cash (used in) / generated from investing activities	<u>(192,734)</u>	<u>45,018</u>
FINANCING ACTIVITIES		
Grant income received	-	6,830
Dividends paid to non-controlling interests	(1,050)	(49,000)
Issue of shares:		
- ESOS	14,895	17,568
Borrowings:		
- Drawdown	847,213	194,458
- Repayments	(807,639)	(319,550)
Payment of lease liabilities	(106,045)	(91,586)
Interest paid	(72,160)	(67,905)
Dividends paid to shareholders	(19,543)	-
Designated account	19,711	5,817
Net cash used in financing activities	<u>(124,618)</u>	<u>(303,368)</u>
Net changes in cash and cash equivalents	87,095	3,299
Currency translation differences	(1,409)	(3,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>269,973</u>	<u>215,020</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>355,659</u></u>	<u><u>214,504</u></u>

KPJ HEALTHCARE BERHAD
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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022**

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.

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 2021.

Standards, amendments to published standards and interpretations that are effective

The Group has applied the following amendments for the financial period beginning on 1 January 2022:

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- 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
 - Amendments to MFRS 9: Financial Instruments - Fees in the ‘10 percent’ Test for Derecognition of Financial Liabilities
 - Amendments to MFRS 141: Agriculture – Taxation in Fair Value Measurement

Standards and amendments that have been issued but not yet effective

- MFRS 17: Insurance Contracts (effective 1 January 2023)
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- Amendments to MFRS 101: Disclosures of Accounting Policies (effective 1 January 2023)
- Amendments to MFRS 108: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback (effective 1 January 2024)
- Amendments to MFRS 10 and 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods to be announced by MASB)

The Group did not early adopt these new standards.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022 (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 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 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 AND POLICIES

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 and repayments of debt and equity securities by the Company in the current financial period under review, except the followings:

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 period.

Up to 30 September 2022, the Company held a total of 162,306,700 of its 4,505,527,861 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.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022 (CONTINUED)**

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

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 (2021: RM0.91).

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

Movement of ESOS during the financial period:

	<u>30.09.2022</u> Units '000	<u>30.09.2021</u> Units '000
At start of the financial year	123,805	180,510
- Exercised	(16,369)	(19,306)
- Lapsed	(4,100)	(4,074)
At end of the financial period	<u>103,336</u>	<u>157,130</u>

iii. Islamic Medium Term Notes ("Sukuk")

On 7 March 2022, the Group made its first issuance of RM650.0 million from the RM3.0 billion Sukuk Wakalah Programme. The tenure of the issuance consists of five-year, seven-year and ten-year Sukuk Wakalah being priced at a profit rate of 4.29%, 4.58% and 4.66% respectively.

The Group also made payments amounting RM400.0 million in April and June 2022 for its current Sukuk Murabahah Programme.

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FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022 (CONTINUED)**

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

The number of issued and fully paid ordinary share capital as a result of the above-mentioned exercises is as follows:

	<u>30.09.2022</u>	<u>30.09.2022</u>
	Number of shares ('000)	RM'000
At start of the financial year	4,489,159	959,521
Issued during the financial period - exercise of ESOS	<u>16,369</u>	<u>16,808</u>
At end of the financial period	<u><u>4,505,528</u></u>	<u><u>976,329</u></u>

A7 DIVIDENDS

The amount of dividend paid or declared by the Company since 31 December 2021 was as follows:-

RM

In respect of the financial year ending 31 December 2022:

First interim dividend of 0.20 sen per share on 4,342,734,981 shares. The dividend was declared on 18 February 2022 and paid on 22 April 2022.	8,685,470
Second interim dividend of 0.25 sen per share on 4,343,203,561 shares. The dividend was declared on 26 May 2022 and paid on 29 July 2022.	10,858,009
Third interim dividend of 0.55 sen per share on 4,343,221,161 shares. The dividend was declared on 29 August 2022 and paid on 21 October 2022.	<u>23,887,716</u>
	<u><u>43,431,195</u></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 financial period of twelve months after the date of declaration.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022 (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 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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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2022 (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>30 September 2022</u>					
<u>Revenue</u>					
Revenue from external customers	775,249	37,810	813,059	(3,898)	809,161
<u>Results</u>					
Depreciation and amortisation	(61,854)	(4,511)	(66,365)	120	(66,245)
Finance costs (net)	(41,147)	(7,595)	(48,742)	3,522	(45,220)
Share of results of associates	13,484	276	13,760	-	13,760
Profit/(loss) before tax	106,983	(14,826)	92,157	(5)	92,152
Tax	(31,220)	(576)	(31,796)	-	(31,796)
Profit/(loss) after tax	75,763	(15,402)	60,361	(5)	60,356
EBITDA	209,984	(2,720)	207,264	(3,647)	203,617
Total assets	6,720,327	523,069	7,243,396	(347,687)	6,895,709
Total liabilities	4,236,339	675,390	4,911,729	(347,775)	4,563,954
Additions to property, plant and equipment	60,804	774	61,578	-	61,578

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**A NOTES TO THE INTERIM FINANCIAL REPORT
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2022 (CONTINUED)**

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>30 September 2021</u>					
<u>Revenue</u>					
Revenue from external customers	663,263	39,256	702,519	(3,561)	698,958
<u>Results</u>					
Depreciation and amortisation	(56,295)	(6,302)	(62,597)	120	(62,477)
Finance costs (net)	(37,335)	(7,660)	(44,995)	2,965	(42,030)
Share of results of associates	3,197	291	3,488	-	3,488
Profit/(loss) before tax	55,827	(12,366)	43,461	(36)	43,425
Tax	(24,707)	(790)	(25,497)	-	(25,497)
Profit/(loss) after tax	31,120	(13,156)	17,964	(36)	17,928
EBITDA	149,457	1,596	151,053	(3,121)	147,932
Total assets	5,975,572	531,239	6,506,811	(284,446)	6,222,365
Total liabilities	3,918,346	386,730	4,305,076	(284,520)	4,020,556
Additions to property, plant and equipment	28,547	53	28,600	-	28,600

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2022 (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>30 September 2022</u>				
<u>Revenue</u>				
Revenue from external customers	33,990,567	10,413	4,561	13,659
<u>Results</u>				
Depreciation and amortisation	(3,224,658)	(991)	(405)	(1,213)
Finance costs (net)	(10,314,889)	(3,170)	(636)	(1,907)
Share of results of associates	-	-	31	91
Profit/(loss) before tax	4,859,520	1,374	(2,173)	(6,516)
Tax	(461,779)	(142)	-	-
Profit/(loss) after tax	4,397,741	1,232	(2,173)	(6,516)
EBITDA	18,399,067	5,535	(1,132)	(3,396)
Total assets	504,085,986	153,595	46,582	139,975
Total liabilities	641,919,921	195,593	76,597	230,167
Additions to property, plant and equipment	2,422,543	746	-	-

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A NOTES TO THE INTERIM FINANCIAL REPORT
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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>30 September 2021</u>				
<u>Revenue</u>				
Revenue from external customers	31,341,780	9,838	4,789	14,175
<u>Results</u>				
Depreciation and amortisation	(3,941,484)	(1,214)	(901)	(2,655)
Finance costs (net)	(10,629,193)	(3,277)	(599)	(1,777)
Share of results of associates	-	-	32	95
Loss before tax	(15,489,855)	(4,771)	(1,154)	(3,393)
Tax	(1,032,476)	(320)	-	-
Loss after tax	(16,522,331)	(5,091)	(1,154)	(3,393)
EBITDA	(919,178)	(280)	346	1,039
Total assets	443,659,706	129,593	60,526	182,655
Total liabilities	76,432,729	22,326	72,464	218,683
Additions to property, plant and equipment	128,215	45	-	-

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A8 SEGMENT REPORTING (CONTINUED)

Cumulative 9 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>30 September 2022</u>					
<u>Revenue</u>					
Revenue from external customers	2,072,175	107,016	2,179,191	(11,443)	2,167,748
<u>Results</u>					
Depreciation and amortisation	(186,588)	(13,393)	(199,981)	359	(199,622)
Finance costs (net)	(128,499)	(21,197)	(149,696)	10,322	(139,374)
Share of results of associates	32,805	861	33,666	-	33,666
Profit/(loss) before tax	213,056	(36,998)	176,058	8	176,066
Tax	(57,631)	(1,777)	(59,408)	-	(59,408)
Profit/(loss) after tax	155,425	(38,775)	116,650	8	116,658
EBITDA	528,143	(2,408)	525,735	(10,673)	515,062
Total assets	6,720,327	523,069	7,243,396	(347,687)	6,895,709
Total liabilities	4,236,339	675,390	4,911,729	(347,775)	4,563,954
Additions to property, plant and equipment	195,168	1,261	196,429	-	196,429

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A NOTES TO THE INTERIM FINANCIAL REPORT
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2022 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Cumulative 9 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>30 September 2021</u>					
<u>Revenue</u>					
Revenue from external customers	1,838,812	108,407	1,947,219	(9,488)	1,937,731
<u>Results</u>					
Depreciation and amortisation	(175,443)	(18,801)	(194,244)	359	(193,885)
Finance costs (net)	(106,983)	(20,555)	(127,538)	8,566	(118,972)
Share of results of associates	13,720	848	14,568	-	14,568
Profit/(loss) before tax	115,543	(37,797)	77,746	21	77,767
Tax	(33,831)	(2,017)	(35,848)	-	(35,848)
Profit/(loss) after tax	81,712	(39,814)	41,898	21	41,919
EBITDA	397,969	1,559	399,528	(8,904)	390,624
Total assets	5,975,572	531,239	6,506,811	(284,446)	6,222,365
Total liabilities	3,918,346	386,730	4,305,076	(284,520)	4,020,556
Additions to property, plant and equipment	121,245	491	121,736	-	121,736

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**A NOTES TO THE INTERIM FINANCIAL REPORT
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2022 (CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Cumulative 9 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>30 September 2022</u>				
<u>Revenue</u>				
Revenue from external customers	93,858,004	28,026	12,979	39,151
<u>Results</u>				
Depreciation and amortisation	(9,614,869)	(2,871)	(1,198)	(3,615)
Finance costs (net)	(30,763,563)	(9,186)	(1,468)	(4,427)
Share of results of associates	-	-	94	283
Loss before tax	(12,652,377)	(3,778)	(5,440)	(16,410)
Tax	(1,396,517)	(417)	-	-
Loss after tax	(14,048,894)	(4,195)	(5,440)	(16,410)
EBITDA	27,726,055	8,279	(2,774)	(8,368)
Total assets	504,085,986	153,595	46,582	139,975
Total liabilities	641,919,921	195,593	76,597	230,167
Additions to property, plant and equipment	3,314,736	1,010	-	-

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2022 (CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Cumulative 9 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>30 September 2021</u>				
<u>Revenue</u>				
Revenue from external customers	98,984,456	28,656	13,359	40,811
<u>Results</u>				
Depreciation and amortisation	(9,820,380)	(2,843)	(2,702)	(8,254)
Finance costs (net)	(26,839,378)	(7,770)	(1,624)	(4,962)
Share of results of associates	-	-	91	278
Loss before tax	(38,597,582)	(11,174)	(3,646)	(11,138)
Tax	(2,797,927)	(810)	-	-
Loss after tax	(41,395,509)	(11,984)	(3,646)	(11,138)
EBITDA	(1,937,824)	(561)	680	2,078
Total assets	443,659,706	129,593	60,526	182,655
Total liabilities	76,432,729	22,326	72,464	218,683
Additions to property, plant and equipment	1,222,184	357	-	-

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

	<u>30.09.2022</u>	<u>30.09.2021</u>
1 Australian Dollar		
Closing	3.0049	3.0178
Average	3.0164	3.0549
1,000 Indonesian Rupiah		
Closing	0.3047	0.2921
Average	0.2986	0.2895

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2022 (CONTINUED)**

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group's land and buildings were fully revalued as at 31 December 2020. As at financial period 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. Certain land and buildings that were completed and commenced operations during the financial year 2021 were revalued on 31 December 2021.

A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER

There were no material events subsequent to the financial period ended 30 September 2022 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 financial period.

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

The Group entered into specific related party transactions as disclosed in Note B6. 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 30 September 2022 are as follows:

	RM'000
Approved by the Directors and contracted	70,049
Approved by the Directors but not contracted	260,199
	<u>330,248</u>

Analysed as follows:

Building	67,116
Medical equipment	156,705
Other property, plant and equipment	106,427
	<u>330,248</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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 period (3 months)

Group

The Group achieved consolidated revenue for the third quarter of 2022 of RM809.2 million, being the highest revenue per quarter as compared to previous quarters since the first quarter of 2021. The improved performance was supported with the improving hospital activities evidenced by the increase in patient visits and bed occupancy rate ("BOR") to 910,995 patients (Q3 2021: 782,732 patients) and 64% (Q3 2021: 43%) respectively. The new opening of Damansara Specialist Hospital 2 ("DSH2") on 1 September 2022 has also started to contribute to the Group's quarterly performance.

The revenue performance contributed to a 38% increase in EBITDA at RM203.6 million in Q3 2022 (Q3 2021: RM147.9 million). Profit before tax of RM92.2 million showed an increase from RM43.4 million recorded in Q3 2021.

Malaysia

The revenue from the Malaysian segment contributed 96% from the total Group revenue. During the quarter under review, Malaysian segment recorded revenue of RM775.2 million which is 17% higher than Q3 2021 of RM663.3 million.

Total patient visits for the quarter is reported at 17% higher to 836,377 patients against 714,321 patients in the corresponding quarter of the preceding financial period. BOR recorded higher utilization at 66% (Q3 2021: 44%) and the number of surgeries performed were also higher by 4,333 procedures, while the inpatient days were higher by 61% compared to Q3 2021.

The EBITDA for this segment increased by 40% at RM210.0 million from RM149.5 million in the same financial period in 2021. The profit before tax recorded at RM107.0 million, an increase by 92% as compared to RM55.8 million recorded in the same quarter in 2021. These are in line with the increase in revenue and higher operational activities.

Others

Other segment recorded a 4% decrease in revenue to RM37.8 million in current quarter under review, from RM39.3 million in third quarter of 2021.

Indonesian operations reported an increase in revenue by RM0.6 million. However, the increase has been offset with the decrease in Australian (Jeta Garden) and Bangladeshi (KPJ Dhaka) operations by RM2.2 million. Jeta Gardens' occupancy rate reduced to 85% from 89% while KPJ Dhaka's BOR declined to 71% against 88% in the same quarter of the preceding year.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (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 period (3 months) (continued)

Others (continued)

Others segment recorded negative EBITDA of RM2.7 million and loss before tax of RM14.8 million, in comparison to a positive EBITDA of RM1.6 million and loss before tax of RM12.4 million in the previous corresponding quarter. The performance in the current financial period correlates with the decrease in revenue and higher expenses incurred.

b. Review on statements of comprehensive income for current financial period compared to prior financial period (9 months)

Group

The Group recorded revenue of RM2,167.7 million, an increase of 12% compared to RM1,937.7 million in the same corresponding preceding financial period. Revenue growth in current period is the result of growing hospital activities and improved public confidence from the ongoing economic recovery, lifting up of SOP restrictions, especially since the opening of international border on 1 April 2022. This is evident with the increase in patient visits to 2,526,555 patients (2021: 2,253,908 patients) and BOR of 55% (2021: 41%).

In line with increased revenue coupled with improved cost management practices, EBITDA for the current financial period was 32% higher at RM515.1 million as compared to RM390.6 million for the period ended 30 September 2021. Accordingly, the profit before tax also closed higher at RM176.1 million compared to the same period in 2021 of RM77.8 million.

Malaysia

The Malaysian segment, in current financial period under review, contributed RM2,072.2 million in revenue. This is 13% better in comparison to RM1,838.8 million in prior financial period ended 30 September 2021. The Malaysian segment recorded patient visits of 2,321,226 patients, 11% better from 2,084,740 patients for the first 9 months in 2021.

Surgeries increased by 15% to 68,813 procedures for the period ended 30 September 2022 from 59,683 procedures for the same period last year. BOR also rose to 56% against 42% in the same financial period in 2021.

The EBITDA for this segment increased by 33% at RM528.1 million from RM398.0 million in the same financial period in 2021. Meanwhile, the profit before tax recorded at RM213.1 million, an increase of 85% compared to RM115.5 million recorded in the same financial period in 2021. Apart from the improved hospital activities, improvement in the share of profit from associates also contributed to the better result in current financial period.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (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 period compared to prior financial period (9 months) (continued)

Others

The total revenue for this segment was RM107.0 million, slightly lower than RM108.4 million for the same corresponding financial period. This is mainly due to reduction in revenue by Jeta Garden amounting to RM1.7 million.

Others segment recorded a negative EBITDA of RM2.4 million against EBITDA of RM1.6 million recorded for the same financial period in 2021. Meanwhile, the loss before tax of RM37.0 million was 2% lower as compared to loss before tax of RM37.8 million in the previous corresponding financial period.

Despite the improvement in the Indonesian operations for the current financial period, the overall performance for others segment has been mitigated by Jeta Gardens as evident from its declining EBITDA of negative RM8.4 million compared to the prior period EBITDA of positive RM2.1 million.

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

Group

The Group recorded a net current liabilities of RM82.3 million as at 30 September 2022, compared to a net current liabilities of RM622.9 million as at 30 September 2021.

Total assets of the Group as at 30 September 2022 was RM6,895.7 million, 11% higher than RM6,222.4 million as at 30 September 2021. The increase is attributed to the additional property, plant and equipment and recognition of new right-of-use ("ROU") asset in DSH2. Additionally, the growing hospital activities led to increase in the trade and other receivables balances and deposit, cash and bank balances as at 30 September 2022.

The Group's total liabilities closed at RM4,564.0 million as at 30 September 2022, 14% higher than RM4,020.6 million as at 30 September 2021 due to the additional drawdown of new Sukuk coupled with the increase in lease liabilities balance from the new lease agreement entered into by DSH2.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (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 period compared to prior financial period (continued)

Malaysia

The Malaysian segment closed its total assets 12% higher to RM6,720.3 million from RM5,975.6 million as at 30 September 2021, mainly from the addition of property, plant and equipment as well as ROU. Meanwhile, total liabilities for the Malaysian segment as at 30 September 2022 was RM4,236.3 million, 8% higher than RM3,918.3 million as at 30 September 2021.

Others

Others segment total assets and total liabilities as of 30 September 2022 closed at RM523.1 million and RM675.4 million respectively compared to the total assets and total liabilities as of the same period in prior year of RM531.2 million and RM386.7 million respectively.

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

The Group recorded net cash from operating activities of RM404.4 million, an increase of 55% from RM261.6 million in the previous corresponding period. The transition to endemic phase saw the increased level of activities in the hospitals with a steady increase of patient visits.

Cash outflows from investing activities mainly comprised of additions to property, plant, and equipment due to the opening of the new hospital (DSH2) and expansion of hospital business such as in KPJ Puteri, KPJ Selangor, KPJ Seremban and KPJ Ampang Puteri. The cash inflows from investing activities mainly comprised of dividends received from Al-'Aqar Healthcare REIT amounting to RM13.5 million. This resulted to a net cash outflows from investing activities amounting to RM192.7 million.

Cash inflows from financing activities were primarily generated from the drawdown of borrowings which amounted to RM847.2 million, mainly from the new Sukuk issuance of RM650.0 million and utilisation of revolving credit facilities amounting to RM197.0 million. The movement of cash outflows were contributed by the repayment of borrowings of RM807.6 million and payment of lease liabilities amounting to RM106.0 million accordingly. In addition, there were dividends paid to shareholders amounting to RM19.5 million which resulted to a net cash outflows from financing activities amounting to RM124.6 million.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	<u>Quarter ended</u> <u>30.09.2022</u>	<u>Quarter ended</u> <u>30.06.2022</u>	Var
	RM'000	RM'000	%
Revenue	809,161	707,572	14
Operating profit	123,612	81,178	52
EBITDA	203,617	159,664	28
Profit before tax	92,152	45,772	>100
Net profit for the financial period	60,356	29,927	>100
Total comprehensive income for the financial period	58,881	29,927	97
Profit attributable to Owners of the Company	54,280	27,099	100
No. of inpatient (episode)	88,001	74,088	19
No. of outpatient (episode)	822,994	728,752	13

In current quarter, the Group achieved revenue of RM809.2 million, 14% higher in comparison to the second quarter of 2022. The increased revenue was derived from the growth in level of activities of the hospitals, evidenced by the increase in the patient visits to 910,995 patients from 802,840 patients in the preceding quarter. The Group's BOR for current quarter of 64%, surpassed the BOR of 54% in the preceding quarter. Surgeries increased by 2,780 procedures to 26,395 procedures followed by deliveries which surged by 19% to 3,457 cases against 2,916 cases in the preceding quarter.

The Group's EBITDA of RM203.6 million for the 3 months ended 30 September 2022 increased by 28% compared to RM 159.7 million in the same period ended 30 June 2022. The profit before tax is reported at RM92.2 million, a significant increase from RM45.8 million in the previous quarter. This is resulting from the improved revenue and cost optimisation strategies implemented during the current period under review.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

The transition into endemicity and the re-opening of international borders has contributed positively to the increase in economic activities, with Bank Negara revising the Gross Domestic Product (“GDP”) growth between 6.5% to 7.0% this year (Budget 2022: 5.5% to 6.5%; 2021: 3.1%). The Group has seen a resurgence in elective medical procedures and recovery of the health tourism sector throughout the current period and this is expected to bode well for the Group in the current year. This has led the Group to deliver improved performance and results for each consecutive quarters in the current period, with the current results being the best results to date. The current period results show that the Group has returned to its pre-pandemic performance. This has matched the results in 2019.

The Group is expecting to maintain its momentum for the remaining months for the current year, backed by the improving efficiencies, quality and productivity of its hospitals and investments through the implementation of its transformation plans and cost optimisation strategies. The Group will continue to expand its existing capacity to address the increase in demand from patients and consistently improving on patient care delivery. The opening of DSH2 as the flagship hospital in the current quarter will add value and accelerate further growth for the Group.

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.

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B5 TAX

	<u>Individual Quarter</u> <u>3 months ended</u>		<u>Cumulative Quarter</u> <u>9 months ended</u>	
	<u>30.09.2022</u>	<u>30.09.2021</u>	<u>30.09.2022</u>	<u>30.09.2021</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	31,796	25,497	59,408	35,848

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. The effective tax rate of the Group for the current quarter and financial period ended 30 September 2022 was above the statutory rate mainly due to certain expenses were not deductible for tax purposes from the losses incurred by the newer hospitals under gestation.

B6 STATUS OF CORPORATE PROPOSALS

On 2 September 2022, the Group announced of its sale and leaseback arrangement with Al-'Aqar Healthcare REIT (Al-'Aqar), whereby the Group, through its wholly owned subsidiaries had entered into respective conditional sale and purchase agreements for the sale of 3 properties to Al-'Aqar for RM192.0 million. Each subsidiary will also enter into respective lease agreements for the lease of the properties back from Al-'Aqar. The deals are expected to be completed in the fourth quarter of 2022.

On 13 September 2022, the Group announced that its subsidiary, Jeta Gardens has entered into a Contract for Commercial Land and Buildings with JLand Australia for the proposed disposal of 2 parcel of lands in Queensland, Australia for AUD6.5 million. The deal is expected to be completed in the first half of 2023.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)

B7 BORROWINGS

Details of the Group's borrowings are as follows:

	Current		Non-current		Total borrowings	
	Foreign '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
<u>As at 30 September 2022</u>						
Secured:						
Term loans						
- Conventional						
AUD	807	2,426	48	145	855	2,571
- Syariah						
RM	-	57,770	-	167,779	-	225,549
Hire purchase creditors						
- Conventional						
RM	-	40	-	107	-	147
- Syariah						
RM	-	17,622	-	42,744	-	60,366
Unsecured:						
Revolving credits						
- Conventional						
AUD	1,854	5,572	-	-	1,854	5,572
- Syariah						
RM	-	292,800	-	-	-	292,800
Bank overdrafts						
- Syariah						
RM	-	15,863	-	-	-	15,863
Islamic Medium						
Term Notes						
- Murabahah						
RM	-	450,000	-	200,000	-	650,000
- Wakalah						
RM	-	-	-	650,000	-	650,000
Total		<u>842,093</u>		<u>1,060,775</u>		<u>1,902,868</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (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 30 September 2021</u>						
Secured:						
Term loans						
- Conventional						
RM	-	2,040	-	50,093	-	52,133
AUD	2,394	7,225	61	184	2,455	7,409
- Syariah						
RM	-	88,749	-	229,695	-	318,444
USD	2,236	9,351	288	1,206	2,524	10,557
Hire purchase creditors						
- Conventional						
RM	-	184	-	146	-	330
- Syariah						
RM	-	15,323	-	39,486	-	54,809
Unsecured:						
Revolving credits						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,854	5,596	-	-	1,854	5,596
- Syariah						
RM	-	269,000	-	-	-	269,000
Bank overdrafts						
- Syariah						
RM	-	18,572	-	-	-	18,572
Islamic Medium						
Term Notes						
- Murabahah						
RM	-	400,000	-	650,000	-	1,050,000
Total		<u>866,040</u>		<u>970,810</u>		<u>1,836,850</u>

The key exchange rate used is as follows:

	<u>30.09.2022</u>	<u>30.09.2021</u>
1 Australian Dollar	3.0049	3.0178
1 US Dollar	<u>4.6370</u>	<u>4.1826</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

Material changes in borrowings

Increase in borrowings as at 30 September 2022 was mainly contributed by the issuance of new Sukuk for a nominal value of RM650.0 million during the current year.

Weighted average interest rate of borrowings are as follows:

- Term loan: 4.29% p.a. (2021: 4.48% p.a.)
- Hire purchase: 2.56% p.a. (2021: 2.65% p.a.)
- Islamic Medium Term Notes: 4.78% p.a. (2021: 5.23% p.a.)
- Overdraft: 5.28% p.a. (2021: 5.02% p.a.)
- Revolving credit: 3.19% p.a. (2021: 2.77% p.a.)

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 2021 was as follows:-

	RM
In respect of the financial year ending 31 December 2022:	
First interim dividend of 0.20 sen per share on 4,342,734,981 shares. The dividend was declared on 18 February 2022 and paid on 22 April 2022.	8,685,470
Second interim dividend of 0.25 sen per share on 4,343,203,561 shares. The dividend was declared on 26 May 2022 and paid on 29 July 2022.	10,858,009
Third interim dividend of 0.55 sen per share on 4,343,221,161 shares. The dividend was declared on 29 August 2022 and paid on 21 October 2022.	23,887,716
	<u>43,431,195</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 financial period of twelve months after the date of declaration.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (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 period.

	As at <u>30.09.2022</u>	As at <u>30.09.2021</u>
Profit attributable to Owners of the Company (RM'000)	103,568	32,573
Weighted average number of ordinary shares in issue ('000)	4,341,403	4,288,175
Basic earnings per share (sen)	<u>2.39</u>	<u>0.76</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 period for the ESOS calculation.

	As at <u>30.09.2022</u>	As at <u>30.09.2021</u>
Profit attributable to Owners of the Company (RM'000)	103,568	32,573
Weighted average number of ordinary shares in issue ('000)	4,341,403	4,288,175
Assumed shares issued from the - exercise of ESOS ('000)	<u>103,336</u>	<u>157,130</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,444,739</u>	<u>4,445,305</u>
Diluted earnings per share (sen)	<u>2.33</u>	<u>0.73</u>