

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE 30 JUNE 2022**

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

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 2022.

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 2021 and the accompanying explanatory notes attached to this report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	Note	Individual Quarter			Cumulative Quarter		
		3 months ended			6 months ended		
		30.06.2022	30.06.2021	Var	30.06.2022	30.06.2021	Var
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue		707,572	632,829	12	1,358,587	1,238,773	10
Cost of sales		(427,502)	(407,582)	5	(832,101)	(792,358)	5
Gross profit		280,070	225,247	24	526,486	446,415	18
Administrative expenses		(202,229)	(181,469)	11	(375,441)	(352,860)	6
Other income		4,306	2,184	97	8,388	7,725	9
Zakat		(969)	(868)	12	(1,271)	(1,076)	18
Operating profit		81,178	45,094	80	158,162	100,204	58
Finance income		4,244	2,445	74	7,182	5,170	39
Finance costs		(25,949)	(22,004)	18	(50,056)	(46,081)	9
- Borrowings		(25,913)	(17,681)	47	(51,280)	(36,031)	42
- Lease liabilities							
Finance costs - net		(47,618)	(37,240)	28	(94,154)	(76,942)	22
Share of results of associates, net of tax		12,212	6,332	93	19,906	11,080	80
Profit before tax	B2	45,772	14,186	>100	83,914	34,342	>100
Tax	B5	(15,845)	(5,433)	>100	(27,612)	(10,351)	>100
Profit for the financial period		29,927	8,753	>100	56,302	23,991	>100

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)**

	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
	<u>30.06.2022</u>	<u>30.06.2021</u>	<u>Var</u>	<u>30.06.2022</u>	<u>30.06.2021</u>	<u>Var</u>
	RM'000	RM'000	%	RM'000	RM'000	%
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive income for the financial period	<u>29,927</u>	<u>8,753</u>	>100	<u>56,302</u>	<u>23,991</u>	>100
Profit for the financial period attributable to:						
Owners of the Company	27,099	6,958	>100	49,288	19,934	>100
Non-controlling interests	2,828	1,795	58	7,014	4,057	73
	<u>29,927</u>	<u>8,753</u>	>100	<u>56,302</u>	<u>23,991</u>	>100
Total comprehensive income for the financial period attributable to:						
Owners of the Company	27,099	6,958	>100	49,288	19,934	>100
Non-controlling interests	2,828	1,795	58	7,014	4,057	73
	<u>29,927</u>	<u>8,753</u>	>100	<u>56,302</u>	<u>23,991</u>	>100
Dividend per share (sen)	<u>0.25</u>	<u>-</u>	100	<u>0.45</u>	<u>-</u>	100
Earnings per share attributable to Owners of the Company:						
Basic (sen)	0.63	0.17		1.14	0.47	
Diluted (sen)	<u>0.61</u>	<u>0.16</u>		<u>1.11</u>	<u>0.45</u>	

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	<u>Note</u>	<u>30.06.2022</u> RM'000	<u>31.12.2021</u> RM'000 Audited
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	A9	2,666,672	2,676,238
Right-of-use assets		1,478,496	1,149,310
Investment properties		345,970	346,116
Intangible assets		213,332	220,010
Investment in associates		447,777	437,052
Equity instruments classified as FVOCI*		1,458	1,458
Deferred tax assets		119,887	125,218
Trade and other receivables		13,864	13,501
		<u>5,287,456</u>	<u>4,968,903</u>
<u>Current assets</u>			
Inventories		58,710	53,753
Trade and other receivables		573,193	481,393
Tax recoverable		93,858	106,170
Deposits, bank and cash balances		367,320	318,011
Dividend receivable		8,553	9,248
		<u>1,101,634</u>	<u>968,575</u>
Assets held for sale		393,987	250,163
		<u>1,495,621</u>	<u>1,218,738</u>
Total assets		<u>6,783,077</u>	<u>6,187,641</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Trade and other payables		617,545	618,260
Contract liabilities		51,261	50,922
Current tax liabilities		10,952	18,255
Borrowings	B7	845,599	860,457
Lease liabilities		37,682	31,178
Dividends payable		10,858	1,074
		<u>1,573,897</u>	<u>1,580,146</u>
Liabilities associated with assets held for sale		12,682	-
		<u>1,586,579</u>	<u>1,580,146</u>

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022 (CONTINUED)

	<u>Note</u>	<u>30.06.2022</u> RM'000	<u>31.12.2021</u> RM'000 Audited
Net current liabilities		(90,958)	(361,408)
<u>Non-current liabilities</u>			
Trade and other payables		27,970	4,740
Borrowings	B7	1,073,955	968,007
Lease liabilities		1,700,566	1,288,083
Deferred tax liabilities		82,806	81,592
Provision for retirement benefits		2,350	2,355
Deposits		12,660	12,210
		<u>2,900,307</u>	<u>2,356,987</u>
Total liabilities		<u>4,486,886</u>	<u>3,937,133</u>
Net assets		<u>2,296,191</u>	<u>2,250,508</u>
<u>Equity attributable to Owners</u> <u>of the Company</u>			
Share capital	A6	976,313	959,521
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,357,575	1,331,219
		<u>2,178,578</u>	<u>2,135,430</u>
Non-controlling interests		117,613	115,078
Total equity		<u>2,296,191</u>	<u>2,250,508</u>
Total equity and liabilities		<u>6,783,077</u>	<u>6,187,641</u>
<u>Net assets per share attributable to Owners</u> <u>of the Company (RM)</u>			
		<u>0.48</u>	<u>0.48</u>

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

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

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

	Non-distributable						Distributable			Non-	Total
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Esos reserve RM'000	Merger reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	controlling interest RM'000	equity RM'000
At 1 January 2022	4,489,159	959,521	(155,310)	45,622	(3,367)	(725)	237,767	1,051,922	2,135,430	115,078	2,250,508
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	49,288	49,288	7,014	56,302
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(555)	-	-	(555)	-	(555)
Total other comprehensive income	-	-	-	-	-	(555)	-	-	(555)	-	(555)
Transactions with Owners:											
Issue of share capital:											
- ESOS	16,351	16,792	-	(1,913)	-	-	-	-	14,879	-	14,879
	16,351	16,792	-	(1,913)	-	-	-	-	14,879	-	14,879
Acquisition of interest in a subsidiary	-	-	-	-	-	-	-	(921)	(921)	(4,479)	(5,400)
Lapsed ESOS	-	-	-	(2,696)	-	-	-	2,696	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(19,543)	(19,543)	-	(19,543)
Total transactions with Owners	16,351	16,792	-	(4,609)	-	-	-	(17,768)	(5,585)	(4,479)	(10,064)
At 30 June 2022	4,505,510	976,313	(155,310)	41,013	(3,367)	(1,280)	237,767	1,083,442	2,178,578	117,613	2,296,191

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	-	-	-	-	-	-	-	19,934	19,934	4,057	23,991
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(3,234)	-	-	(3,234)	-	(3,234)
Total other comprehensive income	-	-	-	-	-	(3,234)	-	-	(3,234)	-	(3,234)
Transactions with Owners:											
Issue of share capital:											
- ESOS	5,727	5,782	-	(570)	-	-	-	-	5,212	-	5,212
	5,727	5,782	-	(570)	-	-	-	-	5,212	-	5,212
Lapsed ESOS	-	-	-	(1,507)	-	-	-	1,507	-	-	-
Dividends paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	(49,000)	(49,000)
Total transactions with Owners	5,727	5,782	-	(2,077)	-	-	-	1,507	5,212	(49,000)	(43,788)
At 30 June 2021	4,447,770	915,286	(155,310)	57,721	(3,367)	(4,171)	226,128	1,035,709	2,071,996	107,185	2,179,181

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	<u>30.06.2022</u>	<u>30.06.2021</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	83,914	34,342
Adjustments for:		
Share of results of associates	(19,906)	(11,080)
Finance income	(7,182)	(5,170)
Finance costs		
- Borrowings	50,056	46,081
- Lease liabilities	51,280	36,031
Trade receivables:		
- Impairment charge for the period (net)	1,121	1,120
Property, plant and equipment:		
- Depreciation	93,053	92,318
- Written-off	57	3
- Gain on disposal	(33)	(62)
Right-of-use assets:		
- Depreciation	34,143	33,375
Intangible assets:		
- Amortisation of software development expenditure	6,181	5,715
Inventories written-off	253	-
Provision for retirement benefits	99	161
	<hr/>	<hr/>
Operating profit before working capital changes	292,936	232,834
Changes in working capital:		
Inventories	(5,914)	(1,510)
Receivables	(101,814)	(45,133)
Payables	37,720	(34,170)
Contract liabilities	341	(122)
	<hr/>	<hr/>
Cash flows generated from operations	223,269	151,899
Income tax refund	1,613	1,756
Income tax paid	(32,272)	(31,588)
	<hr/>	<hr/>
Net cash generated from operating activities	192,610	122,067

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)**

	<u>30.06.2022</u>	<u>30.06.2021</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(111,042)	(93,136)
Proceeds from disposal of property, plant and equipment	100	175
Interest received	7,182	5,170
(Increase) / decrease in deposits with licensed banks with maturity of more than 3 months	(4,531)	183,484
Dividends received from associates	11,135	8,956
Additional investment in a subsidiary	(5,400)	-
Net cash (used in) / generated from investing activities	<u>(102,556)</u>	<u>104,649</u>
FINANCING ACTIVITIES		
Grant income received	-	6,830
Dividends paid to non-controlling interests	(1,050)	(49,000)
Issue of shares:		
- ESOS	14,879	5,212
Borrowings:		
- Drawdown	798,115	193,360
- Repayments	(730,095)	(297,832)
Payment of lease liabilities	(64,647)	(56,478)
Interest paid	(50,056)	(46,081)
Dividends paid to shareholders	(8,685)	-
Designated account	10,849	-
Net cash used in financing activities	<u>(30,690)</u>	<u>(243,989)</u>
Net changes in cash and cash equivalents	61,753	(17,273)
Currency translation differences	(1,659)	(3,234)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>269,973</u>	<u>215,020</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u><u>330,067</u></u>	<u><u>194,513</u></u>

Registration No.

199201015575 (247079-M)

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(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022**

A1 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

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 2021.

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 2022:

- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- 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
 - Amendments to MFRS 9: Financial Instruments - Fees in the '10 percent' Test for Derecognition of Financial Liabilities
 - Amendments to MFRS 141: Agriculture – Taxation in Fair Value Measurement

Standards and amendments that have been issued but not yet effective

- MFRS 17: Insurance Contracts (effective 1 January 2023)
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2023)
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current (effective 1 January 2023)
- Amendments to MFRS 101, Disclosures of Accounting Policies (effective 1 January 2023)
- Amendments to MFRS 108: Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

The Group did not early adopt these new standards.

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(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 2021 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 financial period under review, except the followings:

i. Treasury shares

On 9 July 2020, at the Annual General Meeting, the shareholders of the Company renewed their approval for the Company to buy-back its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company.

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 30 June 2022, the Company held a total of 162,306,700 of its 4,505,510,261 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.

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(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 (2021: RM0.91).

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

Movement of ESOS during the financial period:

	<u>30.06.2022</u> Units '000	<u>30.06.2021</u> Units '000
At start of the financial year	123,805	180,510
- Exercised	(16,351)	(5,727)
- Lapsed	(2,085)	(2,584)
At end of the financial period	<u>105,369</u>	<u>172,199</u>

iii. Islamic Medium Term Notes ("SUKUK")

On 7 March 2022, the Group made its first issuance of RM650.0 million from the RM3.0 billion from the Sukuk Wakalah Programme. The tenure of the issuance consists of five-year, seven-year and ten-year Sukuk Wakalah being priced at a profit rate of 4.29%, 4.58% and 4.66% respectively.

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(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

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

	<u>30.06.2022</u>	<u>30.06.2022</u>
	Number of shares ('000)	RM'000
At start of the financial year	4,489,159	959,521
Issued during the financial period - exercise of ESOS	<u>16,351</u>	<u>16,792</u>
At end of the financial period	<u><u>4,505,510</u></u>	<u><u>976,313</u></u>

A7 DIVIDENDS

The amount of dividend paid or declared by the Company since 31 December 2021 was as follows:-

RM

In respect of the financial year ending 31 December 2022:

First interim dividend of 0.20 sen per share on 4,342,734,981 shares. The dividend was declared on 18 February 2022 and paid on 22 April 2022.	8,685,470
Second interim dividend of 0.25 sen per share on 4,343,203,561 shares. The dividend was declared on 26 May 2022 and paid on 29 July 2022.	<u>10,858,009</u>
	<u><u>19,543,479</u></u>

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

A8 SEGMENT REPORTING

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

- 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.

Registration No.

199201015575 (247079-M)

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(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

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.

Individual quarter (3 months)

	<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>30 June 2022</u>					
<u>Revenue</u>					
Revenue from external customers	678,790	32,631	711,421	(3,849)	707,572
<u>Results</u>					
Depreciation and amortisation	(61,918)	(4,475)	(66,393)	119	(66,274)
Finance costs (net)	(44,098)	(6,998)	(51,096)	3,478	(47,618)
Share of results of associates	11,924	288	12,212	-	12,212
Profit/(loss) before tax	58,341	(12,574)	45,767	5	45,772
Tax	(15,228)	(617)	(15,845)	-	(15,845)
Profit/(loss) after tax	43,113	(13,191)	29,922	5	29,927
EBITDA	164,357	(1,101)	163,256	(3,592)	159,664
Total assets	6,565,291	511,706	7,076,997	(293,920)	6,783,077
Total liabilities	4,133,540	647,360	4,780,900	(294,014)	4,486,886
Additions to property, plant and equipment	78,358	487	78,845	-	78,845

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter (3 months) (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>30 June 2021</u>					
<u>Revenue</u>					
Revenue from external customers	601,469	34,527	635,996	(3,167)	632,829
<u>Results</u>					
Depreciation and amortisation	(59,368)	(6,185)	(65,553)	119	(65,434)
Finance costs (net)	(34,247)	(5,860)	(40,107)	2,867	(37,240)
Share of results of associates	6,043	289	6,332	-	6,332
Profit/(loss) before tax	25,446	(11,266)	14,180	6	14,186
Tax	(4,808)	(625)	(5,433)	-	(5,433)
Profit/(loss) after tax	20,638	(11,891)	8,747	6	8,753
EBITDA	119,061	779	119,840	(2,980)	116,860
Total assets	5,676,355	576,465	6,252,820	(268,380)	5,984,440
Total liabilities	3,420,712	652,994	4,073,706	(268,447)	3,805,259
Additions to property, plant and equipment	65,595	154	65,749	-	65,749

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter (3 months) (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>30 June 2022</u>				
<u>Revenue</u>				
Revenue from external customers	27,845,579	8,237	3,946	11,656
<u>Results</u>				
Depreciation and amortisation	(3,200,320)	(946)	(396)	(1,175)
Finance costs (net)	(10,301,816)	(3,045)	(478)	(1,425)
Share of results of associates	-	-	32	94
Loss before tax	(9,257,115)	(2,735)	(2,096)	(6,273)
Tax	(460,011)	(136)	-	-
Loss after tax	(9,717,126)	(2,871)	(2,096)	(6,273)
EBITDA	4,245,021	1,256	(1,222)	(3,673)
Total assets	503,129,436	148,876	47,049	142,498
Total liabilities	641,159,175	189,719	74,929	226,938
Additions to property, plant and equipment	892,193	264	-	-

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter (3 months) (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>30 June 2021</u>				
<u>Revenue</u>				
Revenue from external customers	33,773,435	9,656	4,272	13,204
<u>Results</u>				
Depreciation and amortisation	(3,084,829)	(882)	(881)	(2,723)
Finance costs (net)	(7,121,884)	(2,036)	(382)	(1,176)
Share of results of associates	-	-	31	95
Loss before tax	(1,175,665)	(335)	(1,284)	(3,969)
Tax	(773,056)	(221)	-	-
Loss after tax	(1,948,721)	(556)	(1,284)	(3,969)
EBITDA	9,031,048	2,583	(21)	(70)
Total assets	530,852,034	151,399	59,489	185,850
Total liabilities	595,378,682	169,802	82,021	256,242
Additions to property, plant and equipment	98,526	28	-	-

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Cumulative quarter (6 months)

	<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>30 June 2022</u>					
<u>Revenue</u>					
Revenue from external customers	1,296,926	69,206	1,366,132	(7,545)	1,358,587
<u>Results</u>					
Depreciation and amortisation	(124,734)	(8,882)	(133,616)	239	(133,377)
Finance costs (net)	(87,352)	(13,602)	(100,954)	6,800	(94,154)
Share of results of associates	19,321	585	19,906	-	19,906
Profit/(loss) before tax	106,073	(22,172)	83,901	13	83,914
Tax	(26,411)	(1,201)	(27,612)	-	(27,612)
Profit/(loss) after tax	79,662	(23,373)	56,289	13	56,302
EBITDA	318,159	312	318,471	(7,026)	311,445
Total assets	6,565,291	511,706	7,076,997	(293,920)	6,783,077
Total liabilities	4,133,540	647,360	4,780,900	(294,014)	4,486,886
Additions to property, plant and equipment	134,364	487	134,851	-	134,851

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Cumulative quarter (6 months) (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Total</u> RM'000
<u>30 June 2021</u>					
<u>Revenue</u>					
Revenue from external customers	1,175,832	69,151	1,244,983	(6,210)	1,238,773
<u>Results</u>					
Depreciation and amortisation	(119,148)	(12,499)	(131,647)	239	(131,408)
Finance costs (net)	(69,648)	(12,895)	(82,543)	5,601	(76,942)
Share of results of associates	10,523	557	11,080	-	11,080
Profit/(loss) before tax	57,216	(22,888)	34,328	14	34,342
Tax	(9,124)	(1,227)	(10,351)	-	(10,351)
Profit/(loss) after tax	48,092	(24,115)	23,977	14	23,991
EBITDA	246,012	2,506	248,518	(5,826)	242,692
Total assets	5,676,355	576,465	6,252,820	(268,380)	5,984,440
Total liabilities	3,420,712	652,994	4,073,706	(268,447)	3,805,259
Additions to property, plant and equipment	92,698	438	93,136	-	93,136

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Cumulative quarter (6 months) (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>30 June 2022</u>				
<u>Revenue</u>				
Revenue from external customers	59,867,437	17,613	8,418	25,492
<u>Results</u>				
Depreciation and amortisation	(6,390,211)	(1,880)	(793)	(2,402)
Finance costs (net)	(20,448,674)	(6,016)	(832)	(2,520)
Share of results of associates	-	-	63	192
Loss before tax	(17,511,897)	(5,152)	(3,267)	(9,894)
Tax	(934,738)	(275)	-	-
Loss after tax	(18,446,635)	(5,427)	(3,267)	(9,894)
EBITDA	9,326,988	2,744	(1,642)	(4,972)
Total assets	503,129,436	148,876	47,049	142,498
Total liabilities	641,159,175	189,719	74,929	226,938
Additions to property, plant and equipment	892,193	264	-	-

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

Cumulative quarter (6 months) (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>30 June 2021</u>				
<u>Revenue</u>				
Revenue from external customers	65,797,203	18,818	8,570	26,636
<u>Results</u>				
Depreciation and amortisation	(5,695,804)	(1,629)	(1,801)	(5,599)
Finance costs (net)	(15,709,790)	(4,493)	(1,025)	(3,185)
Share of results of associates	-	-	59	183
Loss before tax	(13,576,923)	(3,883)	(2,469)	(7,674)
Tax	(1,713,287)	(490)	-	-
Loss after tax	(15,290,210)	(4,373)	(2,469)	(7,674)
EBITDA	7,828,671	2,239	357	1,110
Total assets	530,852,034	151,399	59,489	185,850
Total liabilities	595,378,682	169,802	82,021	256,242
Additions to property, plant and equipment	1,093,969	312	-	-

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

	<u>30.06.2022</u>	<u>30.06.2021</u>
1 Australian Dollar		
Closing	3.0287	3.1241
Average	3.0283	3.1081
1,000 Indonesian Rupiah		
Closing	0.2959	0.2852
Average	0.2942	0.2860

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022
(CONTINUED)**

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group's land and buildings were fully revalued as at 31 December 2020. As at financial 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. Certain land and buildings that were completed and commenced operations during the financial year 2021 were revalued on 31 December 2021.

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 30 June 2022 that has not been reflected in this interim financial report.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

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

A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the statement of financial position as at 31 December 2021.

A13 RELATED PARTY TRANSACTIONS

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 30 June 2022 are as follows:

	RM'000
Approved by the Directors and contracted	155,436
Approved by the Directors but not contracted	260,199
	<hr/>
	415,635
	<hr/> <hr/>

Analysed as follows:

Building	76,717
Medical equipment	165,220
Other property, plant and equipment	173,698
	<hr/>
	415,635
	<hr/> <hr/>

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022

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 total revenue of RM707.6 million, an increase of 12% compared to RM632.8 million in the same corresponding quarter of the preceding financial period. During the quarter under review, patient visits and BOR increased to 802,840 and 51% from 758,629 and 41%, respectively in the same quarter in 2021.

The Group recorded EBITDA of RM159.7 million, an increase of 37% from RM116.9 million in the same corresponding quarter and profit before tax of RM45.8 million, an increase of more than 100% from RM14.2 million due to the reasons mentioned above.

Malaysia

The Malaysia segment contributed significantly to the Group's revenue with the current quarter recorded RM678.8 million, an increase of 13% from RM601.5 million in the same quarter in 2021. During the quarter under review, inpatient visits increased to 739,511, an increase of 4% compared to 709,268 patients in the same quarter in 2021.

The EBITDA for this segment increased by 38% at RM164.4 million from RM119.1 million in the same financial period in 2021, while the profit before tax recorded at RM58.3 million, an increase of more than 100% compared to RM25.4 million recorded in the same quarter in 2021.

This segment recorded a higher BOR of 56% against 41% in the same quarter in 2021, while surgeries recorded at 22,679 cases in the current quarter, an increase of 15% from 19,738 cases in the same quarter in 2021.

Others

This segment recorded total revenue of RM32.6 million, a 5% decrease from RM34.5 million reported in the previous corresponding quarter. Main contributors for this segment are Indonesian operations, Jeta Gardens, and the education services.

Jeta Gardens reported 11% decrease in revenue of RM11.7 million from RM13.2 million, in line with the decrease in the occupancy rate to 85% from 89% in the same quarter in the preceding year. Besides, there are higher staff costs and professional fees incurred during the period, which led to a bigger loss before tax ("LBT") to RM6.3 million, from RM4.0 million loss before tax in the same quarter in 2021.

Others segment recorded negative EBITDA of RM1.1 million and loss before tax of RM12.6 million, in comparison to an EBITDA of RM0.8 million and LBT of RM11.3 million in the previous corresponding quarter. The performance in the current financial period correlates with the decrease in revenue and higher expenses incurred.

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 (6 months)

Group

The Group recorded total revenue of RM1,358.6 million, an increase of 10% compared to RM1,238.8 million in the same corresponding preceding financial period. During the current financial period under review, patient visits and bed occupancy rate (“BOR”) increased to 1,615,560 and 51% from 1,471,176 and 40%, respectively compared to the same financial period ended 30 June 2021.

The Group recorded EBITDA of RM311.4 million, an increase of 28% from RM242.7 million in the same corresponding preceding financial period. The profit before tax has been closed at RM83.9 million, significantly higher than the same period in 2021 of RM34.3 million.

Malaysia

The Malaysia segment contributed significantly to the Group’s revenue with the financial period recorded RM1,296.9 million, an increase of 10% from RM1,175.8 million in the prior financial period ended 30 June 2021. During the current financial period under review, inpatient visits increased to 1,484,849, an increase of 8% compared to 1,370,419 patients in the same financial period in 2021.

The EBITDA for this segment increased by 29% at RM318.2 million from RM246.0 million in the same financial period in 2021, while the profit before tax recorded at RM106.1 million, an increase of 85% compared to RM57.2 million recorded in the same financial period in 2021.

This segment recorded a higher BOR of 52% against 41% in the same financial period in 2021, while surgeries recorded at 43,556 cases in current financial period, an increase of 12% from 38,759 cases in the same financial period in 2021.

Others

The others segment recorded total revenue of RM69.2 million, marginally higher than in the same corresponding of the preceding financial period. Main contributors for this segment are Indonesian operations, Jeta Gardens, and the education services.

For the current financial period, the Indonesian operations recorded 52,046 and 1,137 patient visits and surgeries cases, respectively, an increase of 76% and 84% from 29,575 and 617, respectively compared to the previous corresponding period.

Others segment recorded EBITDA of RM0.3 million, a decrease of 88% from RM2.5 million recorded for the same financial period in 2021 and LBT of RM22.2 million, a decrease of 3% from RM22.9 million in the previous corresponding quarter. Despite the improvement in the Indonesian operations for the current financial period, the overall performance for others segment has been moderated by Jeta Gardens as evident from its declining EBITDA of negative RM1.6 million compare to the prior period EBITDA of RM0.3 million.

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (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

Group

The Group recorded a net current liabilities of RM91.0 million as at 30 June 2022, compared to a net current liabilities of RM626.2 million as at 30 June 2021.

As at 30 June 2022, the Group's total assets stood at RM6,783.1 million, 13% higher than its position of RM5,984.4 million compared to the same corresponding financial period last year. The increase is attributed to the recalculation of right-of-use ("ROU") for 6 hospitals that renewed their lease agreement with Al-'Aqar Healthcare REIT in July 2021 and the recognition of new ROU assets in Damansara Specialist Hospital 2. In addition, the Group recorded higher deposit, cash, and bank balances derived from the issuance of new SUKUK and revolving credit facilities.

The Group's total liabilities closed at RM4,486.9 million as at 30 June 2022, 18% higher than RM3,805.3 million as at 30 June 2021 mainly due to the additional drawdown of new SUKUK coupled with the increased in lease liabilities balance from the lease agreement renewal and new lease agreement entered into by Damansara Specialist Hospital 2.

Malaysia

Malaysia segment closed its total assets 16% higher to RM6,565.3 million from RM5,676.4 million as of 30 June 2021, mainly from the addition of property, plant and equipment as well as ROU. Meanwhile, total liabilities for the Malaysia segment as of 30 June 2022 was RM4,133.5 million, 21% higher than RM3,420.7 as of 30 June 2021.

Others

Others segment total assets and total liabilities as of 30 June 2022 registered at RM511.7 million and RM647.4 million respectively compared to the total assets and total liabilities recorded as 30 June 2021 of RM576.5 million and RM653.0 million respectively.

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 financial period

The Group recorded net cash from operating activities of RM195.0 million, an increase of 60% from RM122.1 million in the previous corresponding quarter. The transition to endemic phase saw the increase level of activities in the hospitals with a steady increase of patient traffic.

Cash outflow from investing activities mainly comprised of additional property, plant, and equipment due to the expansion of hospital business and purchase of new assets such as in KPJ Puteri, KPJ Selangor, KPJ Seremban and KPJ Ampang Puteri. The cash inflows from investing activities mainly comprised of dividends received from Al-'Aqar Healthcare REIT amounting to RM10.2 million.

The cash inflows from financing activities were primarily generated from the drawdown of borrowings amounted to RM798.1 million of which the new SUKUK issuance accounted for RM650.0 million and RM147.0 million from revolving credit facilities. The Group's cash outflows were mainly for repayment of borrowings and payment of lease liabilities amounting to RM730.1 million and RM64.6 million, respectively. In addition to the cash outflows, there were dividends paid to shareholders amounting RM8.7 million.

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Quarter ended <u>30.06.2022</u>	Quarter ended <u>31.03.2022</u>	Var
	RM'000	RM'000	%
Revenue	707,572	651,051	9
Operating profit	81,178	76,984	5
EBITDA	159,664	151,781	5
Profit before tax	45,772	38,142	20
Net profit for the financial period	29,927	26,375	13
Total comprehensive income for the financial period	29,927	26,375	13
Profit attributable to Owners of the Company	27,099	22,189	22
No. of inpatient (episode)	74,088	65,164	14
No. of outpatient (episode)	728,752	747,556	(3)

The Group recorded total revenue of RM707.6 million for the second quarter of 2022, a 9% higher compared to RM651.1 million in the preceding quarter due to the increase in the level of activities at the hospitals as evident from the increased inpatient visit by 14%. During the period under review, the Group recorded 23,615 surgery cases, an increase of 8% when compared to 21,868 in the preceding quarter.

The Group's EBITDA for current quarter of RM159.7 million, surpassed the EBITDA reported in the preceding quarter by 5%. The increase in EBITDA was mainly due to improved revenue and cost efficiency. The profit before tax for the current quarter is RM45.8 million, 20% higher than the RM38.1 million reported in the preceding quarter. This is largely due to the increase in the hospital activities as evident from the improved BOR from 47% in preceding quarter to 54% in the current quarter.

The increase in net profit and total comprehensive income in the current quarter against the preceding quarter was due to the increase in the hospital activities as mentioned above and the health tourism revenue since the re-opening of the Malaysian international borders starting from 1 April 2022.

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

As Malaysia has already begun its transition into the endemic phase which includes the re-opening of international borders, the Malaysian economy is expected to further strengthen towards the second half of the year 2022. With Bank Negara expecting the National Gross Domestic Product ("GDP") to expand between 5.3% to 6.3% this year, as compared to 3.1% in 2021, and with the continued emphasize on healthcare spending by the Malaysian government, the Group expects the healthcare industry to continue to be central in the economic recovery.

Furthermore, despite headline inflation projected between 2.2% and 3.2%, the Group is expecting continued growth in demand for healthcare services, on the back of rising mental and physical healthcare awareness as well as the shifting healthcare focus from hospitalizations towards preventive care. A resurgence in elective medical procedures and recovery of the health tourism sector is also expected to bode well for the Group in the current year.

In FY2022, the Group is focused on improving efficiencies, quality and productivity of its hospitals and investments through the implementation of its transformation plans and cost optimisation strategies. The Group will continue to expand its existing capacity to address the increase in demand from patients and consistently improving on patient care delivery.

Despite the improved performance, the uncertainty of the global economy remains to be our biggest challenge. Notwithstanding this, the Group believes that it will be able to deliver long-term growth for all stakeholders.

B4 PROFIT FORECAST / GUARANTEE

The Company 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		Cumulative Quarter	
	<u>30.06.2022</u>	<u>30.06.2021</u>	<u>30.06.2022</u>	<u>30.06.2021</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	15,845	5,433	27,612	10,351

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 of the Group for the current quarter and financial period ended 30 June 2022 was above the statutory rate mainly due to certain expenses were not deductible for tax purposes from the losses incurred by the newer hospitals under gestation.

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

B6 STATUS OF CORPORATE PROPOSALS

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

B7 BORROWINGS

Details of the Group's borrowings are as follows:

	Current		Non-current		Total borrowings	
	Foreign '000	RM '000	Foreign '000	RM '000	Foreign '000	RM '000
<u>As at 30 June 2022</u>						
Secured:						
Term loans						
- Conventional						
AUD	1,071	3,244	51	155	1,122	3,399
- Syariah						
RM	-	57,913	-	176,884	-	234,797
Hire purchase creditors						
- Conventional						
RM	-	44	-	115	-	159
- Syariah						
RM	-	19,247	-	46,800	-	66,047
Unsecured:						
Revolving credits						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,854	5,617	-	-	1,854	5,617
- Syariah						
RM	-	242,800	-	-	-	242,800
Bank overdrafts						
- Syariah						
RM	-	16,734	-	-	-	16,734
Islamic Medium						
Term Notes						
- Existing						
RM	-	450,000	-	200,000	-	650,000
- New						
RM	-	-	-	650,000	-	650,000
Total		<u>845,599</u>		<u>1,073,954</u>		<u>1,919,554</u>

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (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 30 June 2021</u>						
Secured:						
Term loans						
- Conventional						
RM	-	2,040	-	50,603	-	52,643
AUD	3,188	9,961	64	199	3,252	10,160
- Syariah						
RM	-	79,052	-	251,290	-	330,342
USD	2,095	8,693	1,048	4,346	3,143	13,039
Hire purchase creditors						
- Conventional						
RM	-	310	-	161	-	471
- Syariah						
RM	-	14,799	-	42,650	-	57,449
Unsecured:						
Revolving credits						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,854	5,794	-	-	1,854	5,794
- Syariah						
RM	-	269,000	-	-	-	269,000
Bank overdrafts						
- Conventional						
RM	-	132	-	-	-	132
- Syariah						
RM	-	18,763	-	-	-	18,763
Islamic Medium						
Term Notes						
RM	-	400,000	-	650,000	-	1,050,000
Total		<u>858,544</u>		<u>999,249</u>		<u>1,857,793</u>

The key exchange rate used is as follows:

	<u>30.06.2022</u>	<u>30.06.2021</u>
1 Australian Dollar	3.0287	3.1241
1 US Dollar	<u>4.3975</u>	<u>4.1486</u>

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

Material changes in borrowings

Increase in borrowings as at 30 June 2022 was mainly contributed by the issuance of new SUKUK for a nominal value of RM650.0 million during the current year.

Weighted average interest rate of borrowings are as follows:

- Term loan: 4.29% p.a. (2021: 4.46% p.a.)
- Hire purchase: 2.56% p.a. (2021: 2.66% p.a.)
- Islamic Medium Term Notes: 4.78% p.a. (2021: 5.23% p.a.)
- Overdraft: 5.29% p.a. (2021: 5.03% p.a.)
- Revolving credit: 3.17% p.a. (2021: 2.63% p.a.)

B8 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

As at the date of this report, there were no financial instruments with off balance sheet risk.

B9 MATERIAL LITIGATIONS

There were no pending material litigations since the date of the last statement of financial position.

B10 DIVIDENDS

The amount of dividend paid or declared by the Company since 31 December 2021 was as follows:-

RM

In respect of the financial year ending 31 December 2022:

First interim dividend of 0.20 sen per share on 4,342,734,981 shares. The dividend was declared on 18 February 2022 and paid on 22 April 2022. 8,685,470

Second interim dividend of 0.25 sen per share on 4,343,203,561 shares. The dividend was declared on 26 May 2022 and paid on 29 July 2022. 10,858,009

19,543,479

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

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2022 (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>30.06.2022</u>	As at <u>30.06.2021</u>
Profit attributable to Owners of the Company (RM'000)	49,288	19,934
Weighted average number of ordinary shares in issue ('000)	4,341,398	4,283,767
Basic earnings per share (sen)	<u>1.14</u>	<u>0.47</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 financial period for the ESOS calculation.

	As at <u>30.06.2022</u>	As at <u>30.06.2021</u>
Profit attributable to Owners of the Company (RM'000)	49,288	19,934
Weighted average number of ordinary shares in issue ('000)	4,341,398	4,283,767
Assumed shares issued from the - exercise of ESOS ('000)	<u>105,369</u>	<u>172,199</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,446,767</u>	<u>4,455,966</u>
Diluted earnings per share (sen)	<u>1.11</u>	<u>0.45</u>