

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the second quarter and financial period ended 30 June 2024.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Note	Individual Quarter			For the		
		3 months ended			financial period ended		
		30.06.2024	30.06.2023	Var	30.06.2024	30.06.2023	Var
		RM'000	RM'000	%	RM'000	RM'000	%
			Restated			Restated	
<u>Continuing operations</u>							
Revenue		930,559	785,362	18	1,838,574	1,600,352	15
Cost of sales		(527,902)	(464,225)	(14)	(1,046,474)	(939,784)	(11)
Gross profit		402,657	321,137	25	792,100	660,568	20
Administrative expenses		(257,319)	(211,770)	(22)	(524,822)	(438,066)	(20)
Other income		6,997	6,229	12	13,556	9,992	36
Zakat		(1,818)	(1,055)	(72)	(3,845)	(1,816)	>(100)
Operating profit		150,517	114,541	31	276,989	230,678	20
Finance income		6,395	4,796	33	12,212	6,940	76
Finance costs							
- Borrowings		(22,312)	(23,538)	5	(45,289)	(43,900)	(3)
- Lease liabilities		(26,992)	(28,626)	6	(54,149)	(55,586)	3
Finance costs - net		(42,909)	(47,368)	9	(87,226)	(92,546)	6
Share of results of associates, net of tax		10,994	9,769	13	20,353	20,080	1
Profit before tax		118,602	76,942	54	210,116	158,212	33
Tax	B5	(32,200)	(20,059)	(61)	(63,419)	(41,223)	(54)
Profit for the financial period from continuing operations		86,402	56,883	52	146,697	116,989	25
<u>Discontinued operations</u>							
(Loss)/Profit for the financial period from discontinued operations		(2,957)	(8,660)	66	32,507	(13,101)	>100

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

	Individual Quarter			For the		
	3 months ended			financial period ended		
	30.06.2024	30.06.2023	Var	30.06.2024	30.06.2023	Var
	RM'000	RM'000	%	RM'000	RM'000	%
		Restated			Restated	
Profit for the financial period	83,445	48,223	73	179,204	103,888	72
Other comprehensive income for the financial period, net of tax:						
- from continuing operations	(1,376)	(1,502)	8	(6,470)	191	>(100)
- from discontinued operations	-	2,351	(100)	(1,580)	2,061	>(100)
Total comprehensive income for the financial period	82,069	49,072	67	171,154	106,140	61
Profit for the financial period attributable to:						
Owners of the Company						
- continuing operations	77,562	51,128	52	128,745	105,711	22
- discontinued operations	(1,685)	(4,249)	60	18,529	(7,439)	>100
Non-controlling interests						
- continuing operations	8,840	5,755	54	17,952	11,278	59
- discontinued operations	(1,272)	(4,411)	71	13,978	(5,662)	>100
	83,445	48,223	73	179,204	103,888	72
Total comprehensive income for the financial period attributable to:						
Owners of the Company						
- continuing operations	76,186	49,626	54	120,695	105,902	14
- discontinued operations	(1,685)	(1,898)	11	18,529	(5,378)	>100
Non-controlling interests						
- continuing operations	8,840	5,755	54	17,952	11,278	59
- discontinued operations	(1,272)	(4,411)	71	13,978	(5,662)	>100
	82,069	49,072	67	171,154	106,140	61

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

	<u>Individual Quarter</u>			<u>For the</u>		
	<u>3 months ended</u>			<u>financial period ended</u>		
	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>Var</u>	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>Var</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
		<u>Restated</u>			<u>Restated</u>	
Dividend per share (sen)	<u>1.00</u>	<u>0.65</u>	54	<u>2.00</u>	<u>1.25</u>	60
Earnings per share attributable to Owners of the Company:						
Basic (sen)						
- continuing operations	1.78	1.17		2.95	2.42	
- discontinued operations	(0.04)	(0.10)		0.42	(0.17)	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	<u>Note</u>	<u>30.06.2024</u> RM'000	<u>31.12.2023</u> RM'000 Audited
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	A9	2,800,792	2,774,474
Right-of-use assets		1,565,858	1,585,857
Investment properties		358,223	358,166
Intangible assets		200,739	198,470
Investment in associates		516,945	513,857
Equity instruments classified as FVOCI*		1,507	1,507
Deferred tax assets		116,823	125,653
Trade and other receivables		19,207	19,262
		<u>5,580,094</u>	<u>5,577,246</u>
<u>Current assets</u>			
Inventories		80,511	73,008
Trade and other receivables		813,496	673,649
Tax recoverable		107,958	98,008
Deposits, bank and cash balances		748,986	785,227
Dividend receivable		2,980	3,873
		<u>1,753,931</u>	<u>1,633,765</u>
Assets held for sale		-	35,151
		<u>1,753,931</u>	<u>1,668,916</u>
Total assets		<u>7,334,025</u>	<u>7,246,162</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Trade and other payables		706,644	658,292
Contract liabilities		87,167	87,779
Current tax liabilities		18,453	11,060
Borrowings	B7	538,946	546,955
Lease liabilities		47,331	39,920
Dividend payable		43,643	3,200
		<u>1,442,184</u>	<u>1,347,206</u>
Liabilities associated with assets held for sale		-	54,349
		<u>1,442,184</u>	<u>1,401,555</u>
Net current assets		<u>311,747</u>	<u>267,361</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2024 (CONTINUED)**

	<u>Note</u>	<u>30.06.2024</u> RM'000	<u>31.12.2023</u> RM'000 Audited
<u>Non-current liabilities</u>			
Borrowings	B7	1,344,857	1,364,964
Lease liabilities		1,849,206	1,870,338
Deferred tax liabilities		71,791	67,038
Provision for retirement benefits		2,132	2,069
Deposits		11,835	12,046
		<u>3,279,821</u>	<u>3,316,455</u>
Total liabilities		<u>4,722,005</u>	<u>4,718,010</u>
Net assets		<u>2,612,020</u>	<u>2,528,152</u>
<u>Equity attributable to Owners of the Company</u>			
Share capital	A6	999,190	999,190
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,591,222	1,539,284
		<u>2,435,102</u>	<u>2,383,164</u>
Non-controlling interests		176,918	144,988
Total equity		<u>2,612,020</u>	<u>2,528,152</u>
Total equity and liabilities		<u><u>7,334,025</u></u>	<u><u>7,246,162</u></u>
Net assets per share attributable to Owners of the Company (RM)		<u>0.56</u>	<u>0.55</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 JUNE 2024**

	Non-distributable						Distributable		Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	FVOCI reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 1 January 2024	4,526,608	999,190	(155,310)	(3,367)	49	11,404	228,267	1,302,931	2,383,164	144,988	2,528,152
Profit for the financial period	-	-	-	-	-	(1,580)	-	148,854	147,274	31,930	179,204
Other comprehensive income	-	-	-	-	-	(6,470)	-	(1,580)	(8,050)	-	(8,050)
Total comprehensive income	-	-	-	-	-	(8,050)	-	147,274	139,224	31,930	171,154
Transactions with Owners:											
Dividends on ordinary shares	-	-	-	-	-	-	-	(87,286)	(87,286)	-	(87,286)
At 30 June 2024	4,526,608	999,190	(155,310)	(3,367)	49	3,354	228,267	1,362,919	2,435,102	176,918	2,612,020

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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
Profit for the financial period	-	-	-	-	-	-	-	-	98,272	98,272	5,616	103,888
Other comprehensive income	-	-	-	-	-	-	(246)	-	-	(246)	-	(246)
Total comprehensive income	-	-	-	-	-	-	(246)	-	98,272	98,026	5,616	103,642
Transactions with Owners:												
Issue of share capital - ESOS	21,080	22,861	-	(3,678)	-	-	-	-	-	19,183	-	19,183
Disposal of interest in subsidiaries	-	-	-	-	-	-	2,498	-	1,044	3,542	(305)	3,237
Lapsed ESOS	-	-	-	(36,598)	-	-	-	-	36,598	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(54,554)	(54,554)	-	(54,554)
Total transactions with Owners	21,080	22,861	-	(40,276)	-	-	2,498	-	(16,912)	(31,829)	(305)	(32,134)
At 30 June 2023	4,526,608	999,190	(155,310)	-	(3,367)	(217)	4,016	237,733	1,211,412	2,293,457	132,269	2,425,726

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	<u>30.06.2024</u>	<u>30.06.2023</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	210,116	158,212
- discontinued operations	32,507	(12,863)
	<u>242,623</u>	<u>145,349</u>
Adjustments for:		
Share of results of associates	(20,353)	(20,080)
Finance income	(12,227)	(7,090)
Finance costs		
- Borrowings	45,308	43,985
- Lease liabilities	54,149	55,603
Gain on disposal of shares in subsidiaries	-	(3,237)
Property, plant and equipment:		
- Depreciation	99,492	98,395
- Written-off	179	-
- (Gain)/Loss on disposals	(57)	71
Right-of-use assets:		
- Depreciation	35,397	36,020
Intangible assets:		
- Amortisation of software development expenditure	1,404	4,503
Inventories written-off	203	195
Provision for retirement benefits	90	90
Assets held for sale:		
- Gain on disposal of assets held for sale	-	(314)
- Net gain on extinguishment of net liabilities from disposal of aged care business	(40,302)	-
Operating profit before working capital changes	<u>405,906</u>	<u>353,490</u>
Changes in working capital:		
Inventories	(7,706)	(11,335)
Receivables	(139,792)	(41,704)
Payables	67,464	21,480
Contract liabilities	(612)	(7,392)
Cash flows generated from operations	<u>325,260</u>	<u>314,539</u>
Income tax paid	(60,446)	(30,943)
Net cash generated from operating activities	<u>264,814</u>	<u>283,596</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

	<u>30.06.2024</u>	<u>30.06.2023</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(129,388)	(101,574)
Proceeds from disposal of property, plant and equipment	165	150
Proceeds from disposal of interest in subsidiaries	-	22,405
Proceeds from disposal of assets held for sale	-	20,082
Interest received	12,212	7,090
Increase in deposits with licensed banks with maturity of more than 3 months	(80,039)	(6,021)
Dividends received from associates	14,714	17,254
	<hr/>	<hr/>
Net cash used in investing activities	(182,336)	(40,614)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(3,200)	(2,560)
Issue of shares:		
- ESOS	-	19,183
Borrowings:		
- Drawdown	53,032	699,676
- Repayments	(78,142)	(658,959)
Payment of lease liabilities	(74,147)	(85,218)
Interest paid	(45,289)	(43,985)
Dividends paid to shareholders	(43,643)	(26,186)
Restricted account	88,474	28,188
	<hr/>	<hr/>
Net cash used in financing activities	(102,915)	(69,861)
	<hr/>	<hr/>
Net changes in cash and cash equivalents	(20,437)	173,121
Currency translation differences	(4,363)	(246)
Cash and cash equivalents at beginning of the financial period	552,503	416,866
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	527,703	589,741
	<hr/> <hr/>	<hr/> <hr/>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)**

Cash and cash equivalents in the statement of cash flows comprises the following amounts from the statement of financial position:

	<u>30.06.2024</u>	<u>30.06.2023</u>
	RM'000	RM'000
Deposits, bank and cash balances	748,986	620,876
Less:		
Overdraft	(15,400)	(18,717)
Deposits with licensed banks with maturity of more than 3 months	(182,909)	(8,902)
Designated accounts (FSRA)	(22,974)	(3,516)
	<u> </u>	<u> </u>
Cash and cash equivalents at end of the financial period	<u>527,703</u>	<u>589,741</u>

Included in the deposits with licensed banks of the Group is an amount of RM22,974,000 (2023: RM3,516,000) being minimum balance required in the Financial Service Reserve Account ("FSRA") for borrowings purposes.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

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 2023.

ACCOUNTING POLICIES

The accounting policies are consistent with those adopted in audited annual financial statements for the financial year ended 31 December 2023. The standards and interpretations effective beginning on 1 January 2024, either not relevant or has no material impact on the financial performance or position of the Group are disclosed below:

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The standards and amendments to standards that have been issued but not yet effective are disclosed below:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
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.

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the annual financial statements for the financial year ended 31 December 2023 was unqualified.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024
(CONTINUED)**

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 during the financial period other than disclosed in the condensed consolidated interim financial statements.

A5 CHANGE IN ACCOUNTING ESTIMATES AND POLICIES

There were no material changes of the amounts reported in the recent audited financial statements of the Group for the financial year ended 31 December 2023 that may have a material effect in the current financial period under review.

A6 DEBT AND EQUITY SECURITIES

There has been no issuance or repayments of debt and equity securities during the current financial period under review other than as disclosed in Note B7.

A7 DIVIDENDS

The dividends declared and paid by the Company since 31 December 2023 were as follows: -

	RM
In respect of the financial year ending 31 December 2024:	
First interim dividend of 1.0 sen per share on 4,364,301,366 shares. The dividend was declared on 16 February 2024 and paid on 29 March 2024.	43,643,014
Second interim dividend of 1.0 sen per share on 4,364,301,366 shares. The dividend was declared on 27 May 2024 and paid on 5 July 2024.	43,643,014
	<u>87,286,028</u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024
(CONTINUED)**

A8 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker (“CODM”), which is the KPJ Group Management Committee (“KGMC”). The KGMC considers the business by geographical location. The reportable segments have been identified as follows:

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 retirement village services in Thailand, Bangladesh and Australia, private university 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.
- ii. Australia: Aged care - Operating segment involved in providing aged care services by Jeta Gardens in Australia. The Group had in December 2023, decided to divest of its interest in aged care business in Australia as part of its strategic plan to place greater focus on the Group’s core Malaysia segment. The divestment was completed on 31 January 2024.

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 after tax.

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended

	<u>Continuing operations</u>						<u>Discontinued operations</u> RM'000	<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total segments</u> RM'000	<u>Adjustments and eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>RM'000</u>		
<u>30 June 2024</u>								
<u>Revenue</u>								
Revenue from external customers	914,231	17,006	931,237	(678)	930,559	-	930,559	
<u>Results</u>								
Depreciation and amortisation	(67,100)	(1,682)	(68,782)	119	(68,663)	-	(68,663)	
Finance costs (net)	(40,322)	(2,831)	(43,153)	244	(42,909)	-	(42,909)	
Share of results of associates, net of tax	10,925	69	10,994	-	10,994	-	10,994	
Profit/(loss) before tax	121,902	(3,285)	118,617	(15)	118,602	(2,957)	115,645	
Tax	(31,965)	(235)	(32,200)	-	(32,200)	-	(32,200)	
Profit/(loss) after tax	89,937	(3,520)	86,417	(15)	86,402	(2,957)	83,445	
EBITDA/(LBITDA)	229,324	1,228	230,552	(378)	230,174	(2,957)	227,217	
Total assets	7,238,518	253,772	7,492,290	(158,265)	7,334,025	-	7,334,025	
Total liabilities	4,516,761	361,382	4,878,143	(156,138)	4,722,005	-	4,722,005	
Additions to property, plant and equipment	62,561	567	63,128	-	63,128	-	63,128	

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended (continued)

	<u>Continuing operations</u>						<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total segments</u> RM'000	<u>Adjustments and eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Discontinued operations</u> RM'000	
<u>30 June 2023</u>							
<u>Revenue</u>							
Revenue from external customers	770,536	15,806	786,342	(980)	785,362	21,391	806,753
<u>Results</u>							
Depreciation and amortisation	(65,566)	(2,113)	(67,679)	119	(67,560)	(2,613)	(70,173)
Finance costs (net)	(42,471)	(5,536)	(48,007)	639	(47,368)	49	(47,319)
Share of results of associates, net of tax	9,530	239	9,769	-	9,769	-	9,769
Profit/(loss) before tax	87,563	(10,634)	76,929	13	76,942	(8,558)	68,384
Tax	(19,773)	(286)	(20,059)	-	(20,059)	(102)	(20,161)
Profit/(loss) after tax	67,790	(10,920)	56,870	13	56,883	(8,660)	48,223
EBITDA/(LBITDA)	195,600	(2,985)	192,615	(745)	191,870	(5,994)	185,876
Total assets	6,918,990	324,737	7,243,727	(190,959)	7,052,768	106,810	7,159,578
Total liabilities	4,445,292	475,034	4,920,326	(191,028)	4,729,298	4,554	4,733,852
Additions to property, plant and equipment	34,948	56	35,004	-	35,004	195	35,199

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended (continued)

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

	30 June 2024		30 June 2023			
	Australia AUD'000	Australia RM'000	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000
Revenue						
Revenue from external customers	179	634	23,358,501	7,241	4,687	14,565
Results						
Depreciation and amortisation	138	415	(3,122,653)	(969)	(504)	(1,564)
Finance costs (net)	(317)	(1,007)	114,869	35	(1,049)	(3,220)
Share of results of associates, net of tax	22	69	-	-	26	79
Profit/(loss) before tax	11,173	35,657	(418,483)	(144)	(3,852)	(11,854)
Tax	-	-	(329,943)	(102)	-	-
Profit/(loss) after tax	11,173	35,657	(748,426)	(246)	(3,852)	(11,854)
EBITDA/(LBITDA)	11,352	36,249	2,589,301	790	(2,299)	(7,070)
Total assets	23,689	74,488	343,882,807	106,810	41,873	129,370
Total liabilities	56,311	177,064	14,661,945	4,554	79,361	245,194
Additions to property, plant and equipment	-	-	589,787	195	-	-

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended

	<u>Continuing operations</u>						<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total segments</u> RM'000	<u>Adjustments and eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Discontinued operations</u> RM'000	
<u>30 June 2024</u>							
<u>Revenue</u>							
Revenue from external customers	1,806,837	33,084	1,839,921	(1,347)	1,838,574	5,884	1,844,458
<u>Results</u>							
Depreciation and amortisation	(131,344)	(5,155)	(136,499)	239	(136,260)	(33)	(136,293)
Finance costs (net)	(81,864)	(5,841)	(87,705)	479	(87,226)	(4)	(87,230)
Share of results of associates, net of tax	20,205	148	20,353	-	20,353	-	20,353
Profit/(loss) before tax	214,501	(4,356)	210,145	(29)	210,116	32,507	242,623
Tax	(62,939)	(480)	(63,419)	-	(63,419)	-	(63,419)
Profit/(loss) after tax	151,562	(4,836)	146,726	(29)	146,697	32,507	179,204
EBITDA/ (LBITDA)	427,709	6,640	434,349	(747)	433,602	32,544	466,146
Total assets	7,238,518	253,772	7,492,290	(158,265)	7,334,025	-	7,334,025
Total liabilities	4,516,761	361,382	4,878,143	(156,138)	4,722,005	-	4,722,005
Additions to property, plant and equipment	128,340	1,048	129,388	-	129,388	-	129,388

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended (continued)

	<u>Continuing operations</u>						<u>Total</u> RM'000
	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total segments</u> RM'000	<u>Adjustments and eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Discontinued operations</u> RM'000	
<u>30 June 2023</u>							
<u>Revenue</u>							
Revenue from external customers	1,571,364	30,944	1,602,308	(1,956)	1,600,352	45,684	1,646,036
<u>Results</u>							
Depreciation and amortisation	(129,315)	(6,354)	(135,669)	239	(135,430)	(3,488)	(138,918)
Finance costs (net)	(84,437)	(9,366)	(93,803)	1,257	(92,546)	48	(92,498)
Share of results of associates, net of tax	19,569	511	20,080	-	20,080	-	20,080
Profit/(loss) before tax	174,793	(16,587)	158,206	6	158,212	(12,863)	145,349
Tax	(40,680)	(543)	(41,223)	-	(41,223)	(238)	(41,461)
Profit/(loss) after tax	134,113	(17,130)	116,983	6	116,989	(13,101)	103,888
EBITDA/(LBITDA)	388,545	(867)	387,678	(1,490)	386,188	(9,423)	376,765
Total assets	6,918,990	324,737	7,243,727	(190,959)	7,052,768	106,810	7,159,578
Total liabilities	4,445,292	475,034	4,920,326	(191,028)	4,729,298	4,554	4,733,852
Additions to property, plant and equipment	101,098	77	101,175	-	101,175	399	101,574

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A NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended (continued)

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

	30 June 2024		30 June 2023			
	Australia AUD'000	Australia RM'000	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000
<u>Revenue</u>						
Revenue from external customers	2,215	6,945	59,067,340	17,543	9,542	29,013
<u>Results</u>						
Depreciation and amortisation	(295)	(926)	(8,013,468)	(2,380)	(1,002)	(3,047)
Finance costs (net)	(701)	(2,198)	218,855	65	(1,497)	(4,552)
Share of results of associates, net of tax	49	148	-	-	55	168
Profit/(loss) before tax	10,049	31,500	(2,737,374)	(813)	(5,983)	(18,194)
Tax	-	-	(801,347)	(238)	-	-
Profit/(loss) after tax	10,049	31,500	(3,538,721)	(1,051)	(5,983)	(18,194)
EBITDA/(LBITDA)	11,045	34,624	5,057,239	1,502	(3,484)	(10,595)
Total assets	23,689	74,488	343,882,807	106,810	41,873	129,370
Total liabilities	56,311	177,064	14,661,945	4,554	79,361	245,194
Additions to property, plant and equipment	-	-	1,284,610	399	-	-

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

A8 SEGMENT REPORTING (CONTINUED)

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

	<u>30.06.2024</u>	<u>30.06.2023</u>
1 Australian Dollar		
Closing	3.1444	3.0896
Average	3.1349	3.0407
1,000 Indonesian Rupiah		
Closing	0.2882	0.3106
Average	0.2933	0.2970
	<u> </u>	<u> </u>

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 2023 following their completion and commencement of operations in the financial year 2023.

A10 MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no material events subsequent to the financial period ended 30 June 2024.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

There were 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 changes in contingent liabilities or contingent assets since the statement of financial position as at 31 December 2023.

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.

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024
(CONTINUED)**

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 30 June 2024 are as follows:

	RM'000
Approved by the Directors and contracted	154,538
Approved by the Directors but not contracted	118,815
	<hr/>
	273,353
	<hr/> <hr/>

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING
REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD
ENDED 30 JUNE 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 recorded revenue of RM930.6 million, an increase of 18% or RM145.2 million compared to RM785.4 million recorded in the quarter ended 30 June 2023 ("corresponding quarter"). This was largely contributed by the increase in bed occupancy rate ("BOR") from increased patients visits and increased bed capacity in the current quarter.

EBITDA for the quarter was 20% or RM38.3 million higher than the corresponding quarter of RM191.9 million. Profit before tax ("PBT") increased to RM118.6 million, an increase of RM41.7 million compared to the corresponding quarter.

Malaysia

Malaysia segment contributed approximately 98% of the Group's total revenue. The segment recorded revenue of RM914.2 million for the current quarter, representing 19% increase compared to revenue of RM770.5 million recorded in the corresponding quarter. As mentioned earlier, this was largely contributed by the increase in BOR from increased patients visits and increased bed capacity in the current quarter.

The segment recorded EBITDA and PBT of RM229.3 million and RM121.9 million respectively for the current quarter, an increase of 17% and 39% respectively.

Others

Others segment recorded revenue of RM17.0 million for the current quarter, an increase of 8% from RM15.8 million of revenue recorded in the corresponding quarter. The EBITDA and loss before tax was RM1.2 million and RM3.3 million respectively for the current quarter.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 preceding financial period

Group

The Group recorded revenue of RM1,838.6 million for the financial period ended 30 June 2024, an increase of 15% from the RM1,600.4 million recorded in the financial period ended 30 June 2023 ("corresponding financial period"). This was largely contributed by the increase in BOR from increased patients visits and increased bed capacity in the current financial period.

EBITDA of RM433.6 million for the current financial period was 12% or RM47.4 million higher compared to the corresponding financial period. PBT for the financial period increased to RM210.1 million from RM158.2 million, an increase of 33% compared to the corresponding financial period.

Malaysia

Malaysia segment revenue of RM1,806.8 million contributed 98% of the total Group's revenue for the financial period. This accounted for 15% increase compared to RM1,571.4 million compared to the corresponding financial period.

The segment's EBITDA and PBT for the current financial period increased by 10% to RM427.7 million and 23% to RM214.5 million respectively compared to the corresponding financial period. This was largely contributed by the increase in BOR from increased patients visits and increased bed capacity in the current financial period.

Others

Others segment's revenue grew by 7% to RM33.1 million in the current financial period from RM30.9 million recorded in the corresponding financial period. The EBITDA and loss before tax was RM6.6 million and RM4.4 million respectively for the current financial period, RM7.5 million and RM12.2 million higher compared to the corresponding financial period.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 preceding financial period

As at 30 June 2024, the Group's total assets stood at RM7,334.0 million, this was 2% increase compared to RM7,159.6 million recorded as at 30 June 2023. The increase was largely contributed by the increased in trade and receivables, in tandem with increase in hospital activities during the financial period.

Total liabilities as at 30 June 2024 decreased to RM4,722.0 million from RM 4,733.9 million as at 30 June 2023 arising from lower borrowings outstanding.

Total equity attributable to shareholders increased by RM186.3 million or 7.7%, mainly attributed from the profit recorded in the financial period.

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

The Group's net cash generated from operating activities decreased to RM264.8 million, 7% lower compared to preceding financial period of RM283.6 million. Net cash flows generated from operations from increased activities in hospitals was offset by correspondingly increased trade receivables and higher tax paid in the financial period.

The Group's net cash used in investing activities was higher by RM141.7 million from RM40.6 million from the preceding financial period. This was due to additions of property, plant and equipment and deposits with licensed banks in the financial period ended 30 June 2024.

The Group recorded an increase in net cash used in financing activities of RM33.0 million, amounting to RM102.9 million compared to the preceding financial period, primarily due to higher dividends paid.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Quarter ended 30.06.2024			Quarter ended 31.03.2024			
	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	Continuing operations (Restated) RM'000	Discontinued operations (Restated) RM'000	Total RM'000	Var %
Revenue	930,559	-	930,559	908,015	5,884	913,899	2
Other income	6,997	(2,957)	4,040	6,559	45,720	52,279	(92)
Operating profit/(loss)	150,517	(2,957)	147,560	126,472	35,468	161,940	(9)
EBITDA/ (LBITDA)	230,174	(2,957)	227,217	203,428	35,501	238,929	(5)
Profit/(loss) before tax	118,602	(2,957)	115,645	91,514	35,464	126,978	(9)
Net profit/(loss) for the financial period ("PAT")	86,402	(2,957)	83,445	60,295	35,464	95,759	(13)
Total comprehensive income/(expense) for the financial period	85,026	(2,957)	82,069	53,621	35,464	89,085	(8)
Profit/(loss) attributable to Owners of the Company	<u>77,562</u>	<u>(1,685)</u>	<u>75,877</u>	<u>51,183</u>	<u>20,214</u>	<u>71,397</u>	6

The Group recorded revenue of RM930.6 million from continuing operations, an increase of 2% or RM22.6 million compared to RM908.0 million recorded in the quarter ended 31 March 2024 ("preceding quarter"). This was largely contributed by the increase in BOR from increased in patients visits and increased bed capacity in the current quarter.

EBITDA from continuing operations for the quarter was 13% or RM26.7 million higher than the preceding quarter of RM203.4 million. PBT from continuing operations in the current was RM118.6 million, an increase of RM27.1 million compared to the preceding quarter.

Included in the preceding quarter's other income was a gain arising from the extinguishment of net liabilities related to the disposal of aged care business, the Group's other segment.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

Bank Negara Malaysia (“BNM”) announced that Malaysia’s economic growth accelerated faster than expected in the second quarter of 2024, and it is of the view that the full year growth for 2024 to be within 4% to 5% range. This is on the back of resilient domestic expenditure and exports recovery. The Malaysian healthcare landscape is also expected to remain dynamic, with significant growth driven by private and public-sector spending.

The Group continues to embark on its strategic initiatives which include assets optimisation, bed expansion and talent acquisition. The Group continued to face competitive talent landscape in the healthcare industry as well as pressure on costs to remain in the near future. The Group is cautiously optimistic on its prospects for the current financial year ending 31 December 2024.

B4 PROFIT FORECAST / GUARANTEE

The Group did not provide any profit forecast or profit guarantee in any public document.

B5 TAX

	<u>Individual Quarter</u> <u>3 months ended</u>		<u>For the</u> <u>financial period ended</u>	
	<u>30.06.2024</u>	<u>30.06.2023</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	32,200	20,059	63,419	41,223

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 is above the statutory tax rate due to certain expenses not deductible for tax purposes and the impact of tax losses not recognised.

B6 STATUS OF CORPORATE PROPOSALS

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

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B7 BORROWINGS

Details of the Group's borrowings are as follows:

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
<u>As at 30 June 2024</u>			
<u>Secured</u>			
Term loans:			
- Syariah	46,554	119,336	165,890
Hire purchase creditors:			
- Conventional	40	39	79
- Syariah	17,452	20,482	37,934
<u>Unsecured</u>			
Revolving credits:			
- Syariah	259,500	-	259,500
Bank overdrafts:			
- Syariah	15,400	-	15,400
Islamic Medium Term Notes:			
- Sukuk Murabahah	200,000	-	200,000
- Sukuk Wakalah	-	1,205,000	1,205,000
Total	<u>538,946</u>	<u>1,344,857</u>	<u>1,883,803</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

	<u>Current</u> RM'000	<u>Non-current</u> RM'000	<u>Total</u> RM'000
<u>As at 30 June 2023</u>			
<u>Secured</u>			
Term loans:			
- Syariah	57,811	147,912	205,723
Hire purchase creditors:			
- Conventional	37	78	115
- Syariah	17,086	30,103	47,189
<u>Unsecured:</u>			
Revolving credits:			
- Syariah	253,400	-	253,400
Bank overdrafts:			
- Syariah	18,717	-	18,717
Islamic Medium Term Notes:			
- Sukuk Murabahah	-	200,000	200,000
- Sukuk Wakalah	-	1,205,000	1,205,000
Total	<u>347,051</u>	<u>1,583,093</u>	<u>1,930,144</u>

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.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONTINUED)

B10 DIVIDENDS

The dividends declared and paid by the Company since 31 December 2023 were as follows:-

	RM
In respect of the financial year ending 31 December 2024:	
First interim dividend of 1.0 sen per share on 4,364,301,366 shares. The dividend was declared on 16 February 2024 and paid on 29 March 2024.	43,643,014
Second interim dividend of 1.0 sen per share on 4,364,301,366 shares. The dividend was declared on 27 May 2024 and paid on 5 July 2024.	43,643,014
	<u>87,286,028</u>

B11 EARNINGS PER SHARE

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 weighted average number of ordinary shares in issue during the financial period.

	As at <u>30.06.2024</u>	As at <u>30.06.2023</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	128,745	105,711
Weighted average number of ordinary shares in issue ('000)	4,364,301	4,361,014
Basic earnings per share (sen)	<u>2.95</u>	<u>2.42</u>
<u>Discontinued operations</u>		
Profit/(Loss) attributable to Owners of the Company (RM'000)	18,529	(7,439)
Weighted average number of ordinary shares in issue ('000)	4,364,301	4,361,014
Basic earnings per share (sen)	<u>0.42</u>	<u>(0.17)</u>