

Registration No.

199201015575 (247079-M)

**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE 31 MARCH 2021**

Registration No.

199201015575 (247079-M)

**KPJ HEALTHCARE BERHAD**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORTS  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the first quarter and financial period ended 31 March 2021.

The interim report is prepared in accordance with MFRS134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Listing Requirements, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Note	Individual Quarter			Cumulative Quarter		
		3 months ended			3 months ended		
		31.03.2021	31.03.2020	Var	31.03.2021	31.03.2020	Var
	RM'000	RM'000	%	RM'000	RM'000	%	
		Restated			Restated		
Revenue		605,944	665,816	(9)	605,944	665,816	(9)
Cost of sales		(384,776)	(403,127)	(5)	(384,776)	(403,127)	(5)
Gross profit		221,168	262,689	(16)	221,168	262,689	(16)
Administrative expenses		(171,391)	(180,419)	(5)	(171,391)	(180,419)	(5)
Other income		5,541	6,014	(8)	5,541	6,014	(8)
Zakat		(208)	(292)	(29)	(208)	(292)	(29)
Operating profit		55,110	87,992	(37)	55,110	87,992	(37)
Finance income		2,725	2,661	2	2,725	2,661	2
Finance costs							
- Borrowings		(24,077)	(25,164)	(4)	(24,077)	(25,164)	(4)
- Lease liabilities		(18,350)	(17,991)	2	(18,350)	(17,991)	2
Finance costs - net		(39,702)	(40,494)	(2)	(39,702)	(40,494)	(2)
Share of results of associates, net of tax		4,748	7,589	(37)	4,748	7,589	(37)
Profit before tax	B2	20,156	55,087	(63)	20,156	55,087	(63)
Tax	B5	(4,918)	(14,553)	(66)	(4,918)	(14,553)	(66)
Profit for the financial period		15,238	40,534	(62)	15,238	40,534	(62)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

	Individual Quarter			Cumulative Quarter		
	31.03.2021	31.03.2020	Var	31.03.2021	31.03.2020	Var
	RM'000	RM'000	%	RM'000	RM'000	%
		Restated			Restated	
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive income for the financial period	15,238	40,534	(62)	15,238	40,534	(62)
<b>Profit for the financial period attributable to:</b>						
Owners of the Company	12,976	38,533	(66)	12,976	38,533	(66)
Non-controlling interests	2,262	2,001	13	2,262	2,001	13
	15,238	40,534	(62)	15,238	40,534	(62)
<b>Total comprehensive income for the financial period attributable to:</b>						
Owners of the Company	12,976	38,533	(66)	12,976	38,533	(66)
Non-controlling interests	2,262	2,001	13	2,262	2,001	13
	15,238	40,534	(62)	15,238	40,534	(62)
<b>Dividend per share (sen)</b>	-	0.50	(100)	-	0.50	(100)
<b>Earnings per share attributable to Owners of the Company:</b>						
Basic (sen)	0.30	0.90		0.30	0.90	
Diluted (sen)	0.29	0.86		0.29	0.86	

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	<u>Note</u>	<u>31.03.2021</u> RM'000	<u>31.12.2020</u> RM'000 Audited
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	A9	2,842,540	2,863,583
Right-of-use assets		1,036,228	1,051,172
Investment properties		337,706	337,748
Intangible assets		241,324	235,828
Investment in associates		450,018	450,794
Equity instruments classified as FVOCI*		1,120	1,120
Deferred tax assets		131,633	130,921
		<u>5,040,569</u>	<u>5,071,166</u>
<b><u>Current assets</u></b>			
Inventories		48,309	52,052
Trade and other receivables		483,735	457,400
Tax recoverable		84,637	93,737
Deposits, bank and cash balances		592,830	462,234
Dividend receivable		4,600	4,842
		<u>1,214,111</u>	<u>1,070,265</u>
Total assets		<u><u>6,254,680</u></u>	<u><u>6,141,431</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Current liabilities</u></b>			
Trade and other payables		572,595	605,055
Contract liabilities		63,537	55,978
Current tax liabilities		15,308	19,638
Borrowings	B7	670,175	505,776
Lease liabilities		42,924	45,531
		<u>1,364,539</u>	<u>1,231,978</u>
Net current liabilities		<u>(150,428)</u>	<u>(161,713)</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021 (CONTINUED)**

	<u>Note</u>	<u>31.03.2021</u> RM'000	<u>31.12.2020</u> RM'000
<u>Non-current liabilities</u>			
Trade and other payables		5,552	4,281
Borrowings	B7	1,418,818	1,449,231
Lease liabilities		1,141,021	1,153,419
Deferred tax liabilities		89,937	85,650
Provision for retirement benefits		2,829	2,786
Deposits		16,157	11,874
		<u>2,674,314</u>	<u>2,707,241</u>
Total liabilities		<u>4,038,853</u>	<u>3,939,219</u>
Net assets		<u>2,215,827</u>	<u>2,202,212</u>
<u>Equity attributable to Owners of the Company</u>			
Share capital	A6	910,236	909,504
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,306,511	1,295,890
		<u>2,061,437</u>	<u>2,050,084</u>
Non-controlling interests		154,390	152,128
Total equity		<u>2,215,827</u>	<u>2,202,212</u>
Total equity and liabilities		<u>6,250,680</u>	<u>6,141,431</u>
<u>Net assets per share attributable to Owners of the Company (RM)</u>			
		<u>0.46</u>	<u>0.46</u>

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Non-distributable						Distributable		Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Esos reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 1 January 2021	4,442,043	909,504	(155,310)	59,798	(3,367)	(937)	226,128	1,014,268	2,050,084	152,128	2,202,212
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	12,976	12,976	2,262	15,238
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(2,285)	-	-	(2,285)	-	(2,285)
Total other comprehensive income	-	-	-	-	-	(2,285)	-	-	(2,285)	-	(2,285)
Transactions with Owners:											
Issue of share capital:											
- ESOS	727	732	-	(70)	-	-	-	-	662	-	662
	727	732	-	(70)	-	-	-	-	662	-	662
Lapsed ESOS	-	-	-	(535)	-	-	-	535	-	-	-
Total transactions with Owners	727	732	-	(605)	-	-	-	535	662	-	662
At 31 March 2021	4,442,770	910,236	(155,310)	59,193	(3,367)	(3,222)	226,128	1,027,779	2,061,437	154,390	2,215,827

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	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 2020	4,439,197	906,743	(155,310)	61,153	(3,367)	8,806	121,422	953,378	1,892,825	156,439	2,049,264
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	38,533	38,533	2,001	40,534
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(623)	-	-	(623)	-	(623)
Total other comprehensive income	-	-	-	-	-	(623)	-	-	(623)	-	(623)
Transactions with Owners:											
Issue of share capital:											
- ESOS	2,703	2,617	-	(157)	-	-	-	-	2,460	-	2,460
	2,703	2,617	-	(157)	-	-	-	-	2,460	-	2,460
ESOS expenses during the financial period	-	-	-	155	-	-	-	-	155	-	155
Lapsed ESOS	-	-	-	(761)	-	-	-	761	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(21,398)	(21,398)	-	(21,398)
Total transactions with Owners	2,703	2,617	-	(763)	-	-	-	(20,637)	(18,783)	-	(18,783)
At 31 March 2020	4,441,900	909,360	(155,310)	60,390	(3,367)	8,183	121,422	971,274	1,911,952	158,440	2,070,392

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	<u>31.03.2021</u>	<u>31.03.2020</u>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	20,156	55,087
Adjustments for:		
Share of results of associates	(4,748)	(7,589)
Finance income	(2,725)	(2,661)
Finance costs		
- Borrowings	24,077	25,164
- Lease liabilities	18,350	17,991
Trade receivables:		
- Impairment charge for the period (net)	515	1,372
Share-based payments	-	155
Property, plant and equipment:		
- Depreciation	48,173	43,026
- Written-off	3	-
- Loss on disposal	79	371
Right-of-use assets:		
- Depreciation	14,944	13,536
Amortisation of software development expenditure	2,857	870
Inventories written-off	-	50
Provision for retirement benefits	80	80
	<hr/>	<hr/>
Operating profit before working capital changes	121,761	147,452
Changes in working capital:		
Inventories	3,743	(8,011)
Receivables	(26,608)	(5,393)
Payables	(28,589)	(35,511)
Contract liabilities	7,559	3,278
	<hr/>	<hr/>
Cash flows generated from operations	77,866	101,815
Income tax paid	(15,707)	(9,895)
	<hr/>	<hr/>
Net cash generated from operating activities	62,159	91,920
	<hr/>	<hr/>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

	<u>31.03.2021</u>	<u>31.03.2020</u>
	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(27,387)	(54,566)
Additions to intangible assets	-	(427)
Proceeds from disposal of property, plant and equipment	175	11
Interest received	2,725	2,661
Dividends received from associates	8,756	10,709
	<u>                    </u>	<u>                    </u>
Net cash used in investing activities	(15,731)	(41,612)
	<u>                    </u>	<u>                    </u>
<b>FINANCING ACTIVITIES</b>		
Issue of shares:		
- ESOS	662	2,460
Borrowings:		
- Drawdown	153,282	2,450
- Repayments	(20,102)	(17,627)
Payment of lease liabilities	(28,160)	(28,321)
Interest paid	(24,077)	(25,164)
Dividends paid to shareholders	-	(21,390)
	<u>                    </u>	<u>                    </u>
Net cash generated from/(used in) financing activities	81,605	(87,592)
	<u>                    </u>	<u>                    </u>
Net changes in cash and cash equivalents	128,033	(37,284)
Currency translation differences	1,757	5,878
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	215,020	268,362
	<u>                    </u>	<u>                    </u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	344,810	236,956
	<u>                    </u>	<u>                    </u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**A1 BASIS OF PREPARATION**

The interim financial report has been prepared in accordance with Listing Requirements of the Bursa Malaysia Securities Berhad, Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2020.

Standards, amendments to published standards and interpretations that are effective

The Group has applied the following amendments for the financial period beginning on 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

Standards that have been issued but not yet effective

- Amendments to MFRS 16: Leases - COVID-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)
- Amendments to MFRS 3: Reference to the Conceptual Framework (effective 1 January 2022)
- Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use (effective 1 January 2022)
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract (effective 1 January 2022)
- Annual Improvements to MFRS Standards 2018-2020:
  - Amendments to MFRS 1: First-time Adoption of International Financial Reporting Standards - Subsidiary as A First-time Adopter (effective 1 January 2022)
  - Amendments to MFRS 9: Financial Instruments - Fees in the ‘10 percent’ Test for Derecognition of Financial Liabilities (effective 1 January 2022)
  - Amendments to MFRS 141: Agriculture - Taxation in Fair Value Measurements (effective 1 January 2022)
- MFRS 17: Insurance Contracts 1 January 2023
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies (effective 1 January 2023)
- Amendments to MFRS 108: Definition of Accounting Estimates (effective 1 January 2023)

The Group did not early adopt these new standards.

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(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 2020 was unqualified.

**A3 SEASONALITY OR CYCLICALITY OF OPERATIONS**

The business operations have not been significantly affected by any seasonal or cyclical trend.

**A4 UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow during the financial period under review.

**A5 CHANGE IN ACCOUNTING ESTIMATES AND POLICIES**

There is no change in the estimates of amounts reported in prior financial years that has a material effect in the current financial period under review.

**A6 DEBT AND EQUITY SECURITIES**

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

**EQUITY SECURITIES**

i. Treasury shares

The Company did not purchase any ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") during the financial period.

Up to 31 December 2020, the Company held a total of 162,306,700 of its 4,442,042,736 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM155,310,152 at an average price of RM0.96 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares and accounted for in accordance with the requirement of Section 127 of the Companies Act 2016.

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(CONTINUED)**

**A6 DEBT AND EQUITY SECURITIES (CONTINUED)**

ii. Employees Share Option Scheme

An Employees' Share Option Scheme ("ESOS") was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Company. The ESOS was initially be in-force for a period of 5 years. However, upon approval from KPJ's Board of Directors on 3 December 2019, it has been resolved that ESOS's period is extended to another 3 years, whereby no additional options will be granted. The options will expire on 27 February 2023.

The fair value of each share option on the grant date is RM0.25. The options are to be settled only by the issuance and allocation of new ordinary shares of the Company. There are no cash settlement alternatives. The exercise price of the share options granted under the ESOS is RM0.91 each. The options granted remained dividable into 5 equal tranches which vest on 14 April 2015, 27 February 2016, 27 February 2017, 27 February 2018 and 27 February 2019. The vesting condition is that the offeree must be an employee or director, as the case may be, of the Company or its subsidiaries on the respective vesting and exercise dates.

The fair value of ESOS issued is RM0.25 and the exercise price is RM0.91 (2020: RM0.91).

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

Movement of ESOS during the period:

	<u>31.03.2021</u>	<u>31.03.2020</u>
	Units '000	Units '000
At start of the financial year	180,510	188,403
- Exercised	(727)	(2,703)
- Lapsed	(1,694)	(968)
At end of the financial period	<u>178,089</u>	<u>184,732</u>

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(CONTINUED)**

**A7 DEBT AND EQUITY SECURITIES (CONTINUED)**

The number of issued and paid up ordinary share capital as a result of the above mentioned exercise is as follows:

	<u>31.03.2021</u>	<u>31.03.2021</u>
	Number of shares ('000)	RM'000
At start of the financial year	4,442,043	909,504
Issued during the financial period - exercise of ESOS	<u>727</u>	<u>732</u>
At end of the financial period	<u><u>4,442,770</u></u>	<u><u>910,236</u></u>

**A7 DIVIDENDS**

There are no dividend recommended by the Directors during the period in respect of the financial year ending 31 December 2021.

**A8 SEGMENT REPORTING**

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

- i. Malaysia - All healthcare activities including the private hospitals, pathology and laboratory services and distribution of pharmaceutical, medical and consumer healthcare products.
- ii. Others - Operating segments involved in provision of hospital and aged care services in Indonesia, Thailand, Bangladesh and Australia, private university college of nursing and allied health and sale of hospital merchandise and other similar activities, none of which are individually significant to warrant separate disclosure per quantitative thresholds required by MFRS 8.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The KGMC assesses the performance of the operating segments based on earnings before interest, tax, depreciation and amortisation ("EBITDA") and profit before tax.

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended / Cumulative 3 months ended

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>31 March 2021</u>					
<u>Revenue</u>					
Revenue from external customers	574,222	34,624	608,846	(2,902)	605,944
<u>Results</u>					
EBITDA	127,763	894	128,657	(2,825)	125,832
Finance costs (net)	(35,401)	(7,035)	(42,436)	2,734	(39,702)
Depreciation and amortisation	(59,780)	(6,314)	(66,094)	120	(65,974)
Profit/(loss) before tax	32,582	(12,455)	20,127	29	20,156
Tax	(4,316)	(602)	(4,918)	-	(4,918)
Profit/(loss) after tax	28,266	(13,057)	15,209	29	15,238
Total assets	5,967,704	547,480	6,515,184	(260,504)	6,254,680
Total liabilities	3,891,298	408,119	4,299,417	(260,564)	4,038,853
Additions to property, plant and equipment	27,103	284	27,387	-	27,387

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended / Cumulative 3 months ended (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>31 March 2020</u>					
<u>Revenue</u>					
Revenue from external customers	632,689	35,601	668,290	(2,474)	665,816
<u>Results</u>					
EBITDA	155,387	(114)	155,273	(2,260)	153,013
Finance costs (net)	(36,620)	(6,134)	(42,754)	2,260	(40,494)
Depreciation and amortisation	(51,343)	(6,089)	(57,432)	-	(57,432)
Profit/(loss) before tax	67,424	(12,337)	55,087	-	55,087
Tax	(14,352)	(201)	(14,553)	-	(14,553)
Profit/(loss) after tax	53,072	(12,538)	40,534	-	40,534
Total assets	5,596,385	576,387	6,172,772	(213,273)	5,959,499
Total liabilities	3,680,434	421,946	4,102,380	(213,273)	3,889,107
Additions to property, plant and equipment	50,167	3,030	53,197	-	53,197

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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended / Cumulative 3 months ended (continued)

The functional currency for Indonesia and Australia operation is as follows:

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>31 March 2021</u>				
<u>Revenue</u>				
Revenue from external customers	32,023,768	9,162	4,298	13,432
<u>Results</u>				
EBITDA	(4,505,418)	(1,289)	386	1,205
Finance costs (net)	(8,587,906)	(2,457)	(643)	(2,009)
Depreciation and amortisation	(2,610,975)	(747)	(920)	(2,876)
Loss before tax	(15,704,299)	(4,493)	(1,177)	(3,680)
Tax	(940,231)	(269)	-	-
Loss after tax	<u>(16,644,530)</u>	<u>(4,762)</u>	<u>(1,177)</u>	<u>(3,680)</u>
Total assets	<u>452,134,595</u>	<u>128,994</u>	<u>60,772</u>	<u>191,972</u>
Total liabilities	<u>91,749,036</u>	<u>26,176</u>	<u>74,677</u>	<u>235,896</u>
Additions to property, plant and equipment	<u>995,443</u>	<u>284</u>	<u>-</u>	<u>-</u>



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**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021  
(CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended / Cumulative 3 months ended (continued)

The functional currency for Indonesia and Australia operation is as follows: (continued)

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>31 March 2020</u>				
<u>Revenue</u>				
Revenue from external customers	37,028,862	10,905	4,071	11,442
<u>Results</u>				
EBITDA	(6,169,779)	(1,817)	229	644
Finance costs (net)	(8,037,351)	(2,367)	(449)	(1,263)
Depreciation and amortisation	(2,621,392)	(772)	(859)	(2,413)
Loss before tax	(16,828,522)	(4,956)	(1,079)	(3,032)
Tax	(526,316)	(155)	(14)	(40)
Loss after tax	<u>(17,354,838)</u>	<u>(5,111)</u>	<u>(1,093)</u>	<u>(3,072)</u>
Total assets	<u>491,054,063</u>	<u>144,419</u>	<u>69,738</u>	<u>191,690</u>
Total liabilities	<u>119,017,341</u>	<u>35,003</u>	<u>78,610</u>	<u>216,074</u>
Additions to property, plant and equipment	<u>8,578,715</u>	<u>2,523</u>	<u>-</u>	<u>-</u>

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

	<u>31.03.2021</u>	<u>31.03.2020</u>
1 Australian Dollar		
Closing	3.1589	2.7487
Average	3.1255	2.8106
1,000 Indonesian Rupiah		
Closing	0.2853	0.2941
Average	<u>0.2861</u>	<u>0.2945</u>

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

**A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

The Group's land and buildings were fully revalued as at 31 December 2020. As at period end, the Group assess whether there is an indication that the carrying values of these assets have differ materially from its fair value. Where an indication exist, revaluations were carried out and the carrying value of these assets were updated to reflect its fair value based on independent valuation.

**A10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE QUARTER**

Except as stated in note B6, there were no material events subsequent to the financial period ended 31 March 2021 that has not been reflected in this interim financial report.

**A11 CHANGES IN THE COMPOSITION OF THE GROUP**

There are no material changes in the composition of the Group during the current period.

**A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no material changes in contingent liabilities or contingent assets since the statement of financial position as at 31 December 2020.

**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 31 March 2021 are as follows:

	RM'000
Approved by the Directors and contracted	187,401
Approved by the Directors but not contracted	181,419
	<hr/>
	368,820
	<hr/> <hr/>

Analysed as follows:

Building	126,609
Medical equipment	147,148
Other property, plant and equipment	95,063
	<hr/>
	368,820
	<hr/> <hr/>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**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 period (3 months)

The Group's performance was adversely affected by the COVID-19 global pandemic since the year 2020, which triggered a widespread economic slowdown in Malaysia and globally, across all industries including healthcare. Starting with the enforcement of Movement Control Order ("MCO") on 18 March 2020 by the Malaysian Government, the Group has been facing a decline in the number of patients and bed occupancy rate ("BOR").

Due to the increasing number of cases, the government had to re-implement MCO from 13 January onwards. Subsequently when the number of cases reduced, on 5 March 2021 the Recovery Movement Control Order ("RMCO") was implemented along with the launched of National COVID-19 Immunisation Programme ("NIP"), which saw an increase in number of patients seeking treatments at our hospitals.

During the first quarter of 2021, the Group recorded a revenue of RM605.9 million, 9% lesser than RM665.8 million recorded for the same corresponding quarter. The Group also recorded lower patient numbers in the current quarter with 712,547 patients, decreasing from 743,970 patients in the same quarter in 2020. The lower revenue and patient numbers were attributed to the reimposition of the Movement Control Order (MCO) earlier this year.

During the period, January and March were the stronger months with 246,072 patients and 262,836 patients, respectively. However, for the month of February, with almost a month-long of MCO for many states in the country, the Group recorded only 203,639 patients, the weakest month during the quarter. The Group was able to gradually recover in March from the shortfall in February after the launch of the NIP. As a result, the Group recorded BOR of 39% for the first quarter of 2021 against 65% BOR recorded in 2020. In the previous year, there was 2.5 months free of MCO that resulted to a higher patient traffic that brought up the BOR performance.

The Group recorded an EBITDA and profit before tax (PBT) of RM125.8 million and RM20.2 million, respectively, in the first quarter of 2021. In line with revenue performance, the EBITDA and PBT were 18% and 63% lower than the EBITDA of RM153.0 million and PBT of RM55.1 million registered in the first quarter of 2020. Despite the lower revenue, fixed expenses remained constant, including staff costs, depreciation and amortisation, and finance costs. The decrease in EBITDA and PBT was mainly due to lower activities in the current quarter.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (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 period (3 months) (continued)

Malaysia

As the top contributor to the Group's performance, the Malaysia segment recorded revenue for the current quarter of RM574.2 million, 9% lower than RM632.7 million during the same period in the previous year. The segment recorded a drop in patients by 4% to 652,837 patients in the first quarter of 2021 compared to 678,966 patients in 2020. Malaysia segment's current quarter EBITDA closed at RM127.8 million, lower by 18% from RM155.4 million in the same period in 2020, and the PBT of RM32.6 million was 52% lower compared to RM67.4 million reported for the same period in 2020

Others

The leading players for the Others segment are Indonesian operations, Jeta Garden, and the education line. Others segment revenue declined by 3% at RM34.6 million for the quarter ended 31 March 2021 compared to RM35.6 million reported in the quarter ended 31 March 2020, mainly by the decrease in the number of patients in Indonesian operations from 65,004 patients in 2020 to 59,710 patients in 2021. The reduction in patient numbers was mitigated with an increase in Jeta Garden's occupancy rate from 80% to 86%. Loss before tax of RM12.5 million for the first quarter in 2021, 2% higher than RM12.3 million reported in the same period in 2020. The increase in Jeta Garden's revenue has contributed to a positive EBITDA reported for Others segment at RM0.9 million in the current quarter against the negative EBITDA of RM0.1 million recorded in the same period in the previous year.

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

The Group's performance was adversely affected by the COVID-19 global pandemic since the year 2020, which triggered widespread economic slowdown in Malaysia and globally, across all industries including healthcare. Starting with the enforcement of Movement Control Order ("MCO") on 18 March 2020 by the Malaysian Government, the Group has been facing a decline in the number of patients and bed occupancy rate ("BOR").

Due to the increasing number of cases, the government had to re-implement MCO from 13 January onwards. Subsequently when the number of cases reduced, on 5 March 2021 the Recovery Movement Control Order ("RMCO") was implemented along with the launched of National COVID-19 Immunisation Programme ("NIP"), which saw an increase in number of patients seeking treatments at our hospitals.

During the first quarter of 2021, the Group recorded a revenue of RM605.9 million, 9% lesser than RM665.8 million recorded for the same corresponding quarter. The Group also recorded lower patient numbers in the current quarter with 712,547 patients, decreasing from 743,970 patients in the same quarter in 2020. The lower revenue and patient numbers were attributed to the reimposition of the Movement Control Order (MCO) earlier this year.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (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)

During the period, January and March were the stronger months with 246,072 patients and 262,836 patients, respectively. However, for the month of February, with almost a month-long of MCO for many states in the country, the Group recorded only 203,639 patients, the weakest month during the quarter. The Group was able to gradually recover in March from the shortfall in February after the launch of the NIP. As a result, the Group recorded BOR of 39% for the first quarter of 2021 against 65% BOR recorded in 2020. In the previous year, there was 2.5 months free of MCO that resulted to a higher patient traffic that brought up the BOR performance.

The Group recorded an EBITDA and PBT of RM125.8 million and RM20.2 million, respectively, in the first quarter of 2021. In line with revenue performance, the EBITDA and PBT were 18% and 63% lower than the EBITDA of RM153.0 million and PBT of RM55.1 million registered in the first quarter of 2020. Despite the lower revenue, fixed expenses remained constant, including staff costs, depreciation and amortisation, and finance costs. The decrease in EBITDA and PBT was mainly due to lower activities in the current quarter.

Malaysia

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Others

The leading players for the Others segment are Indonesian operations, Jeta Garden, and the education line. Others segment revenue declined by 3% at RM34.6 million for the quarter ended 31 March 2021 compared to RM35.6 million reported in the quarter ended 31 March 2020, mainly by the decrease in the number of patients in Indonesian operations from 65,004 patients in 2020 to 59,710 patients in 2021. The reduction in patient numbers was mitigated with an increase in Jeta Garden's occupancy rate from 80% to 86%. Loss before tax of RM12.5 million for the first quarter in 2021, 2% higher than RM12.3 million reported in the same period in 2020. The increase in Jeta Garden's revenue has contributed to a positive EBITDA reported for Others segment at RM0.9 million in the current quarter against the negative EBITDA of RM0.1 million recorded in the same period in the previous year.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (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 for the Group as of 31 March 2021 were reported at RM6,254.7 million, 5% above the total assets recorded as 31 March 2020. The acquisition of Kluang Specialist Hospital Sdn Bhd as a new subsidiary in November 2020 and the revaluation surplus that increase the property, plant and equipment balances from the asset revaluation activity in December 2020 has contributed to the higher total assets as of 31 March 2021. In addition, the increase in total assets was also contributed from the higher deposit, cash, and bank balances derived from the withdrawal of Islamic Medium Term Notes ("IMTN") and revolving credit facilities.

The Group's total liabilities as of 31 March 2021 closed at RM4,038.9 million, 4% higher than RM3,889.1 million as of 31 March 2020. In addition, the Group recorded an increase in borrowings balances by RM339.9 million upon additional drawdown of IMTN towards year-end 2020 and the drawdown from revolving credit facilities, resulting in the total liabilities line to be better than as of 31 March 2020.

Malaysia

Malaysia segment closed its total assets 7% higher to RM5,967.7 million from RM5,596.4 million as of 31 March 2020, mainly from the addition of property, plant and equipment, new hospital building, and medical equipment. Meanwhile, total liabilities for the Malaysia segment as of 31 March 2021 was RM3,891.3 million, 6% higher than RM3,680.4 as of 31 March 2020.

Others

Others segment total assets and total liabilities as of 31 March 2021 registered at RM547.5 million and RM408.1 million respectively compared to the total assets and total liabilities recorded as 31 March 2020 of RM576.4 million RM421.9 million respectively. The decline of business in Indonesia operations and Jeta Gardens and the decrease in value of property, plant, and equipment at Jeta Gardens resulted in a drop of 5% and 3% in the Others segment total assets and total liabilities.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (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)

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

The Group recorded net cash generated from operating activities of RM62.2 million, a 32% reduction compared to the same period in the corresponding year, RM91.9 million. The decline was due to the lower hospital activities in the current period from the reinstatement of MCO and CMCO since January 2021. However, during the same period in 2020, the Group recorded better performance with higher patient traffic with the two and a half months of MCO free period.

Cash outflow from investing activities mainly comprises purchase property, plant, and equipment, especially from the expansion of hospital business such as KPJ Penang and KPJ Puteri. The cash inflows under investing activities were from dividends received from associates, mainly from Al-'Aqar Healthcare REIT, which amounted to RM8.4 million.

The cash inflows from financing activities primarily generated from the drawdown of borrowings amounted to RM153.3 million, being revolving credit facilities as the highest of RM152.5 million. The Group's cash outflows were mainly for repayment of borrowings and payment of lease liabilities amounting to RM20.1 million and RM28.2 million, respectively. There was no dividend to shareholders paid in the first three months in the current year compared to RM21.4 million in the same period in 2020.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

**B2 MATERIAL CHANGES IN QUARTERLY RESULTS**

	Quarter ended <u>31.03.2021</u>	Quarter ended <u>31.12.2020</u>	Var
	RM'000	RM'000	%
Revenue	605,944	622,340	(3)
Operating profit	55,110	56,508	(3)
EBITDA	125,832	121,653	3
Profit before tax	20,156	20,622	(2)
Net profit for the financial period	15,238	23,768	(36)
Total comprehensive income for the financial period	15,238	118,733	(87)
Profit attributable to Owners of the Company	12,976	25,285	(49)
No. of inpatient (episode)	51,541	57,722	(11)
No. of outpatient (episode)	661,006	707,177	(7)

In November 2020, the Government re-imposed CMCO that affected the results for the fourth quarter of 2020. Similarly, in the current first quarter of 2021, MCO was re-imposed partly in January for certain states in the country and almost all states throughout February, resulting in weaker overall results. As a result, in the first quarter of 2021, revenue declined by 3% at RM605.9 million compared to RM622.3 million in the preceding quarter ended 31 December 2020. The decrease was evidenced by the reduction in the number of patients from 764,899 patients in the last three months in 2020 to 712,547 patients for the first three months in 2021.

Correspondingly, the decline in revenue has also affected the PBT of RM20.2 million for the first quarter in 2021, 2% lower than RM20.6 million for the fourth quarter in 2020. In addition, there was a significant drop in net profit and total comprehensive income for the quarter against the preceding quarter due to the Group recognised tax credits from the recognition of investment tax allowances ("ITA") and additional revaluation surpluses arising from revaluation of land and buildings as at 31 December 2020.

**B3 CURRENT YEAR PROSPECTS**

The COVID-19 pandemic continues to affect economies globally, including Malaysia, where the Group has its main operations. The impact of the pandemic has been enormous and the changes it is catalysing will be profound and long lasting. The current rise in infection rates in Malaysia and subsequent movement control measures implemented to curb the spread COVID-19 over the next few months create a challenging environment for our business operations. The Group remains cautious on the outlook for the rest of 2021. The recovery post pandemic is dependent on Malaysia's ability to achieve herd immunity of the population.

As part of its transformation programme, the Group has identified key strategic focus areas over 2021 and 2022 that would cover greater adoption of virtual health and other digital innovations as well as new public private collaborations. In the near term the Group is actively relieving pressure on public hospitals by taking on decanted non-COVID-19. The Group is offering more than 100 different services and procedures to the MOH, based on a cost recovery formula to ensure they are affordable. This will help to partially offset the reduction in our usual revenue streams from private paying patients during this period.



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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

**B4 PROFIT FORECAST / GUARANTEE**

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

**B5 TAX**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	<u>31.03.2021</u>	<u>31.03.2020</u>	<u>31.03.2021</u>	<u>31.03.2020</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	4,918	14,553	4,918	14,553

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year. The effective tax rate of the Group for the period ended 31 March 2021 is approximate the statutory tax rate. However, for the corresponding period, the rate is slightly higher as compared to the statutory tax rate due to tax losses for new businesses under gestation which includes KPJ Perlis, KPJ Bandar Dato' Onn, KPJ Batu Pahat and KPJ Miri.

**B6 STATUS OF CORPORATE PROPOSALS**

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

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

**B7 BORROWINGS**

Details of the Group's borrowings are as follows:

	Current		Non-current		Total borrowings	
	Foreign	RM	Foreign	RM	Foreign	RM
	'000	'000	'000	'000	'000	'000
<u>As at 31 March 2021</u>						
<b>Secured:</b>						
Term loans						
- Conventional						
RM	-	2,040	-	51,453	-	53,493
AUD	3,188	10,072	67	210	3,255	10,282
- Syariah						
RM	-	77,594	-	269,938	-	347,532
USD	2,203	9,133	1,275	5,288	3,478	14,421
Hire purchase creditors						
- Conventional						
RM	-	410	-	15	-	425
- Syariah						
RM	-	13,625	-	41,914	-	55,539
<b>Unsecured:</b>						
Revolving credits						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,854	5,858	-	-	1,854	5,858
- Syariah						
RM	-	239,000	-	-	-	239,000
Bank overdrafts						
- Syariah						
RM	-	12,443	-	-	-	12,443
Islamic Medium						
Term Notes						
RM	-	250,000	-	1,050,000	-	1,300,000
Total		<u>670,175</u>		<u>1,418,818</u>		<u>2,088,993</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

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

	Current		Non-current		Total borrowings	
	Foreign	RM	Foreign	RM	Foreign	RM
	'000	'000	'000	'000	'000	'000
<u>As at 31 March 2020</u>						
<b>Secured:</b>						
Term loans						
- Conventional						
AUD	2,479	6,813	1,582	4,348	4,061	11,161
- Syariah						
RM	-	56,059	-	313,915	-	369,974
USD	2,233	9,415	3,111	13,119	5,344	22,534
Hire purchase creditors						
- Conventional						
RM	-	616	-	523	-	1,139
- Syariah						
RM	-	7,398	-	22,407	-	29,805
<b>Unsecured:</b>						
Revolving credits						
- Conventional						
AUD	1,854	5,097	-	-	1,854	5,097
- Syariah						
RM	-	199,750	-	-	-	199,750
Bank overdrafts						
- Syariah						
RM	-	9,662	-	-	-	9,662
Islamic Medium						
Term Notes						
RM	-	-	-	1,100,000	-	1,100,000
Total		<u>294,810</u>		<u>1,454,312</u>		<u>1,749,122</u>

The key exchange rate used is as follows:

	<u>31.03.2021</u>	<u>31.03.2020</u>
1 Australian Dollar	3.1589	2.7487
1 US Dollar	<u>4.1461</u>	<u>4.2168</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

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

Material changes in borrowings

Increase in borrowings as at 31 March 2021 to RM 1.3 billion was mainly due to issuance of IMTN for a nominal value of RM200.0 million in quarter 4 of 2020.

On 16 March 2021, the Group completed its build up payment for its Tranche 1 SUKUK amounting to RM250 million in the Finance Service Reserve Account (FSRA), resulted in an increase in the cash and bank balances as at 31 March 2021. The amount was cleared from the FSRA subsequent to the end of the quarter, upon its maturity and settlement of the Tranche 1 SUKUK on 16 April 2021.

Weighted average interest rate of borrowings are as follows:

- Term loan: 4.42% p.a. (2020: 5.16% p.a.)
- Hire purchase: 2.59% p.a. (2020: 2.56% p.a.)
- Islamic Medium Term Notes: 5.33% p.a. (2020: 5.76% p.a.)
- Overdraft: 4.77% p.a. (2020: 6.00% p.a.)
- Revolving credit: 2.31% p.a. (2020: 3.75% 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**

There are no dividend recommended by the Directors during the period in respect of the financial year ending 31 December 2021.

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

**B11 EARNINGS PER SHARE**

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the Group's profit/loss attributable to ordinary equity holders by the average number of ordinary shares in issue during the financial period.

	As at <u>31.03.2021</u>	As at <u>31.03.2020</u>
Profit attributable to Owners of the Company (RM'000)	12,976	38,533
Weighted average number of ordinary shares in issue ('000)	4,280,323	4,279,280
Basic earnings per share (sen)	<u>0.30</u>	<u>0.90</u>

(b) Diluted earnings per share

For the diluted earnings per share calculation, the average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares for the Group is ESOS.

For the ESOS granted to employees, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding ESOS. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of ESOS. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the 'bonus' element in the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to profit for the period for the ESOS calculation.

	As at <u>31.03.2021</u>	As at <u>31.03.2020</u>
Profit attributable to Owners of the Company (RM'000)	12,976	38,533
Weighted average number of ordinary shares in issue ('000)	4,280,323	4,279,280
Assumed shares issued from the - exercise of ESOS ('000)	<u>178,089</u>	<u>184,732</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,458,412</u>	<u>4,464,012</u>
Diluted earnings per share (sen)	<u>0.29</u>	<u>0.86</u>