

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2023**

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 2023.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	Note	Individual Quarter			For the		
		3 months ended			financial period ended		
		30.09.2023	30.09.2022	Var	30.09.2023	30.09.2022	Var
		RM'000	RM'000	%	RM'000	RM'000	%
<u>Continuing operations</u>							
Revenue		925,393	798,748	16	2,553,886	2,139,722	19
Cost of sales		(540,777)	(473,052)	14	(1,506,731)	(1,298,788)	16
Gross profit		384,616	325,696	18	1,047,155	840,934	25
Administrative expenses		(259,602)	(211,415)	23	(713,921)	(575,120)	24
Other income		46,114	5,558	>100	58,355	13,717	>100
Zakat		(690)	(184)	>100	(2,506)	(1,455)	72
Operating profit		170,438	119,655	42	389,083	278,076	40
Finance income		5,310	2,237	>100	12,335	9,381	31
Finance costs							
- Borrowings		(28,324)	(21,824)	30	(72,309)	(71,419)	1
- Lease liabilities		(28,127)	(25,378)	11	(83,730)	(76,658)	9
Finance costs - net		(51,141)	(44,965)	14	(143,704)	(138,696)	4
Share of results of associates, net of tax		13,819	13,760	-	33,899	33,666	1
Profit before tax		133,116	88,450	50	279,278	173,046	61
Tax	B5	(35,834)	(31,654)	13	(77,057)	(58,991)	31
Profit for the financial period from continuing operations		97,282	56,796	71	202,221	114,055	77
<u>Discontinued operations</u>							
Profit for the financial period from discontinued operations		1,900	3,560	(47)	849	2,603	(67)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)

	Individual Quarter			For the		
	3 months ended			financial period ended		
	30.09.2023	30.09.2022	Var	30.09.2023	30.09.2022	Var
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the financial period	99,182	60,356	64	203,070	116,658	74
Other comprehensive income for the financial period, net of tax:						
- from continuing operations	(1,934)	(838)	>(100)	(1,743)	(1,248)	(40)
- from discontinued operations	2,154	(82)	>100	4,215	(227)	>100
Total comprehensive income for the financial period	99,402	59,436	67	205,542	115,183	78
Profit for the financial period attributable to:						
Owners of the Company						
- continuing operations	90,311	50,687	78	189,153	99,904	89
- discontinued operations	1,435	3,593	(60)	865	3,664	(76)
Non-controlling interests						
- continuing operations	6,971	6,109	14	13,068	14,151	(8)
- discontinued operations	465	(33)	>100	(16)	(1,061)	98
	99,182	60,356	64	203,070	116,658	74
Total comprehensive income for the financial period attributable to:						
Owners of the Company						
- continuing operations	88,377	49,849	77	187,410	98,656	90
- discontinued operations	3,589	3,511	2	5,080	3,437	48
Non-controlling interests						
- continuing operations	6,971	6,109	14	13,068	14,151	(8)
- discontinued operations	465	(33)	>100	(16)	(1,061)	98
	99,402	59,436	67	205,542	115,183	78

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

	Individual Quarter			For the		
	3 months ended			financial period ended		
	30.09.2023	30.09.2022	Var	30.09.2023	30.09.2022	Var
	RM'000	RM'000	%	RM'000	RM'000	%
Dividend per share (sen)	0.80	0.55	45	2.05	1.00	>100
Earnings per share attributable to Owners of the Company:						
Basic (sen)						
- continuing operations	2.07	1.17		4.34	2.30	
- discontinued operations	0.03	0.08		0.02	0.08	
Diluted (sen)						
- continuing operations	2.07	1.14		4.34	2.25	
- discontinued operations	0.03	0.08		0.02	0.08	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS
AT 30 SEPTEMBER 2023**

	<u>Note</u>	<u>30.09.2023</u> RM'000	<u>31.12.2022</u> RM'000 Audited
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	A9	2,778,765	2,760,222
Right-of-use assets		1,544,347	1,577,039
Investment properties		360,612	360,420
Intangible assets		198,624	206,043
Investment in associates		506,799	486,308
Equity instruments classified as FVOCI*		1,241	1,241
Deferred tax assets		124,868	114,281
Trade and other receivables		19,277	17,115
		<u>5,534,533</u>	<u>5,522,669</u>
<u>Current assets</u>			
Inventories		75,321	65,872
Trade and other receivables		727,574	645,705
Tax recoverable		110,449	126,380
Deposits, bank and cash balances		836,973	467,919
Dividend receivable		8,205	8,066
		<u>1,758,522</u>	<u>1,313,942</u>
Assets held for sale		-	157,455
		<u>1,758,522</u>	<u>1,471,397</u>
Total assets		<u>7,293,055</u>	<u>6,994,066</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Trade and other payables		877,889	720,220
Contract liabilities		49,272	48,708
Current tax liabilities		3,602	4,321
Borrowings	B7	441,233	839,415
Lease liabilities		41,652	44,677
Dividend payable		-	2,980
		<u>1,413,648</u>	<u>1,660,321</u>
Liabilities associated with assets held for sale		-	13,163
		<u>1,413,648</u>	<u>1,673,484</u>
Net current assets/(liabilities)		<u>344,874</u>	<u>(202,087)</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS
AT 30 SEPTEMBER 2023 (CONTINUED)**

	<u>Note</u>	<u>30.09.2023</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	1,480,517	1,047,763
Lease liabilities		1,799,386	1,818,168
Deferred tax liabilities		89,522	84,530
Provision for retirement benefits		2,024	2,212
Deposits		12,329	11,948
		<u>3,385,466</u>	<u>2,966,364</u>
Total liabilities		<u>4,799,114</u>	<u>4,639,848</u>
Net assets		<u>2,493,941</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		1,493,612	1,406,241
		<u>2,337,492</u>	<u>2,227,260</u>
Non-controlling interests		156,449	126,958
Total equity		<u>2,493,941</u>	<u>2,354,218</u>
Total equity and liabilities		<u>7,293,055</u>	<u>6,994,066</u>
Net assets per share attributable to Owners of the Company (RM)		<u>0.52</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 30 SEPTEMBER 2023**

	Non-distributable								Distributable		Non-controlling interest	Total equity
	Number of shares	Share capital	Treasury shares	Esos reserve	Merger reserve	FVOCI reserve	Exchange reserve	Revaluation reserve	Retained earnings	Total		
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	-	-	190,018	190,018	13,052	203,070
Other comprehensive expense:												
Currency translation differences of foreign subsidiaries	-	-	-	-	-	-	(1,743)	-	-	(1,743)	-	(1,743)
Total other comprehensive expense	-	-	-	-	-	-	(1,743)	-	-	(1,743)	-	(1,743)
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
Disposal of interest in subsidiaries	-	-	-	-	-	-	4,215	(31,123)	19,150	(7,758)	16,439	8,681
Lapsed ESOS	-	-	-	(36,598)	-	-	-	-	36,598	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(89,468)	(89,468)	-	(89,468)
Total transactions with Owners	21,080	22,861	-	(40,276)	-	-	4,215	(31,123)	(33,720)	(78,043)	16,439	(61,604)
At 30 September 2023	4,526,608	999,190	(155,310)	-	(3,367)	(217)	4,236	206,610	1,286,350	2,337,492	156,449	2,493,941

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

	Non-distributable							Distributable	Total	Non-controlling interest	Total equity
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Esos reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 1 January 2022	4,489,159	959,521	(155,310)	45,622	(3,367)	(725)	237,768	1,051,921	2,135,430	115,078	2,250,508
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	103,568	103,568	13,090	116,658
Other comprehensive expense:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(1,475)	-	-	(1,475)	-	(1,475)
Total other comprehensive expense	-	-	-	-	-	(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)	237,768	1,114,342	2,208,066	123,689	2,331,755

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	<u>30.09.2023</u>	<u>30.09.2022</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	279,278	173,046
- discontinued operations	1,288	3,020
	<u>280,566</u>	<u>176,066</u>
Adjustments for:		
Share of results of associates	(33,899)	(33,666)
Finance income	(12,422)	(9,444)
Finance costs		
- Borrowings	72,309	72,160
- Lease liabilities	83,730	76,658
Trade receivables:		
- Impairment loss (net)	-	221
Gain on disposal of shares in subsidiaries	(44,744)	-
Property, plant and equipment:		
- Depreciation	148,554	139,748
- Written-off	-	57
- Loss/(gain) on disposals	1,119	(33)
Right-of-use assets:		
- Depreciation	54,008	50,956
Intangible assets:		
- Amortisation of software development expenditure	7,526	8,918
Inventories written-off	273	187
Provision for retirement benefits	135	148
Gain on disposals of assets held for sale	(1,288)	-
	<u>555,867</u>	<u>481,976</u>
Operating profit before working capital changes		
Changes in working capital:		
Inventories	(9,722)	(13,775)
Receivables	(84,030)	(139,952)
Payables	100,927	126,422
Contract liabilities	564	6,734
	<u>563,606</u>	<u>461,405</u>
Cash flows generated from operations		
Income tax refund	19,499	1,613
Income tax paid	(55,711)	(58,571)
	<u>527,394</u>	<u>404,447</u>
Net cash generated from operating activities		

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)**

	<u>30.09.2023</u> RM'000	<u>30.09.2022</u> RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(161,216)	(176,551)
Proceeds from disposal of property, plant and equipment	235	100
Disposals of interest in subsidiaries:		
- Proceeds, net of cash and cash equivalents disposed	19,770	-
- Settlement of Shareholder's Loan	156,277	-
Proceeds from disposal of assets held for sale	20,082	-
Interest received	12,422	9,444
Increase in deposits with licensed banks with maturity of more than 3 months	(228,492)	(33,800)
Dividends received from associates	17,254	13,473
Additional investment in a subsidiary	-	(5,400)
	<hr/>	<hr/>
Net cash used in investing activities	(163,668)	(192,734)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(2,560)	(1,050)
Issue of shares:		
- ESOS	19,183	14,895
Borrowings:		
- Drawdown	700,999	847,213
- Repayments	(673,746)	(807,639)
Payment of lease liabilities	(105,537)	(106,045)
Interest paid	(72,309)	(72,160)
Dividends paid to shareholders	(89,468)	(19,543)
Designated account	28,207	19,711
	<hr/>	<hr/>
Net cash used in financing activities	(195,231)	(124,618)
	<hr/>	<hr/>
Net changes in cash and cash equivalents	168,495	87,095
Currency translation differences	(1,935)	(1,409)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<hr/>	<hr/>
	416,866	269,973
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<hr/>	<hr/>
	583,426	355,659
	<hr/>	<hr/>

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
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 year ended 31 December 2022.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are consistent with those adopted in audited annual financial statements for the financial year 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: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

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

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).

The options expired on 27 February 2023, whereby no additional options will be granted.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2023 (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>30.09.2023</u> Units '000	<u>30.09.2022</u> Units '000
At start of the financial period	102,421	123,805
Exercised	(21,080)	(16,369)
Lapsed/ expired	(81,341)	(4,100)
At end of the financial period	<u>-</u>	<u>103,336</u>

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

	<u>30.09.2023</u> Number of shares ('000)	<u>30.09.2023</u> 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
At end of the financial period	<u>4,526,608</u>	<u>999,190</u>

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

On 13 March 2023, the Group issued its inaugural Sustainability Sukuk 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 Sustainability Sukuk Wakalah are for the purpose of capital expenditure, working capital, refinancing of existing borrowings, and other expenses as defined in the Sustainability Sukuk Framework.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
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
Second interim dividend of 0.65 sen per share on 4,364,301,366 shares. The dividend was declared on 30 May 2023 and paid on 4 July 2023.	28,367,959
Third interim dividend of 0.80 sen per share on 4,364,301,366 shares. The dividend was declared on 29 August 2023 and paid on 3 October 2023.	34,914,411
	<u>89,468,178</u>

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

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, decided to divest 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 divestments were completed on 5 April 2023 and 18 September 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>30 September 2023</u>							
<u>Revenue</u>							
Revenue from external customers	888,126	38,156	926,282	(889)	925,393	7,797	933,190
<u>Results</u>							
Depreciation and amortisation	(67,051)	(3,617)	(70,668)	120	(70,548)	(622)	(71,170)
Finance costs (net)	(47,052)	(4,626)	(51,678)	537	(51,141)	22	(51,119)
Share of results of associates	13,564	255	13,819	-	13,819	-	13,819
Profit/(loss) before tax	139,088	(5,964)	133,124	(8)	133,116	2,101	135,217
Tax	(35,510)	(324)	(35,834)	-	(35,834)	(201)	(36,035)
Profit/(loss) after tax	103,578	(6,288)	97,290	(8)	97,282	1,900	99,182
EBITDA	253,191	2,279	255,470	(665)	254,805	2,701	257,506
Total assets	7,117,978	305,952	7,423,930	(130,875)	7,293,055	-	7,293,055
Total liabilities	4,469,884	460,167	4,930,051	(130,937)	4,799,114	-	4,799,114
Additions to property, plant and equipment	59,587	55	59,642	-	59,642	-	59,642

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months (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>30 September 2022</u>							
<u>Revenue</u>							
Revenue from external customers	775,249	27,397	802,646	(3,898)	798,748	10,413	809,161
<u>Results</u>							
Depreciation and amortisation	(61,266)	(3,521)	(64,787)	120	(64,667)	(1,578)	(66,245)
Finance costs (net)	(41,147)	(4,425)	(45,572)	607	(44,965)	(255)	(45,220)
Share of results of associates	13,484	276	13,760	-	13,760	-	13,760
Profit/(loss) before tax	107,486	(16,116)	91,370	(2,920)	88,450	3,702	92,152
Tax	(31,221)	(433)	(31,654)	-	(31,654)	(142)	(31,796)
Profit/(loss) after tax	76,265	(16,549)	59,716	(2,920)	56,796	3,560	60,356
EBITDA/(LBITDA)	209,899	(8,170)	201,729	(3,647)	198,082	5,535	203,617
Total assets	6,543,412	369,475	6,912,887	(164,758)	6,748,129	147,580	6,895,709
Total liabilities	4,235,130	479,797	4,714,927	(164,846)	4,550,081	13,873	4,563,954
Additions to property, plant and equipment	60,804	28	60,832	-	60,832	746	61,578

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended (continued)

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

	30 September 2023				30 September 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	27,387,795	7,797	6,969	20,687	33,990,567	10,413	4,561	13,659
Results								
Depreciation and amortisation	(2,228,770)	(622)	(509)	(1,502)	(5,134,202)	(1,578)	(405)	(1,213)
Finance costs (net)	77,972	22	(741)	(2,186)	(832,849)	(255)	(636)	(1,907)
Share of results of associates	-	-	28	83	-	-	31	91
Profit/(loss) before tax	7,131,779	2,101	(1,343)	(3,859)	12,432,016	3,702	(2,145)	(6,431)
Tax	(696,435)	(201)	-	-	(461,779)	(142)	-	-
Profit/(loss) after tax	6,435,344	1,900	(1,343)	(3,859)	11,970,237	3,560	(2,145)	(6,431)
EBITDA/(LBITDA)	9,282,577	2,701	(93)	(171)	18,399,067	5,535	(1,104)	(3,311)
Total assets	-	-	38,385	116,257	484,345,258	147,580	46,582	139,975
Total liabilities	-	-	77,183	233,763	45,530,030	13,873	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 FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

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>Totalc</u> RM'000
<u>30 September 2023</u>							
<u>Revenue</u>							
Revenue from external customers	2,459,490	97,241	2,556,731	(2,845)	2,553,886	25,340	2,579,226
<u>Results</u>							
Depreciation and amortisation	(196,365)	(11,080)	(207,445)	359	(207,086)	(3,002)	(210,088)
Finance costs (net)	(131,240)	(14,258)	(145,498)	1,794	(143,704)	87	(143,617)
Share of results of associates	33,133	766	33,899	-	33,899	-	33,899
Profit/(loss) before tax	313,881	(34,601)	279,280	(2)	279,278	1,288	280,566
Tax	(76,190)	(867)	(77,057)	-	(77,057)	(439)	(77,496)
Profit/(loss) after tax	237,691	(35,468)	202,223	(2)	202,221	849	203,070
EBITDA/(LBITDA)	641,486	(9,263)	632,223	(2,155)	630,068	4,203	634,271
Total assets	7,117,978	305,952	7,423,930	(130,875)	7,293,055	-	7,293,055
Total liabilities	4,469,884	460,167	4,930,051	(130,937)	4,799,114	-	4,799,114
Additions to property, plant and equipment	160,685	132	160,817	-	160,817	399	161,216

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

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>30 September 2022</u>							
<u>Revenue</u>							
Revenue from external customers	2,072,175	78,990	2,151,165	(11,443)	2,139,722	28,026	2,167,748
<u>Results</u>							
Depreciation and amortisation	(184,877)	(10,522)	(195,399)	359	(195,040)	(4,582)	(199,622)
Finance costs (net)	(128,497)	(12,013)	(140,510)	1,814	(138,696)	(678)	(139,374)
Share of results of associates	32,805	861	33,666	-	33,666	-	33,666
Profit/(loss) before tax	214,768	(33,222)	181,546	(8,500)	173,046	3,020	176,066
Tax	(57,632)	(1,359)	(58,991)	-	(58,991)	(417)	(59,408)
Profit/(loss) after tax	157,136	(34,581)	122,555	(8,500)	114,055	2,603	116,658
EBITDA/(LBITDA)	528,142	(10,687)	517,455	(10,673)	506,782	8,280	515,062
Total assets	6,543,412	369,475	6,912,887	(164,758)	6,748,129	147,580	6,895,709
Total liabilities	4,235,130	479,797	4,714,927	(164,846)	4,550,081	13,873	4,563,954
Additions to property, plant and equipment	195,169	250	195,419	-	195,419	1,010	196,429

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended (continued)

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

	30 September 2023				30 September 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	86,455,135	25,340	16,511	49,700	93,858,004	28,026	12,979	39,151
Results								
Depreciation and amortisation	(10,242,238)	(3,002)	(1,511)	(4,549)	(15,344,943)	(4,582)	(1,198)	(3,615)
Finance costs (net)	296,827	87	(2,238)	(6,738)	(2,270,596)	(678)	(1,468)	(4,427)
Share of results of associates	-	-	83	251	-	-	94	283
Profit/(loss) before tax	4,394,405	1,288	(7,326)	(22,053)	10,113,865	3,020	(5,440)	(16,410)
Tax	(1,497,782)	(439)	-	-	(1,396,517)	(417)	-	-
Profit/(loss) after tax	2,896,623	849	(7,326)	(22,053)	8,717,348	2,603	(5,440)	(16,410)
EBITDA/(LBITDA)	14,339,816	4,203	(3,577)	(10,766)	27,729,404	8,280	(2,774)	(8,368)
Total assets	-	-	38,385	116,257	484,345,258	147,580	46,582	139,975
Total liabilities	-	-	77,183	233,763	45,530,030	13,873	76,597	230,167
Additions to property, plant and equipment	1,284,610	399	-	-	3,314,736	1,010	-	-

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2023 (CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

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

	<u>30.09.2023</u>	<u>30.09.2022</u>
1 Australian Dollar		
Closing	3.0287	3.0049
Average	3.0102	3.0164
1,000 Indonesian Rupiah		
Closing	0.3028	0.3047
Average	0.2931	0.2986

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group's land and buildings were fully revalued as at 31 December 2020, 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 30 September 2023 that has not been reflected in this interim financial report.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

On 5 April 2023, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), through its wholly-owned subsidiaries Crossborder Aim (M) Sdn Bhd ("CASB") and Crossborder Hall (M) Sdn Bhd ("CHSB"), collectively wholly owned subsidiaries of KPJ Healthcare Berhad completed the disposals of its entire 100% equity interest in PT Al-Aqar Permata Hijau ("PTAPH") and its 80% interest in PT Khidmat Perawatan Jasa Medika ("PT KPJ Medika") for cash consideration totalling RM22.4 million and settlement of Shareholder's Loan amounting RM18.8 million.

On 18 September 2023, KPJSB, through its wholly-owned subsidiaries CASB and CHSB, collectively wholly-owned subsidiaries of KPJ Healthcare Berhad, completed the disposals of its entire 100% equity interest in PT Al-Aqar Bumi Serpong Damai ("PTABSD") and 75% equity interest in PT KPJ Medica ("KPJM") to PT Nusautama Medicalindo for cash consideration totalling RM13.7 million and settlement of Shareholder's Loan amounting RM137.5 million.

With the completion of the disposals, Indonesia operations ceased to become subsidiaries of the Group.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER
2023 (CONTINUED)**

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

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 2023 are as follows:

	RM'000
Approved by the Directors and contracted	52,384
Approved by the Directors but not contracted	203,298
	<hr/>
	255,682
	<hr/> <hr/>

Analysed as follows:

Building	45,917
Medical equipment	58,891
Other property, plant and equipment	150,874
	<hr/>
	255,682
	<hr/> <hr/>

KPJ HEALTHCARE BERHAD
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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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's Q3 2023 revenue increased by 16% to RM925.4 million from RM798.7 million in Q3 2022. This is evidenced with a rise in the inpatient visits to 96,968 patients from 85,655 patients, coupled with the bed occupancy rate ("BOR") increased to 73% from 66% respectively.

EBITDA and profit before tax ("PBT") improved in the Q3 2023 by 29% and 50% to RM254.8 million and RM133.1 million respectively. This better performance was mainly driven by the improved hospital activities in Malaysia segment accompanied with a gain of RM41.5 million from disposal of Indonesia operations during the current quarter.

Malaysia

This segment recorded a revenue of RM888.1 million in the current quarter, 15% higher than the revenue of RM775.2 million in the preceding corresponding quarter. Total inpatients visits for this segment rose by 12% from 83,529 patients to 93,512 patients together with the 14% improvement in inpatient days from 202,683 days in Q3 2022 to 230,824 days in the current quarter under review. KPJ Damansara 2 and KPJ Penang showed the highest revenue increase, as they are a newly opened hospital and building block respectively.

EBITDA for the current quarter improved by 21% to RM253.2 million compared to RM209.9 million for the same quarter in 2022 while PBT at the same time rose by 29% to RM139.1 million. These increases contributed mainly from the gain on disposal of PTABSD and KPJM and improvement in business activities.

Others

The Others segment operations is inclusive of aged care and retirement village business in Australia operated by Jeta Garden, education services by KPJ Healthcare University ("KPJU") and hospital and management services by KPJ Dhaka. In the Q3 2023, this segment recorded a 39% increase in revenue to RM38.2 million from RM27.4 million in Q3 2022.

Others segment show a better result from a negative EBITDA of RM8.2 million to positive RM2.3 million coupled with reduction of loss before tax from RM16.1 million in Q3 2022 to RM6.0 million in Q3 2023. KPJ Dhaka increased its number of beds to 100 beds, leading to a notable performance improvement, as evidenced by additional patient visits of 11,877 patients in current quarter.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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's YTD 2023 revenue from continuing operations increased by 19% to RM2,553.9 million from RM2,139.7 million in YTD 2022. EBITDA and PBT for the period rose to RM630.1 million and RM279.3 million, 24% and 61% respectively better than the same period in 2022. Aside from the growing hospital activities, EBITDA and PBT of the Group for the current period recorded a gain of RM44.7 million from the disposal of the Indonesia operations.

Malaysia

Malaysia segment revenue of RM2,459.5 million contributes 96% of the total Group's revenue. This is 19% higher as compared to RM2,072.2 million reported for the period 30 September 2022.

The growth in revenue is mainly contributed from improvement in patients visits from 2,243,473 patients in YTD 2022 to 2,322,802 patients in YTD 2023 coupled with BOR from 56% to 67%. Inpatient days improved to 635,913 days in comparison to 510,574 days in YTD 2022, affiliated with the surgeries that surged by 12% to 77,119 cases from 68,813 cases.

EBITDA for the YTD 2023 recorded higher by 21% from RM528.1 million to RM641.5 million. PBT shows an improvement by 46% as compared to RM214.8 million recorded in the previous corresponding period. These increases were contributed from the higher operational activities during the period, and supplemented with the gains on disposal of the Indonesia operations by KPJSB, a wholly-owned subsidiary of the Company.

Others

The segment for YTD 2023 recorded increase in revenue by 23% to RM97.2 million contributed by increases from Jeta Garden of RM10.5 million, KPJ Dhaka of RM4.8 million and KPJU of RM3.0 million.

This segment recorded negative EBITDA of RM9.3 million which is a positive improvement by 13% compared to previous corresponding period. Meanwhile, loss before tax slightly increased by 4% to RM34.6 in YTD 2023 compared to RM33.2 million in YTD 2022.

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

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

The Group recorded a net current assets of RM344.9 million as at 30 September 2023, compared to a net current liabilities of RM82.3 million as at 30 September 2022.

Total assets as at 30 September 2023 reported at RM7,293.1 million, 6% higher than RM6,895.7 million as at 30 September 2022. The proceeds received from the completion of disposal of Indonesia subsidiaries, 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 contributing factors to the increase in total assets. Additionally, the growing hospital activities led to increase in the trade and other receivables balances as at 30 September 2023.

The Group's total liabilities as at 30 September 2023 was RM4,799.1 million, 5% higher than RM4,564.0 million as at 30 September 2022. This was derived from the issuance of Sukuk Wakalah during the period as well as 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 a net cash generated from operating activities of RM527.4 million, 30% higher in comparison to RM404.4 million in the corresponding period as a result of significant improvement in hospital operations' performance.

Cash outflows from investing activities mainly from addition to property, plant, and equipment totaling RM161.2 million largely due to expansion of hospital business such as in KPJ Damansara 2, KPJ Penang, KPJ Ipoh, KPJ Johor and KPJ Ampang. The outflows were softened by the proceeds from disposals of interest in the Indonesia subsidiaries and land in Jeta Garden aggregated to RM196.1 million. This resulted in net cash used in investing activities amounting to RM163.7 million.

Cash inflows from financing activities were primarily generated from the drawdown of borrowings, mainly from the new issuance of Sukuk Wakalah Programme of RM555.0 million. This was offset with payments of certain borrowings in current period including Sukuk Murabahah Programme of RM450.0 million. The net cash used in financing activities closed at RM195.2 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 2023 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Quarter ended 30.09.2023			Quarter ended 30.06.2023			Var %
	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	
Revenue	925,393	7,797	933,190	799,512	7,241	806,753	16
Operating profit/(loss)	170,438	2,079	172,517	106,114	(179)	105,935	63
Other income	46,114	43	46,157	7,778	51	7,829	>100
EBITDA	254,805	2,701	257,506	185,086	790	185,876	39
Profit/(loss) before tax	133,116	2,101	135,217	68,528	(144)	68,384	98
Net profit/(loss) for the financial year	97,282	1,900	99,182	48,469	(246)	48,223	>100
Total comprehensive income for the financial year	95,348	4,054	99,402	46,967	2,105	49,072	>100
Profit/(loss) attributable to Owners of the Company	90,311	1,435	91,746	46,947	(68)	46,879	96
No. of inpatient (episode)	96,968	1,063	98,031	82,479	1,416	83,895	17
No. of outpatient (episode)	771,512	13,682	785,194	690,499	18,051	708,550	11

The Group recorded a 16% quarter-on-quarter increase in revenue. This improvement is contributed from higher inpatient and outpatient visits by 17% and 11% respectively. Additionally, Group BOR shows an increase from 63% in Q2 2023 to 73% in Q3 2023 coupled with the increase in inpatient days by 20%.

In line with increase in revenue, EBITDA and net profit for the current quarter under review showed an increase of 39% and 106%, respectively, inclusive gain on disposal of PTABSD and KPJM amounting RM41.5 million. Accordingly, the Group's adjusted net profit before gain on disposal is RM74.0 million (Q2 2023: RM 45.3 million).

The discontinued operations is related to the divestment of Indonesia operations which were completed on 5 April 2023 and 18 September 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 2023 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

In its October 2023 World Economic Outlook report, the International Monetary Fund maintained its global gross domestic product growth projection of 3.0%. Meanwhile, Bank Negara Malaysia reported that the growth for remainder of 2023 will be moderate amidst the external uncertainty and continues to be supported by resilient domestic demand, with Malaysian economy projected to expand between 4.0% to 5.0% in 2023.

The financial year 2023 has seen an overall increase in the number of patient visits and medical procedures as compared to 2022 as the current period normalised. The Group anticipates that the remaining quarter will also see strong results, albeit the expected year-end trend which generally shows a drop in patient visits. KPJ will continue to be a beneficiary of long-term structural trends including rising private healthcare expenditure in line with higher income and ageing population.

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

	<u>Individual Quarter</u> <u>3 months ended</u>		<u>For the</u> <u>financial period ended</u>	
	<u>30.09.2023</u>	<u>30.09.2022</u>	<u>30.09.2023</u>	<u>30.09.2022</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	35,834	31,654	77,057	58,991

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 that are currently under gestation period.

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B6 STATUS OF CORPORATE PROPOSALS

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

On 1 March 2023, KPJSB through its wholly-owned subsidiaries CASB and CHSB, collectively wholly-owned subsidiaries of the Company, entered into a share sales agreement to disposed of its entire 100% equity interest in PTABSD and its 75% equity interest in KPJM to PT Nusautama Medicalindo for a total cash consideration of RM151.2 million. This total consideration comprises RM13.7 million as the Provisional Purchase Price and RM137.5 million as the Repayment of Shareholder's Loan from KPJSB.

The disposals have been completed on 18 September 2023.

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>RM</u>	<u>Foreign</u>	<u>RM</u>	<u>Foreign</u>	<u>RM</u>
	'000	'000	'000	'000	'000	'000
<u>As at 30 September 2023</u>						
<u>Secured</u>						
Term loans:						
- Syariah						
RM	-	51,841	-	144,002	-	195,843
Hire purchase creditors:						
- Conventional						
RM	-	38	-	69	-	107
- Syariah						
RM	-	17,677	-	31,446	-	49,123
<u>Unsecured</u>						
Revolving credits:						
- Syariah						
RM	-	253,000	-	-	-	253,000
Bank overdrafts:						
- Syariah						
RM	-	18,677	-	-	-	18,677
Islamic Medium Term						
Notes:						
- Sukuk Murabahah						
RM	-	100,000	-	100,000	-	200,000
- Sukuk Wakalah						
RM	-	-	-	1,205,000	-	1,205,000
Total		<u>441,233</u>		<u>1,480,517</u>		<u>1,921,750</u>

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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 30 September 2022</u>						
<u>Secured</u>						
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
<u>Unsecured:</u>						
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:						
- Sukuk Murabahah						
RM	-	450,000	-	200,000	-	650,000
- Sukuk Wakalah						
RM	-	-	-	650,000	-	650,000
Total		<u>842,093</u>		<u>1,060,775</u>		<u>1,902,868</u>

The key exchange rate used is as follows:

	<u>30.09.2023</u>	<u>30.09.2022</u>
1 Australian Dollar	<u>3.0287</u>	<u>3.0049</u>

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B7 BORROWINGS (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: 6.21% p.a. (2022: 4.29% p.a.)
- Hire purchase: 2.60% p.a. (2022: 2.56% p.a.)
- Islamic Medium-Term Notes: 4.54% p.a. (2022: 4.78% p.a.)
- Overdraft: 6.20% p.a. (2022: 5.28% p.a.)
- Revolving credit: 4.32% p.a. (2022: 3.19% 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
Second interim dividend of 0.65 sen per share on 4,364,301,366 shares. The dividend was declared on 30 May 2023 and paid on 4 July 2023.	28,367,959
Third interim dividend of 0.80 sen per share on 4,364,301,366 shares. The dividend was declared on 29 August 2023 and paid on 3 October 2023.	34,914,411
	<u>89,468,178</u>

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

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 attributable to ordinary equity holders by the average number of ordinary shares in issue during the financial period.

	As at <u>30.09.2023</u>	As at <u>30.09.2022</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	189,153	99,904
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,403
Basic earnings per share (sen)	<u>4.34</u>	<u>2.30</u>
<u>Discontinued operations</u>		
Profit attributable to Owners of the Company (RM'000)	865	3,664
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,403
Basic earnings per share (sen)	<u>0.02</u>	<u>0.08</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL YEAR PERIOD ENDED 30 SEPTEMBER 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>30.09.2023</u>	As at <u>30.09.2022</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	189,153	99,904
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,403
Assumed shares issued from the - exercise of ESOS ('000)	-	103,336
	<u>4,361,014</u>	<u>4,444,739</u>
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,444,739
Diluted earnings per share (sen)	<u>4.34</u>	<u>2.25</u>
<u>Discontinued operations</u>		
Profit attributable to Owners of the Company (RM'000)	865	3,664
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,403
Assumed shares issued from the - exercise of ESOS ('000)	-	103,336
	<u>4,361,014</u>	<u>4,444,739</u>
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,444,739
Diluted earnings per share (sen)	<u>0.02</u>	<u>0.08</u>