

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

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

Registration No.

199201015575 (247079-M)

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORTS
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

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 2023.

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

	Note	Individual Quarter			For the		
		3 months ended			financial period ended		
		30.06.2023	30.06.2022	Var	30.06.2023	30.06.2022	Var
		RM'000	RM'000	%	RM'000	RM'000	%
<u>Continuing operations</u>							
Revenue		799,512	699,335	14	1,628,493	1,340,974	21
Cost of sales		(478,862)	(426,271)	12	(965,954)	(825,736)	17
Gross profit		320,650	273,064	17	662,539	515,238	29
Administrative expenses		(221,259)	(194,855)	14	(454,319)	(363,705)	25
Other income		7,778	4,191	86	12,241	8,159	50
Zakat		(1,055)	(969)	9	(1,816)	(1,271)	43
Operating profit		106,114	81,431	30	218,645	158,421	38
Finance income		4,850	4,224	15	7,025	7,144	(2)
Finance costs							
- Borrowings		(23,571)	(25,762)	(9)	(43,985)	(49,595)	(11)
- Lease liabilities		(28,634)	(25,913)	11	(55,603)	(51,280)	8
Finance costs - net		(47,355)	(47,451)	(0)	(92,563)	(93,731)	(1)
Share of results of associates, net of tax		9,769	12,212	(20)	20,080	19,906	1
Profit before tax		68,528	46,192	48	146,162	84,596	73
Tax	B5	(20,059)	(15,709)	28	(41,223)	(27,337)	51
Profit for the financial period from continuing operations		48,469	30,483	59	104,939	57,259	83
<u>Discontinued operations</u>							
Loss for the financial period from discontinued operations		(246)	(556)	(56)	(1,051)	(957)	10

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

	Individual Quarter			For the		
	3 months ended			financial period ended		
	30.06.2023	30.06.2022	Var	30.06.2023	30.06.2022	Var
	RM'000	RM'000	%	RM'000	RM'000	%
Profit for the financial period	48,223	29,927	61	103,888	56,302	85
Other comprehensive income for the financial period, net of tax:						
- from continuing operations	(1,502)	1,560	>(100)	191	(410)	>100
- from discontinued operations	2,351	94	>100	2,061	(145)	>100
Total comprehensive income for the financial period	49,072	31,581	55	106,140	55,747	90
Profit for the financial period attributable to:						
Owners of the Company						
- continuing operations	46,947	27,082	73	98,842	49,217	>100
- discontinued operations	(68)	17	>(100)	(570)	71	>(100)
Non-controlling interests						
- continuing operations	1,522	3,401	(55)	6,097	8,042	(24)
- discontinued operations	(178)	(573)	(69)	(481)	(1,028)	(53)
	48,223	29,927	61	103,888	56,302	85
Total comprehensive income for the financial period attributable to:						
Owners of the Company						
- continuing operations	45,445	28,642	59	99,033	48,807	>100
- discontinued operations	2,283	111	>100	1,491	(74)	>100
Non-controlling interests						
- continuing operations	1,522	3,401	(55)	6,097	8,042	(24)
- discontinued operations	(178)	(573)	(69)	(481)	(1,028)	(53)
	49,072	31,581	55	106,140	55,747	90

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

	<u>Individual Quarter</u>			<u>For the</u>		
	<u>3 months ended</u>			<u>financial period ended</u>		
	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>Var</u>	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>Var</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Dividend per share (sen)	<u>0.65</u>	<u>0.25</u>	>100	<u>1.25</u>	<u>0.45</u>	>100
Earnings per share attributable to Owners of the Company:						
Basic (sen)						
- continuing operations	1.08	0.62		2.27	1.13	
- discontinued operations	(0.00)	0.00		(0.01)	0.00	
Diluted (sen)						
- continuing operations	1.08	0.61		2.27	1.11	
- discontinued operations	(0.00)	0.00		(0.01)	0.00	

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

	<u>Note</u>	<u>30.06.2023</u> RM'000	<u>31.12.2022</u> RM'000 Audited
<u>ASSETS</u>			
<u>Non-current assets</u>			
Property, plant and equipment	A9	2,762,093	2,760,222
Right-of-use assets		1,559,309	1,577,039
Investment properties		360,937	360,420
Intangible assets		204,537	206,043
Investment in associates		496,620	486,308
Equity instruments classified as FVOCI*		1,241	1,241
Deferred tax assets		126,254	114,281
Trade and other receivables		19,292	17,115
		<u>5,530,283</u>	<u>5,522,669</u>
<u>Current assets</u>			
Inventories		77,012	65,872
Trade and other receivables		685,232	645,705
Tax recoverable		136,842	126,380
Deposits, bank and cash balances		620,876	467,919
Dividend receivable		2,523	8,066
		<u>1,522,485</u>	<u>1,313,942</u>
Assets held for sale		106,810	157,455
		<u>1,629,295</u>	<u>1,471,397</u>
Total assets		<u>7,159,578</u>	<u>6,994,066</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Trade and other payables		774,715	720,220
Contract liabilities		41,316	48,708
Current tax liabilities		1,009	4,321
Borrowings	B7	347,051	839,415
Lease liabilities		47,230	44,677
Dividend payable		28,788	2,980
		<u>1,240,109</u>	<u>1,660,321</u>
Liabilities associated with assets held for sale		4,554	13,163
		<u>1,244,663</u>	<u>1,673,484</u>
Net current assets/(liabilities)		<u>384,632</u>	<u>(202,087)</u>

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

	<u>Note</u>	<u>30.06.2023</u> RM'000	<u>31.12.2022</u> RM'000 Audited
<u>Non-current liabilities</u>			
Trade and other payables		1,688	1,743
Borrowings	B7	1,583,093	1,047,763
Lease liabilities		1,801,169	1,818,168
Deferred tax liabilities		89,093	84,530
Provision for retirement benefits		1,978	2,212
Deposits		12,168	11,948
		<u>3,489,189</u>	<u>2,966,364</u>
Total liabilities		<u>4,733,852</u>	<u>4,639,848</u>
Net assets		<u>2,425,726</u>	<u>2,354,218</u>
<u>Equity attributable to Owners of the Company</u>			
Share capital	A6	999,190	976,329
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,449,577	1,406,241
		<u>2,293,457</u>	<u>2,227,260</u>
Non-controlling interests		132,269	126,958
Total equity		<u>2,425,726</u>	<u>2,354,218</u>
Total equity and liabilities		<u>7,159,578</u>	<u>6,994,066</u>
Net assets per share attributable to Owners of the Company (RM)		<u>0.51</u>	<u>0.49</u>

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	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	FVOCI reserve RM'000	Exchange reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000			
At 1 January 2023	4,505,528	976,329	(155,310)	40,276	(3,367)	(217)	1,764	237,733	1,130,052	2,227,260	126,958	2,354,218
Comprehensive income:												
Profit for the financial period	-	-	-	-	-	-	-	-	98,272	98,272	5,616	103,888
Other comprehensive income:												
Currency translation differences of foreign subsidiaries	-	-	-	-	-	-	(246)	-	-	(246)	-	(246)
Total other comprehensive income	-	-	-	-	-	-	(246)	-	-	(246)	-	(246)
Transactions with Owners:												
Issue of share capital:												
- ESOS	21,080	22,861	-	(3,678)	-	-	-	-	-	19,183	-	19,183
	21,080	22,861	-	(3,678)	-	-	-	-	-	19,183	-	19,183
Disposal of interest in subsidiaries	-	-	-	-	-	-	2,498	-	1,044	3,542	(305)	3,237
Lapsed ESOS	-	-	-	(36,598)	-	-	-	-	36,598	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(54,554)	(54,554)	-	(54,554)
Total transactions with Owners	21,080	22,861	-	(40,276)	-	-	2,498	-	(16,912)	(31,829)	(305)	(32,134)
At 30 June 2023	4,526,608	999,190	(155,310)	-	(3,367)	(217)	4,016	237,733	1,211,412	2,293,457	132,269	2,425,726

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

	Non-distributable							Distributable		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	Total RM'000		
At 1 January 2022	4,489,159	959,521	(155,310)	45,622	(3,367)	(725)	237,768	1,051,921	2,135,430	115,078	2,250,508
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	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)	237,768	1,083,441	2,178,578	117,613	2,296,191

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

	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	146,162	84,596
- discontinued operations	(813)	(682)
	<u>145,349</u>	<u>83,914</u>
Adjustments for:		
Share of results of associates	(20,080)	(19,906)
Finance income	(7,090)	(7,182)
Finance costs		
- Borrowings	43,985	50,056
- Lease liabilities	55,603	51,280
Trade receivables:		
- Impairment loss (net)	-	1,021
Gain on disposal of shares in subsidiaries	(3,237)	-
Property, plant and equipment:		
- Depreciation	94,919	93,053
- Written-off	-	57
- Loss/(gain) on disposals	71	(33)
Right-of-use assets:		
- Depreciation	34,736	34,143
Intangible assets:		
- Amortisation of software development expenditure	4,503	6,181
Inventories written-off	195	253
Provision for retirement benefits	90	99
Gain on disposal of assets held for sale	(314)	-
	<u>348,730</u>	<u>292,936</u>
Operating profit before working capital changes	348,730	292,936
Changes in working capital:		
Inventories	(11,335)	(5,914)
Receivables	(41,704)	(101,814)
Payables	26,240	40,109
Contract liabilities	(7,392)	341
	<u>314,539</u>	<u>225,658</u>
Cash flows generated from operations	314,539	225,658
Income tax paid	(30,943)	(30,659)
	<u>283,596</u>	<u>194,999</u>
Net cash generated from operating activities	283,596	194,999

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

	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(101,574)	(111,042)
Proceeds from disposal of property, plant and equipment	150	100
Proceeds from disposal of interest in subsidiaries	22,405	-
Proceeds from disposal of assets held for sale	20,082	-
Interest received	7,090	7,182
Increase in deposits with licensed banks with maturity of more than 3 months	(6,021)	(4,531)
Dividends received from associates	17,254	11,135
Additional investment in a subsidiary	-	(5,400)
	<hr/>	<hr/>
Net cash used in investing activities	(40,614)	(102,556)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(2,560)	(1,050)
Issue of shares:		
- ESOS	19,183	14,879
Borrowings:		
- Drawdown	699,676	798,115
- Repayments	(658,959)	(730,095)
Payment of lease liabilities	(85,218)	(64,647)
Interest paid	(43,985)	(50,056)
Dividends paid to shareholders	(26,186)	(8,685)
Designated account	28,188	10,849
	<hr/>	<hr/>
Net cash used in financing activities	(69,861)	(30,690)
	<hr/>	<hr/>
Net changes in cash and cash equivalents	173,121	61,753
Currency translation differences	(246)	(1,659)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	416,866	269,973
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	589,741	330,067
	<hr/>	<hr/>

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**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023**

A1 BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with MFRS134 “*Interim Financial Reporting*”, the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Bursa Malaysia Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are consistent with those adopted in audited annual financial statements for the financial year ended 31 December 2022. The Group has applied the following standards and amendments for the first time for the financial period beginning on 1 January 2023:

MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023

The adoption of the above standards and interpretations did not give rise to significant effect on the financial performance or position of the Group.

The standards and interpretations that are issued but not yet effective are disclosed below:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

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

A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the annual financial statements for the financial year ended 31 December 2022 was unqualified.

A3 SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

A5 CHANGE IN ACCOUNTING ESTIMATES AND POLICIES

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

A6 DEBT AND EQUITY SECURITIES

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

i. Employees Share Option Scheme

An Employees' Share Option Scheme ("ESOS") was implemented on 27 February 2015 for the benefit of senior executives and certain employees of the Group. The ESOS was initially be in-force for a period of 5 years. However, upon approval from KPJ's Board of Directors on 3 December 2019, it has been resolved that ESOS's period is extended to another 3 years, whereby no additional options will be granted. The options expired 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 (2022: RM0.91).

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FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023
(CONTINUED)**

A6 DEBT AND EQUITY SECURITIES (CONTINUED)

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

i. Employees Share Option Scheme (continued)

Movement of ESOS during the financial period:

	<u>30.06.2023</u> Units '000	<u>30.06.2022</u> Units '000
At start of the financial period	102,421	123,805
Exercised	(21,080)	(16,351)
Lapsed	(81,341)	(2,085)
	<hr/>	<hr/>
At end of the financial period	-	105,369
	<hr/> <hr/>	<hr/> <hr/>

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

	30.06.2023 Number of shares ('000)	30.06.2023 RM'000
At start of the financial period	4,505,528	976,329
Issued during the financial period - exercise of ESOS	21,080	22,861
	<hr/>	<hr/>
At end of the financial period	4,526,608	999,190
	<hr/> <hr/>	<hr/> <hr/>

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

On 13 March 2023, the Group made its second issuance of RM555.0 million from the RM3.0 billion Sukuk Wakalah Programme in three (3) tranches with tenure of five-year, seven-year and ten-year Sukuk Wakalah being priced at a profit rate of 4.50%, 4.69% and 4.86% respectively.

The proceeds from the issuance of Sukuk Wakalah are for the purpose of working capital requirement and Sukuk Murabahah Programme repayment which was due in March, April and June 2023.

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

A7 DIVIDENDS

The dividends paid or declared by the Company since 31 December 2022 were as follows: -

RM

In respect of the financial period ending 31 December 2023:

First interim dividend of 0.60 sen per share on 4,364,301,366 shares. The dividend was declared on 17 February 2023 and paid on 14 April 2023.	26,185,808
Second interim dividend of 0.65 sen per share on 4,364,301,366 shares. The dividend was declared on 30 May 2023 and paid on 4 July 2023.	28,367,959
	<hr/> <u>54,553,767</u>

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

Continuing Operations

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

Discontinued Operations

- i. Indonesia - Operating segments involved in provision of hospital services in Indonesia. The Group had in April 2022, committed to a plan for the divestments of its interest in all entities in Indonesia's region (referred as "Indonesia operations") as part of its strategic plan to place greater focus on the Group's core Malaysia segment. The deal in relation to the disposal of PT Al-Aqar Permata Hijau and PT Khidmat Perawatan Jasa Medika was completed on 5 April 2023. The divestment plan of the remaining entities is targeted to be completed within the current year of 2023.

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

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

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

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>30 June 2023</u>							
<u>Revenue</u>							
Revenue from external customers	770,678	29,956	800,634	(1,122)	799,512	7,241	806,753
<u>Results</u>							
Depreciation and amortisation	(65,685)	(3,757)	(69,442)	239	(69,203)	(969)	(70,172)
Finance costs (net)	(42,239)	(5,770)	(48,009)	654	(47,355)	35	(47,320)
Share of results of associates	9,530	239	9,769	-	9,769	-	9,769
Profit/(loss) before tax	87,568	(19,046)	68,522	6	68,528	(144)	68,384
Tax	(19,773)	(286)	(20,059)	-	(20,059)	(102)	(20,161)
Profit/(loss) after tax	67,795	(19,332)	48,463	6	48,469	(246)	48,223
EBITDA	195,492	(9,519)	185,973	(887)	185,086	790	185,876
Total assets	6,918,990	324,737	7,243,727	(190,959)	7,052,768	106,810	7,159,578
Total liabilities	4,445,292	475,034	4,920,326	(191,028)	4,729,298	4,554	4,733,852
Additions to property, plant and equipment	34,948	56	35,004	-	35,004	195	35,199

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

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>30 June 2022</u>							
<u>Revenue</u>							
Revenue from external customers	678,365	24,394	702,759	(3,424)	699,335	8,237	707,572
<u>Results</u>							
Depreciation and amortisation	(60,996)	(3,528)	(64,524)	(240)	(64,764)	(1,510)	(66,274)
Finance costs (net)	(44,036)	(3,956)	(47,992)	541	(47,451)	(166)	(47,617)
Share of results of associates	11,924	288	12,212	-	12,212	-	12,212
Profit/(loss) before tax	58,976	(9,918)	49,058	(2,866)	46,192	(420)	45,772
Tax	(15,229)	(480)	(15,709)	-	(15,709)	(136)	(15,845)
Profit/(loss) after tax	43,747	(10,398)	33,349	(2,866)	30,483	(556)	29,927
EBITDA	164,008	(2,434)	161,574	(3,167)	158,407	1,256	159,663
Total assets	6,423,113	362,831	6,785,944	(147,198)	6,638,746	144,331	6,783,077
Total liabilities	4,163,855	457,641	4,621,496	(147,293)	4,474,203	12,683	4,486,886
Additions to property, plant and equipment	78,359	222	78,581	-	78,581	264	78,845

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

A8 SEGMENT REPORTING (CONTINUED)

Individual quarter 3 months ended (continued)

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

	30 June 2023				30 June 2022			
	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000
Revenue								
Revenue from external customers	23,358,501	7,241	4,687	14,565	27,845,579	8,237	3,946	11,656
Results								
Depreciation and amortisation	(3,122,653)	(969)	(504)	(1,564)	(5,108,282)	(1,510)	(396)	(1,175)
Finance costs (net)	114,869	35	(1,049)	(3,220)	(560,081)	(166)	(478)	(1,425)
Share of results of associates	-	-	26	79	-	-	31	94
Loss before tax	(418,582)	(144)	(3,852)	(11,854)	(1,423,342)	(420)	(2,122)	(6,350)
Tax	(329,943)	(102)	-	-	(460,011)	(136)	-	-
Profit/(loss) after tax	(748,525)	(246)	(3,852)	(11,854)	(1,883,353)	(556)	(2,122)	(6,350)
EBITDA	2,589,202	790	(2,299)	(7,070)	4,245,021	1,256	(1,248)	(3,750)
Total assets	343,882,807	106,810	41,873	129,370	487,769,517	144,331	47,049	142,498
Total liabilities	14,661,945	4,554	79,361	245,194	42,862,454	12,683	74,929	226,938
Additions to property, plant and equipment	589,787	195	-	-	892,193	264	-	-

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

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>30 June 2023</u>							
<u>Revenue</u>							
Revenue from external customers	1,571,364	59,085	1,630,449	(1,956)	1,628,493	17,543	1,646,036
<u>Results</u>							
Depreciation and amortisation	(129,314)	(7,463)	(136,777)	239	(136,538)	(2,380)	(138,918)
Finance costs (net)	(84,188)	(9,632)	(93,820)	1,257	(92,563)	65	(92,498)
Share of results of associates	19,569	511	20,080	-	20,080	-	20,080
Profit/(loss) before tax	174,793	(28,637)	146,156	6	146,162	(813)	145,349
Tax	(40,680)	(543)	(41,223)	-	(41,223)	(238)	(41,461)
Profit/(loss) after tax	134,113	(29,180)	104,933	6	104,939	(1,051)	103,888
EBITDA	388,295	(11,542)	376,753	(1,490)	375,263	1,502	376,765
Total assets	6,918,990	324,737	7,243,727	(190,959)	7,052,768	106,810	7,159,578
Total liabilities	4,445,292	475,034	4,920,326	(191,028)	4,729,298	4,554	4,733,852
Additions to property, plant and equipment	101,098	77	101,175	-	101,175	399	101,574

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

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> <u>segments</u> RM'000	<u>Adjustments</u> <u>and</u> <u>eliminations</u> RM'000	<u>Sub-total</u> RM'000	<u>Indonesia</u> <u>operations</u> RM'000	<u>Total</u> RM'000
<u>30 June 2022</u>							
<u>Revenue</u>							
Revenue from external customers	1,296,926	51,593	1,348,519	(7,545)	1,340,974	17,613	1,358,587
<u>Results</u>							
Depreciation and amortisation	(123,611)	(7,001)	(130,612)	239	(130,373)	(3,004)	(133,377)
Finance costs (net)	(87,350)	(7,588)	(94,938)	1,207	(93,731)	(422)	(94,153)
Share of results of associates	19,321	585	19,906	-	19,906	-	19,906
Profit/(loss) before tax	107,282	(17,106)	90,176	(5,580)	84,596	(682)	83,914
Tax	(26,411)	(926)	(27,337)	-	(27,337)	(275)	(27,612)
Profit/(loss) after tax	80,871	(18,032)	62,839	(5,580)	57,259	(957)	56,302
EBITDA	318,243	(2,517)	315,726	(7,026)	308,700	2,744	311,444
Total assets	6,423,113	362,831	6,785,944	(147,198)	6,638,746	144,331	6,783,077
Total liabilities	4,163,855	457,641	4,621,496	(147,293)	4,474,203	12,683	4,486,886
Additions to property, plant and equipment	134,365	222	134,587	-	134,587	264	134,851

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

A8 SEGMENT REPORTING (CONTINUED)

For the financial period ended (continued)

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

	30 June 2023				30 June 2022			
	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000	Indonesia IDR'000	Indonesia RM'000	Australia AUD'000	Australia RM'000
Revenue								
Revenue from external customers	59,067,340	17,543	9,542	29,013	59,867,437	17,613	8,418	25,492
Results								
Depreciation and amortisation	(8,013,468)	(2,380)	(1,002)	(3,047)	(10,210,741)	(3,004)	(793)	(2,402)
Finance costs (net)	218,855	65	(1,497)	(4,552)	(1,434,398)	(422)	(832)	(2,520)
Share of results of associates	-	-	55	168	-	-	63	192
Loss before tax	(2,734,007)	(813)	(5,983)	(18,194)	(2,318,151)	(682)	(3,295)	(9,979)
Tax	(801,347)	(238)	-	-	(934,738)	(275)	-	-
Profit/(loss) after tax	(3,535,354)	(1,051)	(5,983)	(18,194)	(3,252,889)	(957)	(3,295)	(9,979)
EBITDA	5,060,606	1,502	(3,484)	(10,595)	9,326,988	2,744	(1,670)	(5,057)
Total assets	343,882,807	106,810	41,873	129,370	487,769,517	144,331	47,049	142,498
Total liabilities	14,661,945	4,554	79,361	245,194	42,862,454	12,683	74,929	226,938
Additions to property, plant and equipment	1,284,610	399	-	-	892,193	264	-	-

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(CONTINUED)**

A8 SEGMENT REPORTING (CONTINUED)

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

	<u>30.06.2023</u>	<u>30.06.2022</u>
1 Australian Dollar		
Closing	3.0896	3.0287
Average	3.0407	3.0283
1,000 Indonesian Rupiah		
Closing	0.3106	0.2959
Average	0.2970	0.2942
	<u> </u>	<u> </u>

A9 VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The Group's land and buildings were fully revalued as at 31 December 2020, except for certain land and buildings that were revalued on 31 December 2022 following its completion and commencement of its operations in the financial year 2022.

A10 MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no material events subsequent to the financial period ended 30 June 2023 that has not been reflected in this interim financial report.

A11 CHANGES IN THE COMPOSITION OF THE GROUP

On 5 April 2023, Kumpulan Perubatan (Johor) Sdn Bhd, a wholly-owned subsidiary of the Company completed the disposals of its 80% equity interest in PT Al-Aqar Permata Hijau ("PTAPH") and wholly-owned PT Khidmat Perawatan Jasa Medika ("PT KPJ Medika") for a total cash consideration of RM22.4 million. With the completion of the disposals, PTAPH and PT KPJ Medika ceased to become subsidiaries of the Group.

A12 CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the statement of financial position as at 31 December 2022.

A13 RELATED PARTY TRANSACTIONS

The Group entered into specific related party transactions as disclosed in Note B6. All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

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A NOTES TO THE INTERIM FINANCIAL REPORT
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(CONTINUED)

A14 CAPITAL COMMITMENTS

Capital expenditures not provided for in the interim financial report as at 30 June 2023 are as follows:

	RM'000
Approved by the Directors and contracted	55,982
Approved by the Directors but not contracted	249,382
	<u>305,364</u>

Analysed as follows:

Building	44,492
Medical equipment	90,851
Other property, plant and equipment	170,021
	<u>305,364</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023

B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

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

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

Group

For the quarter under review, the Group closed its revenue at RM799.5 million, outdoing the revenue performance for the same quarter in prior year of RM699.3 million by 14%. This is evidenced with the increase in the inpatient visits to 82,479 patients from 72,424 patients, while the bed occupancy rate ("BOR") increased to 63% from 56% respectively.

For the record, EBITDA and profit before tax ("PBT") showed an outstanding performance in the quarter ended 30 June 2023 to RM185.1 million and RM68.5 million. This is 17% and 48% increase from the 3-month ended 30 June 2022 of RM158.4 million and RM46.2 million respectively.

Malaysia

As the main contributor to the Group revenue, this segment recorded a revenue of RM770.7 million in the second quarter in 2023, 14% surpassed the revenue of RM678.4 million in the corresponding quarter of prior period. Inpatient visits for this segment rose by 13% accompanied with the 17% improvement in inpatient days from 166,520 days in Q2 2022 to 194,641 days in current quarter under review. The additional 5% in number of beds especially in KPJ Batu Pahat, KPJ Penang and KPJ Bandar Dato Onn also contributed to the better performance in current period.

EBITDA for the segment improved by 19% to RM195.5 million for the quarter under review versus RM164.0 million for the same quarter in 2022. PBT at the same time grew by 48% to RM87.6 million against RM59.0 million. This better performance is in conjunction with the improvement in revenue activities.

Others

The Others segment operations inclusive of aged care and retirement village in Australia operated by Jeta Garden, education services by KPJ Healthcare University College ("KPJUC") and hospital and management services by KPJ Dhaka. In the current quarter under review, this segment recorded a 23% increase in revenue to RM30.0 million (Q2 2022: RM24.4 million).

Others segment recorded a negative EBITDA of RM9.5 million and loss before tax of RM19.0 million a significant increase against negative EBITDA of RM2.4 million and loss before tax of RM9.9 million recorded in the previous corresponding quarter.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

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

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

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

Group

YTD 2023's revenue from continuing operations closed at RM1,628.5 million, outperforming the revenue for the first 6 months in 2022 of RM1,341.0 million. EBITDA and PBT for the period ended 30 June 2023 reported at RM375.3 million and RM146.2 million, 22% and 73% higher than RM308.7 million and RM84.6 million for the first half year in the preceding financial period. For the record, this better performance was mainly driven by the performance from the Malaysia segment.

Malaysia

Malaysia segment revenue of RM1,571.4 million contributes 96% of the total Group's revenue. This is 21% better as compared to RM1,296.9 million reported for the period 30 June 2022.

The remarkable performance mainly contributed from the 25% improvement in inpatients visits to 165,660 patients from 132,422 patients coupled with BOR movement from 52% to 66%. Inpatient days moved to 405,089 days in comparison to 307,891 days for YTD 2022, affiliated with the surgeries that surged by 15% to 50,026 cases from 43,556 cases. The improved hospital activities in the current period is anticipated as the previous period's activities were still hampered by the Covid-19 pandemic restrictions, with the opening of national border only effected beginning 1 April 2022.

The segment recorded a 22% higher EBITDA of RM388.3 million for the period ended 30 June 2023 from RM318.2 million reported in the same period in prior year. PBT of RM174.8 million is an increase of 63% as compared to RM107.3 million recorded in the previous corresponding period.

Others

The Others segment operations consist of aged care and retirement village in Australia operated by Jeta Garden, education services by KPJ Healthcare University College ("KPJUC") and hospital and management services by KPJ Dhaka. In current period under review, this segment recorded a 15% increase in revenue to RM59.1 million (YTD 2022: RM51.6 million)

This segment recorded negative EBITDA of RM11.5 million and loss before tax of RM28.6 million a significant increase against negative EBITDA of RM2.5 million and loss before tax of RM17.1 million recorded in the previous corresponding period. This was mainly attributed to the lower occupancy rate in Jeta Garden.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

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

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

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

Total assets as at 30 June 2023 reported at RM7,159.6 million, 6% higher in comparison to RM6,783.1 million as at 30 June 2022. The completion of sale and leaseback arrangement with Al-Aqar Healthcare REIT, the opening of new hospital, KPJ Damansara 2 and the development in KPJ Penang are the main contributing factors to the increase in total assets. Likewise, the growing hospital activities led to increase in the trade and other receivables balances as at period under review.

The Group's total liabilities as at 30 June 2023 was RM4,733.9 million, 6% higher than RM4,486.9 million as at 30 June 2022. This was derived from the issuance of Sukuk Wakalah during the period as well as increase in lease liabilities balance from the new lease arrangements.

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

The Group recorded a net cash generated from operating activities of RM283.6 million, 45% higher in comparison to RM195.0 million in the corresponding period as a result to significant improve in hospital operations' performance.

Cash outflows from investing activities mainly from addition to property, plant, and equipment totaling RM101.6 million largely due to expansion of hospital business such as in KPJ Penang, KPJ Ipoh, KPJ Tawakkal and KPJ Johor. The outflows were softened by the proceeds from disposals of interest in two of the Indonesian subsidiaries and land in Jeta Garden aggregated to RM42.5 million. This resulted to a net cash used in investing activities amounting to RM40.6 million.

Cash inflows from financing activities were primarily generated from the drawdown of borrowings, mainly from the new issuance of Sukuk Wakalah Programme of RM555.0 million. This was offset with payments of certain borrowings in current period including Sukuk Murabahah Programme of RM450.0 million. The net cash used in financing activities closed at RM69.9 million.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

	Quarter ended 30.06.2023			Quarter ended 31.03.2023			Var %
	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	
Revenue	799,512	7,241	806,753	828,981	10,302	839,283	(4)
Operating profit	106,114	(179)	105,935	112,531	(699)	111,832	(5)
EBITDA	185,086	790	185,876	190,177	712	190,889	(3)
Profit/(loss) before tax	68,528	(144)	68,384	77,634	(669)	76,965	(11)
Net profit/(loss) for the financial year	48,469	(246)	48,223	56,470	(805)	55,665	(13)
Total comprehensive income for the financial year	46,967	2,105	49,072	58,163	(1,095)	57,068	(14)
Profit attributable to Owners of the Company	46,947	(68)	46,879	51,895	(502)	51,393	(9)
No. of inpatient (episode)	82,479	1,416	83,895	88,036	2,655	90,691	(7)
No. of outpatient (episode)	690,499	18,051	708,550	733,090	30,998	764,088	(7)

Current quarter revenue from continuing operations for the Group saw a slight drop in comparison to the revenue in previous quarter. The reduction in performance can be evidenced by the decrease in patient visits by 7% as shown above, coupled with the decrease in the Group BOR from 70% to 63%. Inpatient days for the current quarter reported at 200,532 days, 7% behind the 215,836 days in previous quarter.

EBITDA and PBT for continuing operations for the current quarter under review also showed a decrease of 3% and 12%, respectively. EBITDA is more directly linked to the revenue performance while PBT is still subject to the fixed expenses such as depreciations and finance costs despite the lower hospital activities.

The discontinued operations are related to the divestment of Indonesia operations which are expected to be completed within the current financial year. The execution of the divestment of certain subsidiaries in relation to this divestment is disclosed in note B6.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B3 CURRENT YEAR PROSPECTS

In its July 2023 World Economic Outlook report, the International Monetary Fund revised its global gross domestic product growth projection to 3.0%, a positive shift from the 2.8% projected in its April 2023 report. Meanwhile, as per Bank Negara Malaysia report, the Malaysian economy's projected growth of 4% - 5% in 2023 remains on track for realisation, bolstered by robust households, solid economic fundamentals and an improved outlook. However, since then, the national GDP have been growing at a subdued rate and this is expected to continue into the third quarter of 2023. On the contrary, the healthcare sector is anticipated to remain robust in the upcoming period, driven by the demand witnessed in the first half of the year.

Premised on the above, the Group is optimistic to maintain its momentum for the upcoming quarters. The current increasing revenue trend, coupled with our ongoing efforts in increasing our beds, recruiting more consultants and expanding our range of services, are expected to maintain our encouraging results and contribute positively to our performance.

B4 PROFIT FORECAST / GUARANTEE

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

B5 TAX

	<u>Individual Quarter</u>		<u>For the</u>	
	<u>3 months ended</u>		<u>financial period ended</u>	
	<u>30.06.2023</u>	<u>30.06.2022</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	20,059	15,709	41,223	27,337

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. The effective tax rate ("ETR") for the current period is above the statutory rate mainly due to certain expenses were not deductible for tax purposes and the impact of business losses arising from the hospitals that are currently under gestation period.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B6 STATUS OF CORPORATE PROPOSALS

i. Disposal of land in Bethania Queensland Australia to JLand Australia Pty Ltd.

On 13 September 2022, the Group announced that its subsidiary, Jeta Gardens has entered into a Contract for Commercial Land and Buildings ("CCLB") with JLand Australia for the proposed disposal of 2 parcel of lands in Queensland, Australia for AUD6.5 million. In addition, on 17 January 2023 Jeta Gardens had issued a supplemental letter to JLand Australia (Supplemental Letter) to vary the CCLB and to include additional terms and conditions into the CCLB, which include inter-alia that the CCLB is conditional upon the shareholders' approval of KPJ being obtained by the settlement date. The Supplemental Letter has been acknowledged and agreed by JLand Australia on 20 January 2023.

On 12 April 2023, the shareholders of KPJ Healthcare Berhad ("KPJ") gave its approval for the disposal of the lands. The disposal was completed on 23 June 2023.

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

On 1 March 2023, Kumpulan Perubatan (Johor) Sdn Bhd through its wholly owned subsidiaries Crossborder Aim (M) Sdn Bhd and Crossborder Hall (M) Sdn Bhd, collectively wholly owned subsidiaries of KPJ Healthcare Berhad, entered into a share sales agreement to disposed of its entire 100% equity interest in PT Al-Aqar Bumi Serpong Damai and 75% equity interest in PT KPJ Medica ("KPJM") with PT Nusautama Medicalindo for a total consideration which will be determined based on an enterprise value of RM150.2 million.

The deal is expected to be completed within 2023.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B7 BORROWINGS

Details of the Group's borrowings are as follows:

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

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

	<u>Current</u>		<u>Non-current</u>		<u>Total borrowings</u>	
	<u>Foreign</u>	<u>RM</u>	<u>Foreign</u>	<u>RM</u>	<u>Foreign</u>	<u>RM</u>
	'000	'000	'000	'000	'000	'000
<u>As at 30 June 2022</u>						
<u>Secured</u>						
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
<u>Unsecured:</u>						
Revolving credits:						
- Conventional						
RM	-	50,000	-	-	-	50,000
AUD	1,855	5,618	-	-	1,855	5,618
- Syariah						
RM	-	242,800	-	-	-	242,800
Bank overdrafts:						
- Syariah						
RM	-	16,734	-	-	-	16,734
Islamic Medium Term						
Notes:						
- Sukuk Murabahah						
RM	-	450,000	-	200,000	-	650,000
- Sukuk Wakalah						
RM	-	-	-	650,000	-	650,000
Total		<u>845,600</u>		<u>1,073,954</u>		<u>1,919,554</u>

The key exchange rate used is as follows:

	<u>30.06.2023</u>	<u>30.06.2022</u>
1 Australian Dollar	<u>3.0896</u>	<u>3.0287</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B7 BORROWINGS (CONTINUED)

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

Material changes in borrowings

The Group made its second issuance from Sukuk Wakalah for a nominal value of RM555.0 million during the current period.

Weighted average interest rate of borrowings are as follows:

- Term loan: 6.30% p.a. (2022: 4.29% p.a.)
- Hire purchase: 2.56% p.a. (2022: 2.56% p.a.)
- Islamic Medium-Term Notes: 4.54% p.a. (2022: 4.78% p.a.)
- Overdraft: 6.20% p.a. (2022: 5.29% p.a.)
- Revolving credit: 4.32% p.a. (2022: 3.17% p.a.)

B8 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK

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

B9 MATERIAL LITIGATIONS

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

B10 DIVIDENDS

The dividends paid or declared by the Company since 31 December 2022 were as follows:-

RM

In respect of the financial period ending 31 December 2023:

First interim dividend of 0.60 sen per share on 4,364,301,366 shares. The dividend was declared on 17 February 2023 and paid on 14 April 2023. 26,185,808

Second interim dividend of 0.65 sen per share on 4,364,301,366 shares. The dividend was declared on 30 May 2023 and paid on 4 July 2023. 28,367,959

54,553,767

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

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B11 EARNINGS PER SHARE

(a) Basic earnings per share

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

	As at <u>30.06.2023</u>	As at <u>30.06.2022</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	98,842	49,217
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,398
Basic earnings per share (sen)	<u>2.27</u>	<u>1.13</u>
<u>Discontinued operations</u>		
(Loss)/profit attributable to Owners of the Company (RM'000)	(570)	71
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,398
Basic earnings per share (sen)	<u>(0.01)</u>	<u>0.00</u>

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR PERIOD ENDED 30 JUNE 2023 (CONTINUED)

B11 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

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

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

	As at <u>30.06.2023</u>	As at <u>30.06.2022</u>
<u>Continuing operations</u>		
Profit attributable to Owners of the Company (RM'000)	98,842	49,217
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,398
Assumed shares issued from the - exercise of ESOS ('000)	-	105,369
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,446,767
Diluted earnings per share (sen)	<u>2.27</u>	<u>1.11</u>
<u>Discontinued operations</u>		
(Loss)/profit attributable to Owners of the Company (RM'000)	(570)	71
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,341,398
Assumed shares issued from the - exercise of ESOS ('000)	-	105,369
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue ('000)	4,361,014	4,446,767
Diluted earnings per share (sen)	<u>(0.01)</u>	<u>0.00</u>