

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023**

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199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the first quarter and financial period ended 31 March 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Note	Individual Quarter			For the		
		3 months ended			Financial Period Ended		
		31.03.2023	31.03.2022	Var	31.03.2023	31.03.2022	Var
		RM'000	RM'000	%	RM'000	RM'000	%
<u>Continuing operations</u>							
Revenue		828,981	641,639	29	828,981	641,639	29
Cost of sales		(487,092)	(399,465)	22	(487,092)	(399,465)	22
Gross profit		341,889	242,174	41	341,889	242,174	41
Administrative expenses		(233,060)	(168,850)	38	(233,060)	(168,850)	38
Other income		4,463	3,968	12	4,463	3,968	12
Zakat		(761)	(302)	>100	(761)	(302)	>100
Operating profit		112,531	76,990	46	112,531	76,990	46
Finance income		2,175	2,920	(26)	2,175	2,920	(26)
Finance costs							
- Borrowings		(20,414)	(23,833)	(14)	(20,414)	(23,833)	(14)
- Lease liabilities		(26,969)	(25,367)	6	(26,969)	(25,367)	6
Finance costs - net		(45,208)	(46,280)	(2)	(45,208)	(46,280)	(2)
Share of results of associates, net of tax		10,311	7,694	34	10,311	7,694	34
Profit before tax		77,634	38,404	>100	77,634	38,404	>100
Tax	B5	(21,164)	(11,628)	82	(21,164)	(11,628)	82
Profit for the financial period from continuing operations		56,470	26,776	>100	56,470	26,776	>100
<u>Discontinued operations</u>							
Loss for the financial period from discontinued operations		(805)	(401)	>100	(805)	(401)	>100

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	Individual Quarter			For the		
	3 months ended			Financial Period Ended		
	31.03.2023	31.03.2022	Var	31.03.2023	31.03.2022	Var
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the financial period	55,665	26,375	>100	55,665	26,375	>100
Other comprehensive income for the financial period, net of tax:						
- from continuing operations	1,693	(1,970)	>100	1,693	(1,970)	>100
- from discontinued operations	(290)	(239)	(21)	(290)	(239)	(21)
Total comprehensive income for the financial period	<u>57,068</u>	<u>24,166</u>	>100	<u>57,068</u>	<u>24,166</u>	>100
Profit for the financial period attributable to:						
Owners of the Company						
- continuing operations	51,895	22,136	>100	51,895	22,136	>100
- discontinued operations	(502)	53	>(100)	(502)	53	>(100)
Non-controlling interests						
- continuing operations	4,575	4,640	(1)	4,575	4,640	(1)
- discontinued operations	(303)	(454)	(33)	(303)	(454)	(33)
	<u>55,665</u>	<u>26,375</u>	>100	<u>55,665</u>	<u>26,375</u>	>100

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	Individual Quarter			For the		
	3 months ended			Financial Period Ended		
	31.03.2023	31.03.2022	Var	31.03.2023	31.03.2022	Var
	RM'000	RM'000	%	RM'000	RM'000	%
Total comprehensive income for the financial period attributable to:						
Owners of the Company						
- continuing operations	53,588	20,166	>100	53,588	20,166	>100
- discontinued operations	(792)	(186)	>(100)	(792)	(186)	>(100)
Non-controlling interests						
- continuing operations	4,575	4,640	(1)	4,575	4,640	(1)
- discontinued operations	(303)	(454)	(33)	(303)	(454)	(33)
	<u>57,068</u>	<u>24,166</u>	>100	<u>57,068</u>	<u>24,166</u>	>100
Dividend per share (sen)	<u>0.60</u>	<u>0.20</u>	>100	<u>0.60</u>	<u>0.20</u>	>100
Earnings per share attributable to Owners of the Company:						
Basic (sen)						
- continuing operations	1.19	0.51		1.19	0.51	
- discontinued operations	(0.01)	0.00		(0.01)	0.00	
Diluted (sen)						
- continuing operations	1.19	0.50		1.19	0.50	
- discontinued operations	(0.01)	0.00		(0.01)	0.00	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS
AT 31 MARCH 2023**

	<u>Note</u>	<u>31.03.2023</u> RM'000	<u>31.12.2022</u> RM'000 Audited
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	A9	2,778,741	2,760,222
Right-of-use assets		1,569,552	1,577,039
Investment properties		360,420	360,420
Intangible assets		204,891	206,043
Investment in associates		494,998	486,308
Equity instruments classified as FVOCI*		1,241	1,241
Deferred tax assets		115,269	114,281
Trade and other receivables		19,307	17,115
		<u>5,544,419</u>	<u>5,522,669</u>
<u>Current assets</u>			
Inventories		73,520	65,872
Trade and other receivables		702,980	645,705
Tax recoverable		126,151	126,380
Deposits, bank and cash balances		1,009,839	467,919
Dividend receivable		3,886	8,066
		<u>1,916,376</u>	<u>1,313,942</u>
Assets held for sale		161,176	157,455
		<u>2,077,552</u>	<u>1,471,397</u>
Total assets		<u>7,621,971</u>	<u>6,994,066</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Trade and other payables		830,719	720,220
Contract liabilities		55,099	48,708
Current tax liabilities		4,891	4,321
Borrowings	B7	724,332	839,415
Lease liabilities		46,585	44,677
Dividend payable		29,166	2,980
		<u>1,690,792</u>	<u>1,660,321</u>
Liabilities associated with assets held for sale		13,477	13,163
		<u>1,704,269</u>	<u>1,673,484</u>
Net current assets/(liabilities)		<u>373,283</u>	<u>(202,087)</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS
AT 31 MARCH 2023 (CONTINUED)**

	<u>Note</u>	<u>31.03.2023</u> RM'000	<u>31.12.2022</u> RM'000 Audited
<u>Non-current liabilities</u>			
Trade and other payables		1,688	1,743
Borrowings	B7	1,612,341	1,047,763
Lease liabilities		1,800,620	1,818,168
Deferred tax liabilities		83,958	84,530
Provision for retirement benefits		2,041	2,212
Deposits		12,771	11,948
		<u>3,513,419</u>	<u>2,966,364</u>
Total liabilities		<u>5,217,688</u>	<u>4,639,848</u>
Net assets		<u>2,404,283</u>	<u>2,354,218</u>
<u>Equity attributable to Owners of the Company</u>			
Share capital	A6	999,190	976,329
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,429,173	1,406,241
		<u>2,273,053</u>	<u>2,227,260</u>
Non-controlling interests		131,230	126,958
Total equity		<u>2,404,283</u>	<u>2,354,218</u>
Total equity and liabilities		<u>7,621,971</u>	<u>6,994,066</u>
Net assets per share attributable to Owners of the Company (RM)		<u>0.50</u>	<u>0.49</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 31 MARCH 2023**

	Non-distributable								Distributable		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	FVOCI reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2023	4,505,528	976,329	(155,310)	40,276	(3,367)	(217)	1,764	237,733	1,130,052	2,227,260	126,958	2,354,218
Comprehensive income:												
Profit for the financial period	-	-	-	-	-	-	-	-	51,393	51,393	4,272	55,665
Other comprehensive income:												
Currency translation differences of foreign subsidiaries	-	-	-	-	-	-	1,403	-	-	1,403	-	1,403
Total other comprehensive income	-	-	-	-	-	-	1,403	-	-	1,403	-	1,403
Transactions with Owners:												
Issue of share capital:												
- ESOS	21,080	22,861	-	(3,678)	-	-	-	-	-	19,183	-	19,183
	21,080	22,861	-	(3,678)	-	-	-	-	-	19,183	-	19,183
Lapsed ESOS	-	-	-	(36,598)	-	-	-	-	36,598	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(26,186)	(26,186)	-	(26,186)
Total transactions with Owners	21,080	22,861	-	(40,276)	-	-	-	-	10,412	(7,003)	-	(7,003)
At 31 March 2023	4,526,608	999,190	(155,310)	-	(3,367)	(217)	3,167	237,733	1,191,857	2,273,053	131,230	2,404,283

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Non-distributable							Distributable		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	Total RM'000		
At 1 January 2022	4,442,043	959,521	(155,310)	45,622	(3,367)	(725)	237,768	1,051,921	2,135,430	115,078	2,250,508
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	22,189	22,189	4,186	26,375
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(2,209)	-	-	(2,209)	-	(2,209)
Total other comprehensive income	-	-	-	-	-	(2,209)	-	-	(2,209)	-	(2,209)
Transactions with Owners:											
Issue of share capital:											
- ESOS	15,883	16,358	-	(1,905)	-	-	-	-	14,453	-	14,453
	15,883	16,358	-	(1,905)	-	-	-	-	14,453	-	14,453
Lapsed ESOS	-	-	-	(2,250)	-	-	-	2,250	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(8,685)	(8,685)	-	(8,685)
Total transactions with Owners	15,883	16,358	-	(4,155)	-	-	-	(6,435)	5,768	-	5,768
At 31 March 2022	4,505,042	975,879	(155,310)	41,467	(3,367)	(2,934)	237,768	1,067,675	2,161,178	119,264	2,280,442

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	<u>31.03.2023</u> RM'000	<u>31.03.2022</u> RM'000
OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	77,634	38,404
- discontinued operations	(669)	(262)
	<u>76,965</u>	<u>38,142</u>
Adjustments for:		
Share of results of associates	(10,311)	(7,694)
Finance income	(2,205)	(2,938)
Finance costs		
- Borrowings	20,414	24,107
- Lease liabilities	26,969	25,367
Trade receivables:		
- Impairment loss (net)	-	1,021
Property, plant and equipment:		
- Depreciation	48,688	47,047
- Written-off	-	57
- Loss on disposals	119	7
Right-of-use assets:		
- Depreciation	18,046	16,982
Intangible assets:		
- Amortisation of software development expenditure	2,013	3,073
Inventories written-off	115	253
Provision for retirement benefits	45	49
	<u>180,858</u>	<u>145,473</u>
Operating profit before working capital changes	180,858	145,473
Changes in working capital:		
Inventories	(7,763)	(552)
Receivables	(59,467)	(23,551)
Payables	103,125	8,998
Contract liabilities	6,391	5,544
	<u>223,144</u>	<u>135,912</u>
Cash flows generated from operations	223,144	135,912
Income tax paid	(35,655)	(15,548)
	<u>187,489</u>	<u>120,364</u>
Net cash generated from operating activities	187,489	120,364

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)**

	<u>31.03.2023</u>	<u>31.03.2022</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(66,375)	(56,006)
Proceeds from disposal of property, plant and equipment	80	73
Interest received	2,205	2,938
(Increase)/decrease in deposits with licensed banks with maturity of more than 3 months	(278,110)	596
Dividends received from associates	11,463	10,227
	<u>(330,737)</u>	<u>(42,172)</u>
Net cash used in investing activities		
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	-	(1,050)
Issue of shares:		
- ESOS	19,183	14,453
Borrowings:		
- Drawdown	696,650	796,961
- Repayments	(244,488)	(78,062)
Payment of lease liabilities	(42,609)	(32,316)
Interest paid	(20,414)	(24,107)
Dividends paid to shareholders	-	(8,685)
Designated account	28,247	(161,489)
	<u>436,569</u>	<u>505,705</u>
Net cash generated from financing activities		
Net changes in cash and cash equivalents	293,321	583,897
Currency translation differences	1,403	(6,101)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>416,866</u>	<u>269,973</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>711,590</u>	<u>847,769</u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023**

A1 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with MFRS134 “*Interim Financial Reporting*”, the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2022.

For the financial period ended 31 March 2023, the Group recorded a profit for the period of RM55.7 million, operating cash inflows of RM187.5 million and shareholders’ equity of RM2,404.3 million. The Directors believe that there are no material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern and it is appropriate to prepare the financial statements on a going concern basis.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are consistent with those adopted in audited annual financial statements for the financial period ended 31 December 2022. The Group has applied the following standards and amendments for the first time for the financial period beginning on 1 January 2023:

MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: 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 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

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

The standards and interpretations that are issued but not yet effective are disclosed below:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group intend to adopt these standards, if applicable, when they become effective.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023
(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 2022 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 in the current financial period under review, except the followings:

i. 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 Group. 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 expired 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 (2022: RM0.91).

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

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

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

i. Employees Share Option Scheme (continued)

Movement of ESOS during the financial period:

	<u>31.03.2023</u> Units '000	<u>31.03.2022</u> Units '000
At start of the financial period	102,421	123,805
Exercised	(21,080)	(15,883)
Lapsed	(81,341)	(737)
	<hr/>	<hr/>
At end of the financial period	-	107,185
	<hr/> <hr/>	<hr/> <hr/>

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

	31.03.2023 Number of shares ('000)	31.03.2023 RM'000
At start of the financial period	4,505,528	976,329
Issued during the financial period - exercise of ESOS	21,080	22,861
	<hr/>	<hr/>
At end of the financial period	4,526,608	999,190
	<hr/> <hr/>	<hr/> <hr/>

ii. Islamic Medium-Term Notes ("Sukuk")

On 13 March 2023, the Group made its second issuance of RM555.0 million from the RM3.0 billion Sukuk Wakalah Programme in three (3) tranches with tenure of five-year, seven-year and ten-year Sukuk Wakalah being priced at a profit rate of 4.50%, 4.69% and 4.86% respectively.

The proceeds from the issuance of Sukuk Wakalah are for the purpose of working capital requirement and Sukuk Murabahah Programme repayment which was due in March 2023 and in the next Quarter 2, 2023.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023
(CONTINUED)**

A7 DIVIDENDS

The dividends paid or declared by the Company since 31 December 2022 were as follows: -

RM

In respect of the financial period ending 31 December 2023:

First interim dividend of 0.60 sen per share on 4,364,301,366 shares. The dividend was declared on 17 February 2023 and paid on 14 April 2023. 26,185,808

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.

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:

Continuing Operations

- 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 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.

Discontinued Operations

- i. Indonesia - Operating segments involved in provision of hospital services in Indonesia. The Group had in April 2022, committed to a plan for the divestments of its interest in all entities in Indonesia’s region (referred as “Indonesia operations”) as part of its strategic plan to place greater focus on the Group’s core Malaysia segment. The deal in relation to the disposal of PT Al-Aqar Permata Hijau and PT Khidmat Perawatan Jasa Medika was completed on 5 April 2023. The divestment plan of the remaining entities is targeted to be completed within the second quarter of 2023.

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 FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended / For the financial period 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>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>31 March 2023</u>							
<u>Revenue</u>							
Revenue from external customers	800,686	29,129	829,815	(834)	828,981	10,302	839,283
<u>Results</u>							
Depreciation and amortisation	(63,629)	(3,706)	(67,335)	-	(67,335)	(1,411)	(68,746)
Finance costs (net)	(41,949)	(3,862)	(45,811)	603	(45,208)	30	(45,178)
Share of results of associates	10,039	272	10,311	-	10,311	-	10,311
Profit/(loss) before tax	87,225	(9,591)	77,634	-	77,634	(669)	76,965
Tax	(20,907)	(257)	(21,164)	-	(21,164)	(136)	(21,300)
Profit/(loss) after tax	66,318	(9,848)	56,470	-	56,470	(805)	55,665
EBITDA	192,803	(2,023)	190,780	(603)	190,177	712	190,889
Total assets	7,336,070	352,969	7,689,039	(214,124)	7,474,915	147,056	7,621,971
Total liabilities	4,748,795	480,883	5,229,678	(214,124)	5,015,554	202,134	5,217,688
Additions to property, plant and equipment	66,150	21	66,171	-	66,171	204	66,375

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended / For the financial period 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>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>31 March 2022</u>							
<u>Revenue</u>							
Revenue from external customers	618,561	27,199	645,760	(4,121)	641,639	9,376	651,015
<u>Results</u>							
Depreciation and amortisation	(62,615)	(3,473)	(66,088)	479	(65,609)	(1,494)	(67,103)
Finance costs (net)	(43,314)	(3,632)	(46,946)	666	(46,280)	(256)	(46,536)
Share of results of associates	7,397	297	7,694	-	7,694	-	7,694
Profit/(loss) before tax	48,306	(7,188)	41,118	(2,714)	38,404	(262)	38,142
Tax	(11,182)	(446)	(11,628)	-	(11,628)	(139)	(11,767)
Profit/(loss) after tax	37,124	(7,634)	29,490	(2,714)	26,776	(401)	26,375
EBITDA	154,235	(83)	154,152	(3,859)	150,293	1,488	151,781
Total assets	7,151,402	382,452	7,533,854	(311,324)	7,222,530	145,891	7,368,421
Total liabilities	4,747,098	470,189	5,217,287	(311,406)	4,905,881	182,098	5,087,979
Additions to property, plant and equipment	56,006	-	56,006	-	56,006	-	56,006

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended / For the financial period ended (continued)

The functional currencies for Indonesia and Australia operations are as follows:

	31 March 2023				31 March 2022			
	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000
Revenue								
Revenue from external customers	35,708,839	10,302	4,855	14,448	32,021,858	9,376	4,472	13,836
Results								
Depreciation and amortisation	(4,890,815)	(1,411)	(498)	(1,483)	(5,102,459)	(1,494)	(397)	(1,227)
Finance costs (net)	103,986	30	(448)	(1,332)	(874,317)	(256)	(354)	(1,095)
Share of results of associates	-	-	29	89	-	-	32	98
Profit/(loss) before tax	(2,318,891)	(669)	(2,131)	(6,340)	(894,809)	(262)	(1,173)	(3,629)
Tax	(471,404)	(136)	-	-	(474,727)	(139)	-	-
Profit/(loss) after tax	(2,790,295)	(805)	(2,131)	(6,340)	(1,369,536)	(401)	(1,173)	(3,629)
EBITDA	2,467,938	712	(1,185)	(3,525)	5,081,967	1,488	(422)	(1,307)
Total assets	500,871,935	147,056	46,292	136,998	497,751,621	145,891	48,813	154,220
Total liabilities	688,467,302	202,134	79,845	236,294	621,282,839	182,098	74,641	235,822
Additions to property, plant and equipment	694,823	204	-	-	-	-	-	-

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FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

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

	<u>31.03.2023</u>	<u>31.03.2022</u>
1 Australian Dollar		
Closing	2.9594	3.1594
Average	2.9756	3.0937
1,000 Indonesian Rupiah		
Closing	0.2936	0.2931
Average	0.2885	0.2928
	<u> </u>	<u> </u>

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group's land and buildings were fully revalued as at 31 December 2021, except for certain land and buildings that were revalued on 31 December 2022 following its completion and commencement of its operations in the financial year 2022.

A10 MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no material events subsequent to the financial period ended 31 March 2023 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 2022.

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.

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A NOTES TO THE INTERIM FINANCIAL REPORT
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A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 31 March 2023 are as follows:

	RM'000
Approved by the Directors and contracted	90,152
Approved by the Directors but not contracted	249,382
	<u>339,534</u>

Analysed as follows:

Building	44,517
Medical equipment	112,225
Other property, plant and equipment	182,792
	<u>339,534</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

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 closed its revenue at RM829.0 million for the first quarter in 2023, surpassing the revenue in the first quarter in the preceding financial period of RM641.6 million by 29%. This is evidenced with the increase in the patient visits and bed occupancy rate ("BOR") to 821,126 patients from 786,421 patients and 70% from 48% respectively.

For the record, EBITDA for the current quarter reported at RM190.2 million, 27% better against RM150.3 million the same quarter under review in prior year. Profit before tax ("PBT") showed an excellent performance to RM77.6 million, a twofold increase from RM38.4 million in Q1 2022. This better performance was mainly driven by the performance from the Malaysia segment.

Malaysia

The Malaysia segment contributes an increment of RM182.1 million in its current quarter revenue to RM800.7 million from RM618.6 million in the Q1 2022. The increment represents 97% of the total increment for the Group.

The segment recorded a 25% higher EBITDA of RM192.8 million for the period ended 31 March 2023 from RM154.2 million reported in the same period in prior year. PBT of RM87.2 million is an increase of 81% as compared to RM48.3 million recorded in the previous corresponding quarter.

As compared to previous corresponding quarter, total patient visits for the quarter were 777,161 patients, an increase of 4% from 745,338 patients while the BOR recorded at 70% against 48% contributed by the increase in inpatient days to 210,448 days in comparison to 141,371 days for the period ended 31 March 2022. The slowing down of Covid-19 rate in Malaysia supported by the opening of national border since 1 April 2022, contributed to this better performance.

Apart from the improved hospital activities, improvement in the share of profit from associates also contributed to the better result in current financial period.

Others

The Others segment operations inclusive of aged care and retirement village in Australia operated by Jeta Garden, education services by KPJ Healthcare University College ("KPJUC") and hospital and management services by KPJ Dhaka. In current period under review, this segment recorded a 7% increase in revenue to RM29.1 million (Q1 2022 : RM27.2 million)

Others segment recorded negative EBITDA of RM2.0 million and loss before tax of RM9.6 million a significant increase against negative EBITDA of RM83,000 and loss before tax of RM7.2 million recorded in the previous corresponding quarter.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (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

Group

The Group closed its revenue at RM829.0 million for the first quarter in 2023, surpassing the revenue in the first quarter in the preceding financial period of RM641.6 million by 29%. This is evidenced with the increase in the patient visits and BOR to 821,126 patients from 786,421 patients and 70% from 48% respectively.

For the record, EBITDA for the current quarter reported at RM190.2 million, 27% better against RM150.3 million the same quarter under review in prior year. PBT showed an excellent performance to RM77.6 million, a twofold increase from RM38.4 million in Q1 2022. This better performance was mainly driven by the performance from the Malaysia segment.

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The Malaysia segment contributes an increment of RM182.1 million in its current quarter revenue to RM800.7 million from RM618.6 million in the Q1 2022. The increment represents 97% of the total increment for the Group.

The segment recorded a 25% higher EBITDA of RM192.8 million for the period ended 31 March 2023 from RM154.2 million reported in the same period in prior year. PBT of RM87.2 million is an increase of 81% as compared to RM48.3 million recorded in the previous corresponding quarter.

As compared to previous corresponding quarter, total patient visits for the quarter were 777,161 patients, an increase of 4% from 745,338 patients while the BOR recorded at 70% against 48% contributed by the increase in inpatient days to 210,448 days in comparison to 141,371 days for the period ended 31 March 2022. The slowing down of Covid-19 rate in Malaysia supported by the opening of national border since 1 April 2022, contributed to this better performance.

Apart from the improved hospital activities, improvement in the share of profit from associates also contributed to the better result in current financial period.

Others

The Others segment operations inclusive of aged care and retirement village in Australia operated by Jeta Garden, education services by KPJ Healthcare University College ("KPJUC") and hospital and management services by KPJ Dhaka. In current period under review, this segment recorded a 7% increase in revenue to RM29.1 million (Q1 2022 : RM27.2 million)

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (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 (continued)

Others (continued)

Others segment recorded negative EBITDA of RM2.0 million and loss before tax of RM9.6 million a significant increase against negative EBITDA of RM83,000 and loss before tax of RM7.2 million recorded in the previous corresponding quarter.

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

Total assets as at 31 March 2023 reported at RM7,622.0 million, 3% higher in comparison to RM7,368.4 million as at 31 March 2022. The completion of sale and leaseback arrangement with Al-'Aqar Healthcare REIT, the opening of new hospital, KPJ Damansara 2 and the development in KPJ Penang are the main contribution factor to the increment in total assets. Likewise, the growing hospital activities led to increase in the trade and other receivables balances as at period under review.

The Group's total liabilities as at 31 March 2023 was RM5,217.7 million, 3% above than RM5,088.0 million as at 31 March 2022. This was derived from the increase in lease liabilities balance from the new lease arrangements.

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 RM187.5 million, an increase of 56% from RM120.4 million in the prior year. 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 increment in deposit with license banks at RM278.1 million and additions to property, plant, and equipment totaling RM66.4 million largely due to expansion of hospital business such as in KPJ Ipoh, KPJ Penang, KPJ Tawakkal and KPJ Johor. This resulted to a net cash outflows from investing activities amounting to RM330.7 million.

Cash inflows from financing activities were primarily generated from the drawdown of borrowings, mainly from the new issuance of Sukuk Wakalah Programme, but this was offset with payments of certain borrowings including Sukuk Murabahah Programme of RM100.0 million. The net cash outflows from financing activities closed at RM436.6 million.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Quarter ended 31.03.2023			Quarter ended 31.12.2022			Var %
	Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000	Continuing Operations RM'000	Discontinued Operations RM'000	Total RM'000	
Revenue	828,981	10,302	839,283	780,936	9,818	790,754	6
Operating profit	112,531	(701)	111,830	121,112	(11,485)	109,627	2
EBITDA	190,177	712	190,889	201,996	(10,239)	191,757	0
Profit/(loss) before tax	77,634	(669)	76,965	90,486	(10,794)	79,692	(3)
Net profit/(loss) for the financial year	56,470	(805)	55,665	76,269	(10,274)	65,995	(16)
Total comprehensive income for the financial year	58,163	(1,095)	57,068	78,135	(8,428)	69,707	(18)
Profit attributable to Owners of the Company	51,895	(502)	51,393	72,088	(8,675)	63,413	(19)
No. of inpatient (episode)	88,036	2,655	90,691	83,502	2,771	86,273	5
No. of outpatient (episode)	733,090	30,998	764,088	737,232	31,603	768,835	(1)

The Group revenue for continuing operations improve by 6% to RM829.0 million as compared to revenue in preceding quarter of RM780.9 million. On top of better performance in patient visits as shown above, the Group BOR increased to 70% from 64%. This was evident with the increase in inpatient days from 201,117 days in last quarter to 215,836 days in current quarter under review.

Meanwhile, EBITDA and PBT for continuing operations stood at RM190.2 million and 77.6 million, 6% and 14% lower as compared to the preceding quarter of RM202.0 million and RM90.5 million, respectively. In prior quarter, the contributing factors to the higher profits were the one-off adjustment on the fair value of property, plant and equipment amounting RM6.7 million, the gain from revaluation of investment properties by RM3.4 million and gain from sale and leaseback arrangement by RM4.4 million. No such gain was recognised in the current quarter.

The discontinued operations is related to the divestment of Indonesia operations which are expected to be completed within the next 12 months. The execution of the divestment of certain subsidiaries in relation to this divestment is disclosed in note B6.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

The International Monetary Fund projected in its April 2023 World Economic Outlook report that the global gross domestic product will grow by 2.8% as compared to 3.4% in the previous year. However, the emerging and developing economies is expected to grow at 3.9%, outstripping the growth of advanced economies at 1.3%. The Malaysian economy meanwhile is expected to perform favourably as compared to the global and regional growth, with Bank Negara Malaysia projecting 4% - 5% growth in 2023. Sustained domestic demand, strong private expenditure and improvement in labour market conditions reflects the confidence in the Malaysian economy.

Against this background, our Group has achieved better than expected results for Quarter 1, 2023, benefiting from the continued resurgence in overall healthcare services. In the first quarter, the Group's BOR soared to 70%, the highest after pandemic. We also remain optimistic on the growth potential of the health tourism segment with more tourist arrivals expected in 2023, though we anticipate a gradual stabilisation of the upturn in the domestic market. Our Group's focus remains on initiatives aimed at enhancing efficiency, operationalising additional capacity introduced in 2022, and increasing revenue intensity by providing specialised services.

B4 PROFIT FORECAST / GUARANTEE

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

B5 TAX

	Individual Quarter		For the	
	3 months ended		Financial Period Ended	
	<u>31.03.2023</u>	<u>31.03.2022</u>	<u>31.03.2023</u>	<u>31.03.2022</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	21,164	11,628	21,164	11,628

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 ("ETR") for the current period is above the statutory rate mainly due to certain expenses were not deductible for tax purposes and the impact of business losses arising from the hospitals which that are currently under gestation period.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B6 STATUS OF CORPORATE PROPOSALS

i. Disposal of land in Bethania Queensland Australia to JLand Australia Pty Ltd.

On 13 September 2022, the Group announced that its subsidiary, Jeta Gardens has entered into a Contract for Commercial Land and Buildings (“CCLB”) with JLand Australia for the proposed disposal of 2 parcel of lands in Queensland, Australia for AUD6.5 million. In addition, on 17 January 2023 Jeta Gardens had issued a supplemental letter to JLand Australia (Supplemental Letter) to vary the CCLB and to include additional terms and conditions into the CCLB, which include inter-alia that the CCLB is conditional upon the shareholders’ approval of KPJ being obtained by the settlement date. The Supplemental Letter has been acknowledged and agreed by JLand Australia on 20 January 2023.

On 12 April 2023, the shareholders of KPJ Healthcare Berhad (“KPJ”) gave its approval for the disposal of the lands. On 17 April 2023, the parties to the CCLB have agreed to extend the settlement of the balance consideration from 15 April 2023 to 31 May 2023.

ii. Disposal of PT Al-Aqar Permata Hijau and PT Khidmat Perawatan Jasa Medika

On 27 January 2023, Kumpulan Perubatan (Johor) Sdn Bhd through its wholly owned subsidiaries Crossborder Aim (M) Sdn Bhd and Crossborder Hall (M) Sdn Bhd, collectively wholly owned subsidiaries of KPJ Healthcare Berhad, entered into a share sale agreement to dispose of its entire 100% equity interest in PT Al-Aqar Permata Hijau and 80% equity interest in PT Khidmat Perawatan Jasa Medika with a third party buyer for equity value consideration of RM9.0 million and RM16.7 million respectively.

The deal was completed on 5 April 2023.

iii. Disposal of PT Al-Aqar Bumi Serpong Damai and PT KPJ Medica

On 1 March 2023, Kumpulan Perubatan (Johor) Sdn Bhd through its wholly owned subsidiaries Crossborder Aim (M) Sdn Bhd and Crossborder Hall (M) Sdn Bhd, collectively wholly owned subsidiaries of KPJ Healthcare Berhad, entered into a share sales agreement to disposed of its entire 100% equity interest in PT Al-Aqar Bumi Serpong Damai and 75% equity interest in PT KPJ Medica (“KPJM”) with PT Nusautama Medicalindo for a total consideration which will be determined based on an enterprise value of RM150.2 million.

The deal is expected to be completed within 2023.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B7 BORROWINGS

Details of the Group's borrowings are as follows:

	<u>Current</u>		<u>Non-current</u>		<u>Total borrowings</u>	
	<u>Foreign</u> <u>'000</u>	<u>RM</u> <u>'000</u>	<u>Foreign</u> <u>'000</u>	<u>RM</u> <u>'000</u>	<u>Foreign</u> <u>'000</u>	<u>RM</u> <u>'000</u>
<u>As at 31 March 2023</u>						
<u>Secured</u>						
Term loans:						
- Conventional						
AUD	277	819	43	127	320	946
- Syariah						
RM	-	42,094	-	172,883	-	214,977
Hire purchase creditors:						
- Conventional						
RM	-	36	-	88	-	124
- Syariah						
RM	-	17,694	-	34,243	-	51,937
<u>Unsecured</u>						
Revolving credits:						
- Conventional						
AUD	1,854	5,488	-	-	1,854	5,488
- Syariah						
RM	-	294,400	-	-	-	294,400
Bank overdrafts:						
- Syariah						
RM	-	13,801	-	-	-	13,801
Islamic Medium Term						
Notes:						
- Sukuk Murabahah						
RM	-	350,000	-	200,000	-	550,000
- Sukuk Wakalah						
RM	-	-	-	1,205,000	-	1,205,000
Total		<u>724,332</u>		<u>1,612,341</u>		<u>2,336,673</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

	<u>Current</u>		<u>Non-current</u>		<u>Total borrowings</u>	
	<u>Foreign</u>	<u>RM</u>	<u>Foreign</u>	<u>RM</u>	<u>Foreign</u>	<u>RM</u>
	'000	'000	'000	'000	'000	'000
<u>As at 31 March 2022</u>						
<u>Secured</u>						
Term loans:						
- Conventional						
RM	-	2,038	-	49,074	-	51,112
AUD	1,596	5,042	54	171	1,650	5,213
- Syariah:						
RM	-	69,740	-	224,788	-	294,528
Hire purchase creditors:						
- Conventional						
RM	-	49	-	124	-	173
- Syariah:						
RM	-	15,799	-	37,628	-	53,427
<u>Unsecured:</u>						
Revolving credits:						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,849	5,842	-	-	1,849	5,842
- Syariah						
RM	-	376,000	-	-	-	376,000
Bank overdrafts:						
- Syariah						
RM	-	15,534	-	-	-	15,534
Islamic Medium Term						
Notes:						
- Sukuk Murabahah						
RM	-	400,000	-	1,300,000	-	1,700,000
Total		<u>940,044</u>		<u>1,611,785</u>		<u>2,551,829</u>

The key exchange rate used is as follows:

	<u>31.03.2023</u>	<u>31.03.2022</u>
1 Australian Dollar	2.9594	3.1594
1 US Dollar	4.4187	4.2044

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

Material changes in borrowings

The Group made its second issuance from Sukuk Wakalah for a nominal value of RM555.0 million during the current period.

Weighted average interest rate of borrowings are as follows:

- Term loan: 6.65% p.a. (2022: 4.53% p.a.)
- Hire purchase: 2.56% p.a. (2022: 2.61% p.a.)
- Islamic Medium-Term Notes: 4.75% p.a. (2022: 4.97% p.a.)
- Overdraft: 6.22% p.a. (2022: 5.09% p.a.)
- Revolving credit: 4.27% p.a. (2022: 2.96% 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 dividends paid or declared by the Company since 31 December 2022 were as follows:-

RM

In respect of the financial period ending 31 December 2023:

First interim dividend of 0.60 sen per share on 4,364,301,366 shares. The dividend was declared on 17 February 2023 and paid on 14 April 2023.

26,185,808

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.

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023 (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>31.03.2023</u>	As at <u>31.03.2022</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	51,895	22,136
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,096
Basic earnings per share (sen)	<u>1.19</u>	<u>0.51</u>
<u>Discontinued operations</u>		
(Loss)/profit attributable to Owners of the Company (RM'000)	(502)	53
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,096
Basic earnings per share (sen)	<u>(0.01)</u>	<u>0.00</u>

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR PERIOD ENDED 31 MARCH 2023 (CONTINUED)

B11 EARNINGS PER SHARE (CONTINUED)

(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>31.03.2023</u>	As at <u>31.03.2022</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	51,895	22,136
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,096
Assumed shares issued from the - exercise of ESOS ('000)	-	107,185
	<u>4,361,014</u>	<u>4,448,281</u>
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,448,281
Diluted earnings per share (sen)	<u>1.19</u>	<u>0.50</u>
<u>Discontinued operations</u>		
(Loss)/profit attributable to Owners of the Company (RM'000)	(502)	53
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,096
Assumed shares issued from the - exercise of ESOS ('000)	-	107,185
	<u>4,361,014</u>	<u>4,448,281</u>
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,448,281
Diluted earnings per share (sen)	<u>(0.01)</u>	<u>0.00</u>