B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024

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 RM908.0 million for the period ended 31 March 2024, surpassing the revenue in the first quarter in 2023 of RM815.0 million by 11% evidenced by the increase in the inpatient visits to 91,039 patients from 88,036 patients. The Group increased its bed capacity in the current period to 3,693 beds versus 3,416 beds in the corresponding quarter subsequently leading to the bed occupancy rate (“BOR”) to slightly ease by 5% from 70% to 65%.

Meanwhile, EBITDA for the current quarter was reported at RM246.7 million, 27% better than RM194.3 million in the same quarter under review in the prior financial period. Profit before tax (“PBT”) showed a higher performance at RM134.8 million, an increase from RM81.3 million in Q1 2023.

The results was driven by the performance from the Malaysia segment. KPJ Damansara 2 (“DSH2”) showed a significant improvement in EBITDA from negative EBITDA of nearly RM10.0 million to EBITDA of RM0.6 million in Q1 2024, followed by reduction in loss before tax by RM8.2 million. With effective marketing and advanced technology equipment, DSH2 achieved double-digit growth when comparing the two quarters. The Group's performance was also improved due to a provisional extinguishment of net liabilities of RM43.3 million from the disposal of the aged care business in Australia.

Malaysia

This segment contributed up to 98% of total Group revenue, closing at RM892.6 million in the current quarter, 11% outdoing the revenue of the corresponding quarter in the preceding financial period of RM800.8 million. Other than revenue at DSH2 with an increment of RM14.7 million, KPJ Klang, KPJ Ampang Puteri and KPJ Selangor contributed an aggregate increase in revenue by RM17.8 million. These hospitals collectively recorded a surge in surgeries by 13% to 4,509 cases with inpatient days increased by 7% to 40,672 days versus 38,153 days in Q1 2023.

EBITDA increased by 3% to RM198.4 million compared to RM192.9 million and PBT increased by 6% to RM92.6 million from RM87.2 million, mainly due to better revenue shown by the hospitals.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024 (CONTINUED)

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

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

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

Others

This segment includes the retirement village business in Australia operated by Jeta Gardens, education services by KPJ Healthcare University ("KPJU") and hospital and management services by KPJ Dhaka. This segment recorded a 7% increase in revenue in the current quarter under review to RM16.1 million from RM15.1 million in Q1 2023.

A significantly higher EBITDA has been recorded in this segment to RM48.7 million against RM2.1 million in the first quarter last year, mainly from the provisional extinguishment of net liabilities of the aged care business in Jeta Gardens. This has led to the PBT to close at RM42.2 million in comparison to a loss before tax of RM6.0 million in the corresponding quarter.

b. Review on statements of comprehensive income for current financial period compared to prior financial period

Group

The Group closed its revenue at RM908.0 million for the period ended 31 March 2024, surpassing the revenue in the first quarter in 2023 of RM815.0 million by 11% evidenced by the increase in the inpatient visits to 91,039 patients from 88,036 patients. The Group increased its bed capacity in the current period to 3,693 beds versus 3,416 beds in the corresponding quarter subsequently leading to the BOR to slightly ease by 5% from 70% to 65%.

Meanwhile, EBITDA for the current quarter was reported at RM246.7 million, 27% better than RM194.3 million in the same quarter under review in the prior financial period. PBT showed a higher performance at RM134.8 million, an increase from RM81.3 million in Q1 2023.

The result was driven by the performance from the Malaysia segment. DSH2 showed a significant improvement in EBITDA from negative EBITDA of nearly RM10.0 million to EBITDA of RM0.6 million in Q1 2024, followed by reduction in loss before tax by RM8.2 million. With effective marketing and advanced technology equipment, DSH2 achieved double-digit growth when comparing the two quarters. The Group's performance was also improved due to a provisional extinguishment of net liabilities of RM43.3 million from the disposal of the aged care business in Australia.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024 (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)

Malaysia

This segment contributed up to 98% of total Group revenue, closing at RM892.6 million in the current quarter, 11% outdoing the revenue of the corresponding quarter in the preceding financial period of RM800.8 million. Other than revenue at DSH2 with an increment of RM14.7 million, KPJ Klang, KPJ Ampang Puteri and KPJ Selangor contributed an aggregate increase in revenue by RM17.8 million. These hospitals collectively recorded a surge in surgeries by 13% to 4,509 cases with inpatient days increased by 7% to 40,672 days versus 38,153 days in Q1 2023.

EBITDA increased by 3% to RM198.4 million compared to RM192.9 million and PBT increased by 6% to RM92.6 million from RM87.2 million, mainly due to better revenue shown by the hospitals.

Others

This segment includes the retirement village business in Australia operated by Jeta Gardens, education services by KPJU and hospital and management services by KPJ Dhaka. This segment recorded a 7% increase in revenue in the current quarter under review to RM16.1 million from RM15.1 million in Q1 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 2024 (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

Total assets as at 31 March 2024 reported at RM7,229.3 million, 5% lower in comparison to RM7,622.0 million as at 31 March 2023. The repayment of Sukuk in Q2 2023 of RM350.0 million with no drawdown made since March 2023, resulted in lower balances in the deposit, cash and bank balances as at the current period against the corresponding period hence lowers the balance of the total asset, coupled with the completion of aged care business disposal in Jeta Gardens.

In line with total assets, the Group's total liabilities as at 31 March 2024 was RM4,655.7 million, 11% lower than RM5,217.7 million as at 31 March 2023. This was attributable to the reduction in borrowings balances from repayment of Sukuk and no dividend payable as at the end of the period.

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

The net cash generated from operating activities for the current period of RM120.5 million is 36% behind the cash generated in the first quarter of the prior financial period of RM187.5 million aligned with the reduction in trade and other payables by RM161.7 million. The lower accruals balance contributed to the lower trade and other payables recorded.

The Group's net cash used in investing activities closed at RM154.5 million, 53% lower than RM330.7 million reported up to March 2023 mainly due to the lower additional cash deposits with licensed banks with maturity of more than three months from RM278.1 million to RM100.0 million. Meanwhile, the addition of property, plant and equipment ("PPE") in the current period is RM66.3 million, showing minimal variance against RM66.4 million in the Q1 2023.

The Group recorded net cash used in financing activities of RM2.9 million in comparison to net cash generated from financing activities for the period ended 31 March 2023 at RM436.6 million. Cash inflows from financing activities were primarily generated from the drawdown from designated account to be placed in fixed deposit for Sukuk repayment purposes of RM106.4 million. The cash outflows in financing activities mainly derived from the dividends paid to shareholders in the current period of RM43.6 million and payment of lease liabilities amounting to RM37.0 million.

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 2024 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Quarter ended 31.03.2024			Quarter ended 31.12.2023			
	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	Var %
Revenue	908,015	5,884	913,899	911,455	17,280	928,735	(2)
Operating profit/(loss)	169,731	(7,791)	161,940	111,346	2,079	113,425	43
Other income	51,818	461	52,279	9,159	1,055	10,214	>100
EBITDA/ (LBITDA)	246,687	(7,758)	238,929	194,114	(18,258)	175,856	36
Profit/(loss) before tax	134,773	(7,795)	126,978	83,442	(17,818)	65,624	93
Net profit/(loss) for the financial period ("PAT")	103,554	(7,795)	95,759	85,154	(17,818)	67,336	42
Total comprehensive income/(expense) for the financial period	96,880	(7,795)	89,085	114,245	(17,818)	96,427	(8)
Profit/(loss) attributable to Owners of the Company	75,840	(4,443)	71,397	83,504	(10,114)	73,390	(3)
No. of inpatient (episode)	91,039	-	91,039	94,504	-	94,504	(4)
No. of outpatient (episode)	717,648	-	717,648	763,033	-	763,033	(6)

Quarter-on-quarter revenue from continuing operations showed a slight drop in Q1 2024 compared to Q4 2023. This decrease commensurate with a 4% drop in inpatient visits and a 6% decline in outpatient visits. Consequently, the Group's BOR fell from 69% in the previous quarter to 65% in the current quarter, along with a 5% decrease in inpatient days.

Meanwhile, EBITDA and PAT from continuing operations for the current quarter under review increased by 27% and 22%, respectively. This improved performance includes a provisional gain of RM43.3 million from the extinguishment of net liabilities related to the disposal of the aged care business by Jeta Gardens which was completed on 31 January 2024. Consequently, the Group's core PAT for the current quarter was RM60.3 million, compared to RM85.2 million in Q4 2023. The PAT in Q4 2023 included the recognition of deferred tax assets amounting to RM30.9 million.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

In its April 2024 World Economic Outlook publication, the International Monetary Fund projected global economic growth at 3.2% and Malaysia's economic growth at 4.4%, highlighting the resilience of the global economy. Additionally, Bank Negara Malaysia forecasts a growth rate of 4% to 5% for 2024, driven by strong domestic demand and a recovery in exports.

Throughout 2024, the Group will continue its focus on asset optimisation, which includes maximising existing bed capacity, boosting performance for hospitals under the gestation period, and positioning our key hospitals towards becoming Centres of Excellence. We are also developing new revenue streams, with particular investment going towards expanding our share for the health tourism market in Malaysia, which is expected to see considerable growth over the next few years. We expect that these initiatives will translate towards the growth of our performance for the rest of the year.

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 3 months ended		For the financial period ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Income tax expense	31,219	21,164	31,219	21,164

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 slightly below than the statutory rate mainly due to certain income was not subjected for tax purposes.

B6 STATUS OF CORPORATE PROPOSALS

On 13 December 2023, the Group announced the proposed disposal of the aged care business by its subsidiaries, Jeta Gardens (Qld) Pty Ltd and Jeta Gardens Aged Care (Qld) Pty Ltd ("Jeta Gardens") to DPG Services Pty Ltd for a net cash payment of AUD0.70 million. Following the fulfilment of conditions precedent and the obligations on completion, the disposal was completed on 31 January 2024.