

Registration No.

199201015575 (247079-M)

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020**

Registration No.

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

**INTERIM FINANCIAL REPORTS  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020**

The Directors of KPJ Healthcare Berhad are pleased to announce the financial results for the Group for the third quarter and financial period ended 30 September 2020.

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 2019 and the accompanying explanatory notes attached to this report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Note	Individual Quarter			Cumulative Quarter		
		3 months ended			9 months ended		
		30.09.2020	30.09.2019	Var	30.09.2020	30.09.2019	Var
	RM'000	RM'000	%	RM'000	RM'000	%	
		Re-presented			Re-presented		
Revenue		850,708	919,104	(7)	2,361,491	2,660,361	(11)
Cost of sales		(591,369)	(618,445)	(4)	(1,676,554)	(1,829,058)	(8)
Gross profit		259,339	300,659	(14)	684,937	831,303	(18)
Administrative expenses		(176,991)	(212,348)	(17)	(478,164)	(567,476)	(16)
Other income		4,714	5,618	(16)	21,058	16,603	27
Zakat		(119)	(1,437)	(92)	(1,263)	(2,901)	(56)
Operating profit		86,943	92,492	(6)	226,568	277,529	(18)
Finance income		2,728	4,258	(36)	8,739	9,693	(10)
Finance costs							
- Borrowings		(24,284)	(21,161)	15	(69,982)	(69,674)	0
- Lease liabilities		(14,446)	(15,843)	(9)	(50,423)	(47,526)	6
Finance costs - net		(36,002)	(32,746)	10	(111,666)	(107,507)	4
Share of results of associates, net of tax		5,192	9,937	(48)	15,286	27,037	(43)
Profit before tax	B2	56,133	69,683	(19)	130,188	197,059	(34)
Tax	B5	(20,556)	(20,965)	(2)	(43,144)	(61,150)	(29)
Profit for the financial period		35,577	48,718	(27)	87,044	135,909	(36)

Registration No.

199201015575 (247079-M)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)**

	Individual Quarter			Cumulative Quarter		
	30.09.2020	30.09.2019	Var	30.09.2020	30.09.2019	Var
	RM'000	RM'000	%	RM'000	RM'000	%
		Re-presented			Re-presented	
Other comprehensive income for the financial period, net of tax	-	-	-	-	-	-
Total comprehensive income for the financial period	35,577	48,718	(27)	87,044	135,909	(36)
<b>Profit for the financial period attributable to:</b>						
Owners of the Company	33,968	46,412	(27)	85,158	127,367	(33)
Non-controlling interests	1,609	2,306	(30)	1,886	8,542	(78)
	35,577	48,718	(27)	87,044	135,909	(36)
<b>Total comprehensive income for the financial period attributable to:</b>						
Owners of the Company	33,968	46,412	(27)	85,158	127,367	(33)
Non-controlling interests	1,609	2,306	(30)	1,886	8,542	(78)
	35,577	48,718	(27)	87,044	135,909	(36)
<b>Dividend per share (sen)</b>	-	0.50	(100)	0.80	1.50	(47)
<b>Earnings per share attributable to Owners of the Company:</b>						
Basic (sen)	0.79	1.11		1.99	2.98	
Diluted (sen)	0.76	1.06		1.91	2.85	

Registration No.

199201015575 (247079-M)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	<u>Note</u>	<u>30.09.2020</u> RM'000	<u>31.12.2019</u> RM'000 Audited
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	A9	2,615,939	2,598,686
Right-of-use assets		1,036,359	1,084,159
Investment properties		331,086	328,582
Intangible assets		234,842	235,402
Investment in associates		453,330	445,715
Equity instruments classified as FVOCI*		4,678	4,678
Deferred tax assets		115,070	109,126
		<u>4,791,304</u>	<u>4,806,348</u>
<b><u>Current assets</u></b>			
Inventories		52,565	53,609
Trade and other receivables		542,576	549,602
Tax recoverable		82,593	92,679
Deposits, bank and cash balances		498,987	478,335
Dividend receivable		5,342	5,274
		<u>1,182,063</u>	<u>1,179,499</u>
Total assets		<u>5,973,367</u>	<u>5,985,847</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Current liabilities</u></b>			
Trade and other payables		619,191	770,523
Contract liabilities		62,315	66,896
Current tax liabilities		6,964	2,252
Borrowings	B7	577,533	289,513
Lease liabilities		44,693	47,359
Dividends payable		-	21,390
		<u>1,310,696</u>	<u>1,197,933</u>
Net current liabilities		<u>(128,633)</u>	<u>(18,434)</u>

Registration No.

199201015575 (247079-M)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020 (CONTINUED)**

	<u>Note</u>	<u>30.09.2020</u> RM'000	<u>31.12.2019</u> RM'000 Audited
<u>Non-current liabilities</u>			
Trade and other payables		2,763	7,744
Borrowings	B7	1,329,787	1,473,812
Lease liabilities		1,146,263	1,174,790
Deferred tax liabilities		63,916	64,962
Provision for retirement benefits		2,858	2,775
Deposits		15,264	14,567
		<u>2,560,851</u>	<u>2,738,650</u>
Total liabilities		<u>3,871,547</u>	<u>3,936,583</u>
Net assets		<u>2,101,820</u>	<u>2,049,264</u>
<u>Equity attributable to Owners of the Company</u>			
Share capital	A6	909,375	906,743
Less: Treasury shares		(155,310)	(155,310)
Reserves		1,189,430	1,141,392
		<u>1,943,495</u>	<u>1,892,825</u>
Non-controlling interests		158,325	156,439
		<u>2,101,820</u>	<u>2,049,264</u>
Total equity and liabilities		<u>5,973,367</u>	<u>5,985,847</u>
<u>Net assets per share attributable to Owners of the Company (RM)</u>			
		<u>0.44</u>	<u>0.43</u>

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

Registration No.

199201015575 (247079-M)

**KPJ HEALTHCARE BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Non-distributable						Distributable		Total	Non-controlling interest	Total equity
	Number of shares	Share capital	Treasury shares	Esos reserve	Merger reserve	Exchange reserve	Revaluation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2020	4,439,197	906,743	(155,310)	61,153	(3,367)	8,806	121,422	953,378	1,892,825	156,439	2,049,264
Comprehensive income:											
Profit for the financial period	-	-	-	-	-	-	-	85,158	85,158	1,886	87,044
Other comprehensive income:											
Currency translation differences of foreign subsidiaries	-	-	-	-	-	(4,233)	-	-	(4,233)	-	(4,233)
Revaluation surplus	-	-	-	-	-	-	888	-	888	-	888
Total other comprehensive income	-	-	-	-	-	(4,233)	888	-	(3,345)	-	(3,345)
Transactions with Owners:											
Issue of share capital:											
- ESOS	2,720	2,632	-	(157)	-	-	-	-	2,475	-	2,475
	2,720	2,632	-	(157)	-	-	-	-	2,475	-	2,475
ESOS expenses during the financial period	-	-	-	619	-	-	-	-	619	-	619
Lapsed ESOS	-	-	-	(1,599)	-	-	-	1,599	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	(34,237)	(34,237)	-	(34,237)
Total transactions with Owners	2,720	2,632	-	(1,137)	-	-	-	(32,638)	(31,143)	-	(31,143)
At 30 September 2020	4,441,917	909,375	(155,310)	60,016	(3,367)	4,573	122,310	1,005,898	1,943,495	158,325	2,101,820

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 SEPTEMBER 2019**

	Non-distributable							Distributable		Total	Non-controlling interest	Total equity
	Number of shares '000	Share capital RM'000	Treasury shares RM'000	Warrant reserve 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 2019												
As previously reported	4,399,148	860,295	(111,319)	24,361	71,560	(3,367)	3,540	125,993	1,012,837	1,983,900	152,803	2,136,703
Adjustment on adoption of MFRS 16	-	-	-	-	-	-	-	-	(223,828)	(223,828)	-	(223,828)
As restated	4,399,148	860,295	(111,319)	24,361	71,560	(3,367)	3,540	125,993	789,009	1,760,072	152,803	1,912,875
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	1,203	1,203	1,156	2,359
Comprehensive income:												
Profit for the financial period	-	-	-	-	-	-	-	-	127,367	127,367	8,542	135,909
Other comprehensive income:												
Currency translation differences of foreign subsidiaries	-	-	-	-	-	-	4,925	-	-	4,925	-	4,925
Disposal of property, plant and equipment	-	-	-	-	-	-	-	(5,264)	5,264	-	-	-
Total other comprehensive income	-	-	-	-	-	-	4,925	(5,264)	5,264	4,925	-	4,925
	<u>4,399,148</u>	<u>860,295</u>	<u>(111,319)</u>	<u>24,361</u>	<u>71,560</u>	<u>(3,367)</u>	<u>8,465</u>	<u>120,729</u>	<u>922,843</u>	<u>1,893,567</u>	<u>162,501</u>	<u>2,056,068</u>

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 SEPTEMBER 2019 (CONTINUED)**

					Non-distributable			Distributable				
	Number of shares	Share capital	Treasury shares	Warrant reserve	Esos reserve	Merger reserve	Exchange reserve	Revaluation reserve	Retained earnings	Total	Non- controlling interest	Total equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Transactions with Owners:												
Issue of share capital:												
- Warrants	22,884	25,230	-	(2,117)	-	-	-	-	-	23,113	-	23,113
- ESOS	16,816	19,892	-	-	(4,590)	-	-	-	-	15,302	-	15,302
- Share buy-back	-	-	(37,128)	-	-	-	-	-	-	(37,128)	-	(37,128)
	39,700	45,122	(37,128)	(2,117)	(4,590)	-	-	-	-	1,287	-	1,287
ESOS expenses during												
the financial period	-	-	-	-	2,871	-	-	-	-	2,871	-	2,871
Lapsed ESOS	-	-	-	-	(7,211)	-	-	-	7,211	-	-	-
Lapsed warrant	-	-	-	(22,244)	-	-	-	-	22,244	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(64,629)	(64,629)	-	(64,629)
Acquisition of interest in a subsidiary	-	-	-	-	-	-	-	-	1,874	1,874	(6,245)	(4,371)
Sale of interest in a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	70	70	(50)	20
Total transactions with Owners	39,700	45,122	(37,128)	(24,361)	(8,930)	-	-	-	(33,230)	(58,527)	(6,295)	(64,822)
At 30 September 2019	4,438,848	905,417	(148,447)	-	62,630	(3,367)	8,465	120,729	889,613	1,835,040	156,206	1,991,246



Registration No.

199201015575 (247079-M)

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	<u>30.09.2020</u>	<u>30.09.2019</u>
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	130,188	197,059
Adjustments for:		
Share of results of associates	(15,286)	(27,037)
Finance income	(8,739)	(9,693)
Finance costs		
- Borrowings	69,982	69,674
- Lease liabilities	50,423	47,526
Dividends received from Al-Salam REIT	-	(67)
Trade receivables:		
- Impairment charge for the period (net)	826	4,708
Share-based payments	619	2,871
Gain on disposal of shares in associates (net)	-	(1,687)
Gain on disposal of shares in subsidiaries	-	(48)
Property, plant and equipment		
- Depreciation	128,607	119,586
- Written-off	54	207
- Loss/(gain) on disposal	4	(735)
Right-of-use assets		
- Depreciation	44,143	33,045
Inventories written-off	242	114
Amortisation of software development expenditure	2,621	2,692
Provision for retirement benefits	241	242
Negative goodwill on acquisition	-	(213)
Operating profit before working capital changes	<u>403,925</u>	<u>438,244</u>
Changes in working capital:		
Inventories	802	(1,466)
Receivables	6,200	(49,012)
Payables	(140,811)	69,892
Contract liabilities	(4,581)	1,803
Cash flows generated from operations	<u>265,535</u>	<u>459,461</u>
Income tax refund	9,841	3,282
Income tax paid	(45,457)	(67,420)
Net cash generated from operating activities	<u>229,919</u>	<u>395,323</u>

Registration No.

199201015575 (247079-M)

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)**

	<u>30.09.2020</u>	<u>30.09.2019</u>
	RM'000	RM'000
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(114,183)	(263,005)
Additions to right-of-use assets	(1,907)	-
Additions to intangible assets	(4,415)	(4,149)
Proceeds from disposal of property, plant and equipment	134	1,175
Proceeds from disposal of interest in subsidiary	-	1,148
Proceeds from disposal of shares in an associate	-	9,510
Interest received	8,739	9,693
Dividends received from associates	11,605	20,037
	<hr/>	<hr/>
Net cash used in investing activities	(100,027)	(225,591)
	<hr/>	<hr/>
<b>FINANCING ACTIVITIES</b>		
Investment in subsidiaries	-	2,720
Additional investments in subsidiaries	-	(1,800)
Grant income received	3,003	10,384
Issue of shares:		
- Warrants	-	23,113
- ESOS	2,475	15,302
- Share buy-back	-	(37,128)
Borrowings:		
- Drawdown	177,280	49,188
- Repayments	(71,965)	(52,906)
Payment of lease liabilities	(85,895)	(82,576)
Interest paid	(69,982)	(69,674)
Dividends paid to shareholders	(55,627)	(64,745)
	<hr/>	<hr/>
Net cash used in financing activities	(100,711)	(208,122)
	<hr/>	<hr/>
Net changes in cash and cash equivalents	29,181	(38,390)
Currency translation differences	(8,793)	5,060
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	268,362	404,214
<b>RECLASSIFIED FROM NON-CURRENT ASSETS HELD FOR SALE</b>	-	21,716
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	288,750	392,600
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Registration No.

199201015575 (247079-M)

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(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020**

**A1 BASIS OF PREPARATION**

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2019.

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 2019.

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 2020:

- Amendments to MFRS 3 ‘Business Combinations’ (effective 1 January 2020)
- Amendments to MFRS 101 and MFRS 108 ‘Definition of Material’ (effective 1 January 2020)

The Group has applied the following amendments for the financial period beginning on 1 June 2020:

- Amendments to MFRS 16 ‘COVID-19-Related Rent Concessions’ (effective 1 June 2020)

The adoption of these amendments did not have any material impact on the current financial year or prior year and is not likely to affect future years.

Standards that have been issued but not yet effective

- Amendments to MFRS 101 ‘Classification of Liabilities as Current or Non-current’ (effective 1 January 2022)
- Amendments to MFRS 116 ‘Proceeds before Intended Use’ (effective 1 January 2022)
- Amendments to MFRS 137 ‘Onerous Contracts – Cost of Fulfilling a Contract’ (effective 1 January 2022)

The Group did not early adopt these new standards.

**A2 AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the annual financial statements for the financial year ended 31 December 2019 was unqualified.

**A3 SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

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

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

**A5 CHANGE IN ACCOUNTING ESTIMATES AND POLICIES**

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

**A6 DEBT AND EQUITY SECURITIES**

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

**EQUITY SECURITIES**

i. Treasury shares

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.

Up to 31 December 2019, the Company repurchased 162,306,700 ordinary shares of its issued share capital from the open market for 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.

The Company did not purchased any ordinary shares from the open market on Bursa Malaysia Securities Berhad during the period.

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 during the financial period is RM0.25 and the exercise price is RM0.91 (2019: RM0.91).

Registration No.

199201015575 (247079-M)

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(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

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

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

**EQUITY SECURITIES (CONTINUED)**

ii. Employees Share Option Scheme (continued)

Movement of ESOS during the period:

	<u>30.09.2020</u> Units '000	<u>30.09.2019</u> Units '000
At start of the financial year	188,403	212,955
- Granted	-	1,089
- Exercised	(2,720)	(16,816)
- Lapsed	(4,303)	(6,913)
At end of the financial period	<u>181,430</u>	<u>190,315</u>

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

	<u>30.09.2020</u> Number of shares ('000)	<u>30.09.2020</u> RM'000
At start of the financial year	4,439,197	906,743
Issued during the financial period - exercise of ESOS	2,720	2,632
At end of the financial period	<u>4,441,917</u>	<u>909,375</u>

**A7 DIVIDENDS**

In respect of the financial year ending 31 December 2020, the Directors declared:

- i. First interim dividend of 0.50 sen per share on 4,279,593,856 ordinary shares amounting to RM21,397,969. The dividend was declared on 19 February 2020 and was fully paid on 20 April 2020.
- ii. Second interim dividend of 0.30 sen per share on 4,279,610,036 ordinary shares amounting to RM12,838,830. The dividend was declared on 10 June 2020 and was fully paid on 28 July 2020.

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.

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

**A8 SEGMENT REPORTING**

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

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

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

The EXCO 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 ended

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<u>30 September 2020</u>			
<u>Revenue</u>			
Revenue from external customers	819,324	31,384	850,708
<u>Results</u>			
EBITDA	155,546	(3,357)	152,189
Profit/(loss) before tax	69,745	(13,612)	56,133
Total assets	5,413,642	559,725	5,973,367
Total liabilities	3,467,202	404,345	3,871,547
Additions to property, plant and equipment	47,576	1,167	48,743

Registration No.

199201015575 (247079-M)

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<u>30 September 2019</u>			
<u>Revenue</u>			
Revenue from external customers	876,493	42,611	919,104
<u>Results</u>			
EBITDA	155,155	(496)	154,659
Profit before tax	78,636	(8,953)	69,683
Total assets	5,204,994	589,299	5,794,293
Total liabilities	3,353,361	449,686	3,803,047
Additions to property, plant and equipment	120,419	651	121,070

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 September 2020</u>				
<u>Revenue</u>				
Revenue from external customers	24,217,241	6,404	3,975	11,834
<u>Results</u>				
EBITDA	(18,972,324)	(5,468)	(224)	(578)
(Loss)/profit before tax	(22,415,463)	(6,393)	(1,815)	(5,297)
Total assets	460,573,682	128,454	67,402	199,254
Total liabilities	105,754,751	29,495	77,102	227,930
Additions to property, plant and equipment	4,394,454	1,155	-	-

Registration No.

199201015575 (247079-M)

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Individual quarter 3 months ended (continued)

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

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>30 September 2019</u>				
<u>Revenue</u>				
Revenue from external customers	48,306,931	14,212	4,509	12,668
<u>Results</u>				
EBITDA	12,311,166	3,619	380	1,064
Profit before tax	2,493,890	747	(730)	(2,051)
Total assets	520,101,695	153,430	65,451	185,305
Total liabilities	132,779,661	39,170	78,908	223,405
Additions to property, plant and equipment	873,935	308	-	-
<u>Cumulative 9 months ended</u>				
		<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<u>30 September 2020</u>				
<u>Revenue</u>				
Revenue from external customers		2,261,885	99,606	2,361,491
<u>Results</u>				
EBITDA		410,101	7,124	417,225
Profit/(loss) before tax		152,835	(22,647)	130,188
Total assets		5,413,642	559,725	5,973,367
Total liabilities		3,467,202	404,345	3,871,547
Additions to property, plant and equipment		137,874	2,393	140,267



Registration No.

199201015575 (247079-M)

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Cumulative 9 months ended (continued)

	<u>Malaysia</u> RM'000	<u>Others</u> RM'000	<u>Total</u> RM'000
<u>30 September 2019</u>			
<u>Revenue</u>			
Revenue from external customers	2,536,233	124,128	2,660,361
<u>Results</u>			
EBITDA	444,511	15,378	459,889
Profit before tax	208,654	(11,595)	197,059
Total assets	5,204,994	589,299	5,794,293
Total liabilities	3,353,361	449,686	3,803,047
Additions to property, plant and equipment	258,350	4,655	263,005

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 September 2020</u>				
<u>Revenue</u>				
Revenue from external customers	86,737,539	24,885	12,240	35,671
<u>Results</u>				
EBITDA	(16,117,114)	(4,624)	2,259	6,583
Loss before tax	(26,782,851)	(7,684)	(2,066)	(6,020)
Total assets	460,573,682	128,454	67,402	199,254
Total liabilities	105,754,751	29,495	77,102	227,930
Additions to property, plant and equipment	8,476,156	2,364	-	-

Registration No.

199201015575 (247079-M)

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

**A8 SEGMENT REPORTING (CONTINUED)**

Cumulative 9 months ended (continued)

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

	<u>Indonesia</u> IDR'000	<u>Indonesia</u> RM'000	<u>Australia</u> AUD'000	<u>Australia</u> RM'000
<u>30 September 2019</u>				
<u>Revenue</u>				
Revenue from external customers	144,968,966	42,041	13,386	38,485
<u>Results</u>				
EBITDA	35,531,034	10,304	1,264	3,634
Profit/(loss) before tax	13,813,793	4,006	(2,155)	(6,195)
Total assets	520,101,695	153,430	65,451	185,305
Total liabilities	132,779,661	39,170	78,908	223,405
Additions to property, plant and equipment	12,823,729	3,783	-	-

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

	<u>30.09.2020</u>	<u>30.09.2019</u>
1 Australian Dollar		
Closing	2.9562	2.8312
Average	2.9144	2.8751
1,000 Indonesian Rupiah		
Closing	0.2789	0.2950
Average	0.2869	0.2900

Registration No.

199201015575 (247079-M)

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

**A NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER  
2020 (CONTINUED)**

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

The Group's land and buildings, except right-of-use assets and for those under constructions were fully revalued as at 31 December 2015. As at period end, the Group assessed whether there is an indication that the carrying values of these assets have differed materially from its fair value. Where an indication exist, revaluations were carried out and the carrying value of these assets were updated to reflect its fair value based on independent valuation.

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

Except as stated in note B6, there were no material events subsequent to the financial period ended 30 September 2020 that has not been reflected in this interim financial report.

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

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

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

There were no material changes in contingent liabilities or contingent assets since the statement of financial position as at 31 December 2019.

**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 September 2020 are as follows:

	RM'000
Approved by the Directors and contracted	172,943
Approved by the Directors but not contracted	142,822
	<hr/>
	315,765
	<hr/> <hr/>

Analysed as follows:

Building	78,592
Medical equipment	108,025
Other property, plant and equipment	129,148
	<hr/>
	315,765
	<hr/> <hr/>

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

**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 year (3 months)

The worldwide COVID-19 global pandemic has impacted the global economy adversely, across all industries including healthcare. The enforcement of Movement Control Order (“MCO”) on 18 March 2020 has resulted in a reduction of patient volumes due to patients opting to postpone non-urgent and non-essential treatment and defer visits to hospitals and healthcare facilities. This is evidenced by the decrease in patient numbers and bed occupancy rate (“BOR”) especially in April and May 2020 of 25% and 32% respectively. However, upon implementation of the Recovery Movement Control Order (“RMCO”) which commenced on 10 June 2020, the Group saw an improvement in occupancy levels. This was evidenced by the increase in average monthly BOR to an average of 51% in the current quarter.

The period post MCO and RMCO has seen a gradual improvement of our business activities, however, this increase is yet to surpass our performance in the same period in 2019. For the quarter ended 30 September 2020, the Group revenue of RM850.7 million is 7% lower as compared to RM919.1 million in the same quarter in 2019. The average BOR for three months period ended 30 September 2020 was recorded at 51%, a decrease from 73% for the same period in 2019. Patient visits during this period was recorded at 736,265 patients, an 11% decrease from 827,736 patients in 2019. During the quarter, despite the reduction in the hospital revenue, the laboratory revenue from Lablink recorded an increase by 17%, which has soften the impact total revenue drop for the Group.

The decline in the Group revenue has affected the EBITDA and profit before tax for the 3 months ended 30 September 2020, at RM152.2 million and RM56.1 million, respectively, 2% and 19% lower as compared to RM154.7 million and RM69.7 million in the same period in 2019. The decline was impacted by the lower activities in hospital operations. In managing the financial impact and ensuring business sustainability, the management continued to focus on cost efficiency, greater disciplined in spending and fully optimised benefits received from PRIHATIN Economic Stimulus Package and PENJANA Economic Recovery Plan unveiled by the Malaysian government.

**Malaysia**

Revenue from Malaysia segment registered at RM819.3 million in current quarter ended 30 September 2020, 7% lower in comparison to RM876.5 million in quarter 3, 2019. The decreased was due to the lower number of patients. Malaysia segment’s EBITDA closed at RM155.5 million, slightly above from RM155.2 million in the same period in 2019 and the profit before tax was recorded at RM69.7 million, 11% lower as compared to RM78.6 million reported for the third quarter in 2019.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (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:

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

Others

COVID-19 global pandemic has similarly affected Others segment as well. The revenue for the three months ended 30 September 2020 was reported at RM31.4 million, 26% decrease from RM42.6 million recorded in the same period ended 30 September 2019. Others segment also reported a negative EBITDA at RM3.4 million in the third quarter of 2020 against RM0.5 million reported in the same period of the preceding year. Meanwhile, loss before tax was RM13.6 million for the 3 months ended 30 September 2020, 51% higher as compared to RM9.0 million in the corresponding quarter of the preceding year.

- b. Review on statements of comprehensive income for current financial period compared to prior financial period (9 months)

The worldwide COVID-19 global pandemic has impacted the global economy adversely, across all industries including healthcare. The enforcement of MCO on 18 March 2020 has resulted in a reduction of patient volumes due to patients opting to postpone the non-urgent and non-essential treatment and deferred visits to hospitals and healthcare facilities. This is evidenced by the decrease in patient numbers and BOR especially in April and May 2020 with 25% and 32% respectively. However, upon implementation of the RMCO which commenced on 10 June 2020, the Group saw the operation activities improving. This was evidenced by the increase in average monthly BOR to average of 51% between July to September 2020.

The Group revenue for the period ended 30 September 2020 was reported at RM2,361.5 million, 11% decreased as compared to RM2,660.4 million was largely affected by the lockdown period during the second quarter. The COVID-19 global pandemic has impacted KPJ's business activities with lower patient episodes and lower BOR at all of its hospitals. The Group's patients visit declined by 9% to 1.9 million for the 9 months period ended 30 September 2020 from 2.1 million during the same period in preceding year. Meanwhile the average Group's BOR has declined to 50% for 9 months period in 2020 from 77% as at September 2019. However, the Group has seen gradual recovery with average Group's BOR per quarter to reach 51% in the third quarter 2020 against its lowest BOR in the second quarter at 34%. During the period, despite the reduction in the hospital revenue, the laboratory revenue from Lablink recorded an increase by 28%, which has softened the impact on total revenue drop for the Group.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (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 (9 months) (continued)

The EBITDA and profit before tax for the Group in the current period recorded at RM417.2 million and RM130.2 million respectively, decreased by 9% and 34% from RM459.9 million and RM197.1 million respectively in the same period in preceding year. The decrease in the Group performance was contributed by the lower activities in hospital operations during the MCO and RMCO period and coupled with several expenses, such as staff costs, interest on lease liabilities, borrowing costs and depreciation which remain fixed despite the decline in business activities. On the other hand, the management had focused on cost optimisation and fully optimised benefits received from PRIHATIN Economic Stimulus Package and PENJANA Economic Recovery Plan unveiled by the Malaysian government, which softened the impact to its profit during the crisis period.

Malaysia

The Malaysia segment's revenue contributed to 96% of the total Group Revenue for period ended 30 September 2020 reported at RM2,261.9 million, 11% decrease as compared to RM2,536.2 million recorded for the same period in 2019. The reduction in number of outpatients and inpatients by 163,184 patients and 51,657 patients respectively along with decrease in BOR from 68% in first 9 month in 2019 to 50% in 2020, has impacted the revenue in Malaysia segment.

EBITDA for this segment in current period was registered at RM410.1 million, 8% lower as compared to RM444.5 million reported for the same period ended 30 September 2019. Meanwhile, profit before tax for period ended 30 September 2020 stood at RM152.8 million, decrease by 27% in contrary to RM208.7 million reported in the corresponding year. The shortfall in Malaysia segment's EBITDA and profit before tax were contributed by the additional expenses incurred to implement COVID-19 precautionary and safety measures at its hospitals on top of fixed overheads such as depreciation and staff costs. Furthermore, the new hospitals namely KPJ Bandar Dato' Onn, KPJ Batu Pahat, KPJ Perlis and KPJ Miri, which remained under gestation period has contributed losses to the Group resulting to lower EBITDA and profit before tax for Malaysia segment.

Others

Others segment revenue for 9 month in 2020 of RM99.6 million was recorded at 20% behind the revenue for the same period in corresponding year of RM124.1 million. This decline was contributed by the operation in Indonesia, which had decreased to 50% in number of patient to 48,675 from 93,908 in 2019.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (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 (9 months) (continued)

Others (continued)

On the same note, Jeta Gardens's occupancy rate fall from 83% in the period ended 30 September 2019 to 77% for the same period in 2020 resulting its revenue to decrease by 7% or RM2.8 million. The EBITDA for Others segment was reported at RM7.1 million for the period ended 30 September 2020, a 54% lower as compared to RM15.4 million reported in the same period in 2019. Meanwhile, loss before tax was posted at RM22.6 million in the 9 months of 2020 against RM11.6 million in the corresponding period.

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

Group

The Group's total assets as at 30 September 2020 reported at 3% higher with RM5,973.4 million in comparison with RM5,794.3 million as at 30 September 2019. Meanwhile, the Group's total liabilities as at 30 September 2020 was RM 3,871.5 million, 2% higher as compared to RM3,803.0 million as at 30 September 2019. The opening of new hospital buildings by KPJ Ampang Puteri and KPJ Seremban have contributed to the increase in total assets as at 30 September 2020. The total liabilities increased due to additional drawdown of Islamic Medium Term Notes ("IMTN") of RM100.0 million on 21 September 2020. The net current liabilities for the Group has increased to RM128.6 million due to the reclassification of prior tranche of IMTN amounting RM250.0 million, which now become current as its due date for repayment is less than 12 months.

Malaysia

Malaysia segment recorded an increase of 4% in its total assets from RM5,205.0 million as at 30 September 2019 to RM5,413.6 million as at 30 September 2020 mainly from the addition of property, plant and equipment, new hospital building and medical equipment.

Total liabilities for Malaysia segment as at 30 September 2020 was closed at RM3,467.2 million, 3% higher as compared to RM3,353.4 as at 30 September 2019 contributed dominantly by recognition of lease liabilities by KPJ Batu Pahat upon its leasing transactions with Al-'Aqar Healthcare REIT during the current period.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (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

Others

Others segment's total assets and total liabilities as at 30 September 2020 closed at RM559.7 million and RM404.3 million respectively in comparison to the total assets and total liabilities recorded as at 30 September 2019 of RM589.3 million and RM449.7 million respectively. Total assets and total liabilities for Others segment mainly derived from Indonesian and Australian operations. The decline of business operations in PT Al-Aqar Bumi Serpong Damai, Rumah Sakit Medika Permata Hijau and Jeta Gardens resulted to a decrease of 5% and 10% to the Others segment's total assets and total liabilities.

d. Review on statements of cash flows for current financial period compared to prior period (9 months)

Group

The net cash generated from operating activities is RM229.9 million, decreased by 42% as compared to the same period in corresponding year which reported at RM395.3 million which was mainly due to decline in hospital business activities during the pandemic which resulted to the lower cash generated in operating activities.

Cash outflows from investing activities was used for purchase of property, plant and equipment especially for development and expansion of hospital buildings, such as KPJ Penang and KPJ Puteri, and significant inflows of cash within investing activities was dividend received from associates mainly from Al-'Aqar Healthcare REIT amounted to RM10.7 million.

The cash inflows from financing activities were generated from drawdown of borrowings amounting to RM177.3 million specifically from the issuance of IMTN of RM100.0 million, government grant received by KPJ Selangor amounting to RM3.0 million and issuance of shares through ESOS amounting to RM2.5 million. The cash outflows were mainly for repayment of borrowings, payment of lease liabilities and dividends to shareholders amounting to RM72.0 million, RM85.9 million and RM55.6 million respectively.

The cash and cash equivalents at the end of the period decreased to RM288.8 million as compared to RM392.6 million in the corresponding period, mainly contributed by the reduction in cash generated from operating activities due to lower hospital activities, as a result of MCO and RMCO due to COVID-19 global pandemic.



Registration No.

199201015575 (247079-M)

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)**

**B2 MATERIAL CHANGES IN QUARTERLY RESULTS**

	Quarter ended <u>30.09.2020</u>	Quarter ended <u>30.06.2020</u>	Var
	RM'000	RM'000	%
Revenue	850,708	626,624	36
Operating profit	86,943	51,633	68
EBITDA	152,189	112,023	36
Profit before tax	56,133	18,968	>100
Net profit for the financial period	35,577	10,933	>100
Total comprehensive income for the financial period	35,577	10,933	>100
Profit attributable to Owners of the Company	33,968	12,657	>100
No. of inpatient (episode)	65,125	43,330	50
No. of outpatient (episode)	671,140	512,712	31

The implementation of RMCO commenced on 10 June 2020, has opened to more leniency and facilitated patients to visit our hospitals, which led the Group's performance to steadily improve via the increase in the number of patients in the quarter 3, 2020 by 180,223 patients in comparison with 556,042 patients in quarter 2, 2020. In line with this, the Group revenue rose by 36% from RM626.6 million in the second quarter to RM850.7 million in the current quarter. This was contributed by the significant increase in surgeries cases by 52% to 22,858 cases in the third quarter of 2020. The average BOR for current quarter is at 51%, improved from only 34% in the preceding quarter. In line with the improved hospital business activities, the Group's EBITDA of RM152.2 million and profit before tax of RM56.1 million has improved significantly by 36% and more than 100%, respectively.

**B3 CURRENT YEAR PROSPECTS**

For the financial year ending 31 December 2020, the Group recognises that its performance will be adversely affected by the COVID-19 global pandemic which has caused widespread economic slowdown in Malaysia and globally. The Malaysian Government's MCO which commenced from 18 March till 3 May 2020, followed by Conditional Movement Control Order ("CMCO") from 4 May till 9 June 2020 and RMCO commencing 10 June till 31 August 2020 have made a significant impact to the operations of the Group. The Group is adapting to the new normal in this pandemic while gradually improving as businesses were allowed to operate with strict Standard Operating Procedures ("SOP") under this period.

The Group had taken advantage from PRIHATIN Economic Stimulus Package and PENJANA Economic Recovery Plan unveiled by the Malaysian government, which had provided the Group immediate assistance such as wages subsidies programme, loan moratorium, tax incentives programme and rental rebates from Al-Aqar Healthcare REIT for the lease of land and buildings.

Registration No.

199201015575 (247079-M)

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)**

**B3 CURRENT YEAR PROSPECTS (CONTINUED)**

At the current rate of recovery and continuing uncertainties, the Group remains cautiously optimistic and will continue to focus on disciplined management of costs and efficient operational cash flows strategy. The Group expects the business environment to stay challenging towards the end of 2020. Hence, the Group will remain active in providing its core services and adding new areas of services such as tele-medicine and medication delivery services while continuously educating the public on the implemented SOP at all our healthcare facilities to ensure COVID-19 risk are appropriately managed.

**B4 PROFIT FORECAST / GUARANTEE**

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

**B5 TAX**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	<u>30.09.2020</u>	<u>30.09.2019</u>	<u>30.09.2020</u>	<u>30.09.2019</u>
	RM'000	RM'000	RM'000	RM'000
Income tax expense	20,556	20,965	43,144	61,150

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year. The effective tax rate of the Group for the current quarter and period ended 30 September 2020 were significantly above the statutory rate mainly due non-recognition of tax benefits arising from unutilised capital allowances and tax losses for companies under gestation period including KPJ Perlis, KPJ Bandar Dato' Onn, KPJ Batu Pahat and KPJ Miri.

**B6 STATUS OF CORPORATE PROPOSALS**

**(a) Disposal of equity shareholdings in PT Khidmat Perawatan Jasa Medika ("KPJ Medika")**

On 29 July 2020, a wholly-owned subsidiary of the Group, Kumpulan Perubatan (Johor) Sdn Bhd ("KPJSB"), has entered into 2 separate Shares Sale and Purchase Agreements ("SSPA") with Mr Irfan Jasri and Ms Annie Trisusilo for the disposal of 80% of KPJSB's stake in KPJ Medika. The disposal involves sale of 15,999 shares to Mr Irfan Jasri and 1 share to Ms Annie Trisusilo for a total consideration of IDR96.0 billion or IDR6.0 million per share. As at date of the SSPA, the disposal is valued at RM28.0 million.

The proposed disposal of equity shareholdings in KPJ Medika has now completed, upon the approval from Ministry of Law and Human Rights, Republic of Indonesia on 21 October 2020.

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)**

**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 September 2020</u>						
<b>Secured:</b>						
Term loans						
- Conventional						
AUD	805	2,380	3,249	9,605	4,054	11,985
- Syariah						
RM	-	61,937	-	314,495	-	376,432
USD	2,147	8,928	2,504	10,411	4,651	19,339
Hire purchase creditors						
- Conventional						
RM	-	246	-	510	-	756
- Syariah						
RM	-	11,108	-	44,766	-	55,874
<b>Unsecured:</b>						
Revolving credits						
- Conventional						
RM	-	20,000	-	-	-	20,000
AUD	1,854	5,482	-	-	1,854	5,482
- Syariah						
RM	-	208,500	-	-	-	208,500
Bank overdrafts						
- Syariah						
RM	-	8,952	-	-	-	8,952
Islamic Medium Term Notes						
RM	-	250,000	-	950,000	-	1,200,000
Total		<u>577,533</u>		<u>1,329,787</u>		<u>1,907,320</u>

Registration No.

199201015575 (247079-M)

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

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (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 September 2019</u>						
<b>Secured:</b>						
Term loans						
- Conventional						
AUD	4,147	11,740	-	-	4,147	11,740
- Syariah						
RM	-	23,991	-	366,048	-	390,039
USD	2,255	9,444	4,320	18,096	6,575	27,540
Hire purchase creditors						
- Conventional						
RM	-	281	-	1,007	-	1,288
AUD	2	5	-	-	2	5
- Syariah						
RM	-	11,917	-	15,395	-	27,312
<b>Unsecured:</b>						
Revolving credits						
- Conventional						
AUD	1,854	5,250	-	-	1,854	5,250
- Syariah						
RM	-	192,000	-	-	-	192,000
Bank overdrafts						
- Syariah						
RM	-	10,099	-	-	-	10,099
Islamic Medium Term Notes						
RM	-	-	-	1,100,000	-	1,100,000
Total		<u>264,727</u>		<u>1,500,546</u>		<u>1,765,273</u>

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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (CONTINUED)**

**B7 BORROWINGS (CONTINUED)**

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

The key exchange rate used is as follows;

	<u>30.09.2020</u>	<u>30.09.2019</u>
1 Australian Dollar	2.9562	2.8312
1 US Dollar	4.1580	4.1888

Material changes in borrowings

Increase in borrowings as at 30 September 2020 were mainly due to issuance of IMTN for a nominal value of RM100.0 million. With this issuance, total nominal value of IMTN issued as at 30 September 2020 is RM1.2 billion. The proceeds will be used for the revolving credit settlement. There is no such material changes in borrowings during the same quarter last year.

Weighted average interest rate of borrowings are as follows:

- Term loan: 4.00% p.a. (2019: 5.89% p.a.)
- Hire purchase: 2.58% p.a. (2019: 3.57% p.a.)
- Islamic Medium Term Notes: 5.63% p.a. (2019: 5.76% p.a.)
- Overdraft: 5.04% p.a. (2019: 6.65% p.a.)
- Revolving credit: 2.94% p.a. (2019: 4.53% 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**

In respect of the financial year ending 31 December 2020, the Directors declared:

- First interim dividend of 0.50 sen per share on 4,279,593,856 ordinary shares amounting to RM21,397,969. The dividend was declared on 19 February 2020 and was fully paid on 20 April 2020.
- Second interim dividend of 0.30 sen per share on 4,279,610,036 ordinary shares amounting to RM12,838,830. The dividend was declared on 10 June 2020 and was fully paid on 28 July 2020.

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.

**KPJ HEALTHCARE BERHAD**  
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**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 (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>30.09.2020</u>	As at <u>30.09.2019</u>
Profit attributable to Owners of the Company (RM'000)	85,158	127,367
Weighted average number of ordinary shares in issue ('000)	4,279,290	4,278,887
Basic earnings per share (sen)	<u>1.99</u>	<u>2.98</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 year for the ESOS calculation.

	As at <u>30.09.2020</u>	As at <u>30.06.2019</u>
Profit attributable to Owners of the Company (RM'000)	85,158	127,367
Weighted average number of ordinary shares in issue ('000)	4,279,290	4,278,887
Assumed shares issued from the - exercise of ESOS ('000)	<u>181,380</u>	<u>190,315</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,460,670</u>	<u>4,469,202</u>
Diluted earnings per share (sen)	<u>1.91</u>	<u>2.85</u>