

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2017**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. Current quarter compare with the corresponding quarter of the preceding year (3 months)

The Group's revenue for the current quarter ended 31 March 2017 was RM793.9 million, an increase of 7% as compared to RM743.9 million in the corresponding quarter of the preceding year. The profit before zakat and tax for the 3 months ended 31 March 2017 was recorded at RM54.6 million, an increase of 6% from RM51.4 million in 2016 in line with the increased in revenue.

Malaysia

The Malaysia segment reported revenue of RM750.0 million increase by 6% from RM707.6 million in the same quarter in 2016. The revenue for the current quarter was higher as compared to the corresponding quarter of the preceding year mainly attributed by the increase in revenue generated by the newly opened hospital, KPJ Pahang and existing hospitals that had turnaround during the last financial year. Besides, support companies also contributed to the revenue growth.

Indonesia

The Indonesia segment reported a slight decrease in revenue of RM13.1 million as compared to the revenue of RM13.6 million in the preceding year, however, the EBITDA improved due to economies of scale of Rumah Sakit Medika Bumi Serpong Damai with improved numbers of inpatient and outpatient. EBITDA for this segment is reported at RM2.9 million, a twofold increased as compared to EBITDA of RM1.4 million reported in the corresponding quarter of the preceding year. Profit for the current quarter was reported at RM1.0 million, an increase of 62% as compared to RM0.6 million recorded in the corresponding quarter of the preceding year.

Australia

Revenue from Australia segment was reported at RM14.7 million, increased by 35% as compared to revenue in the corresponding quarter of the preceding year which was reported at RM10.9 million. The increase was mainly attributable to the higher capacity of the retirement village due to additional beds that were opened in staggered between end of 2015 until middle of 2016. The currency exchange fluctuation also contributed to favorable impact on the increment of the revenue of the Group.

This segment reported a negative EBITDA of RM2.4 million, an improvement of 17% as compared to the negative EBITDA of RM2.9 million reported in the corresponding quarter of the preceding year. Losses for the current quarter was reported at RM3.1 million, an improvement of 7% as compared to RM3.4 million loss in the corresponding quarter of the preceding year.

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B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2017 (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: (cont'd)

- a. Current quarter compare with the corresponding quarter of the preceding year (3 months) (cont'd)

Others

Revenue from this segment was reported at RM15.7 million, increased by 32% from RM11.9 million in 2016, mainly contributed by additional hospital services available in KPJ Dhaka which resulted in increase in revenue by RM1.2 million during the period. In addition, increase in number of students with more courses offered in KPJ University College and the acquisition of KFC College middle of 2016 had also contributed to higher revenue recorded in this segment.

- b. Current financial period compared to prior financial period (3 months)

The Group's revenue for the current quarter ended 31 March 2017 was RM793.9 million, an increase of 7% as compared to RM743.9 million in the corresponding quarter of the preceding year. The profit before zakat and tax for the 3 months ended 31 March 2017 was recorded at RM54.6 million, an increase of 6% from RM51.4 million in 2016 in line with the increased in revenue.

Malaysia

The Malaysia segment reported revenue of RM750.0 million increase by 6% from RM707.6 million in the same quarter in 2016. The revenue for the current quarter was higher as compared to the corresponding quarter of the preceding year mainly attributed by the increase in revenue generated by the newly opened hospital, KPJ Pahang and existing hospitals that had turnaround during the last financial year. Besides, support companies also contributed to the revenue growth.

Indonesia

The Indonesia segment reported a slight decrease in revenue of RM13.1 million as compared to the revenue of RM13.6 million in the preceding year, however, the EBITDA improved due to economies of scale of Rumah Sakit Medika Bumi Serpong Damai with improved numbers of inpatient and outpatient. EBITDA for this segment is reported at RM2.9 million, a twofold increased as compared to EBITDA of RM1.4 million reported in the corresponding quarter of the preceding year. Profit for the current quarter was reported at RM1.0 million, an increase of 62% as compared to RM0.6 million recorded in the corresponding quarter of the preceding year.

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

b. Current financial period compared to prior financial period (3 months) (cont'd)**Australia**

Revenue from Australia segment was reported at RM14.7 million, increased by 35% as compared to revenue in the corresponding quarter of the preceding year which was reported at RM10.9 million. The increase was mainly attributable to the higher capacity of the retirement village due to additional beds that were opened in staggered between end of 2015 until middle of 2016. The currency exchange fluctuation also contributed to favorable impact on the increment of the revenue of the Group.

This segment reported a negative EBITDA of RM2.4 million, an improvement of 17% as compared to the negative EBITDA of RM2.9 million reported in the corresponding quarter of the preceding year. Losses for the current quarter was reported at RM3.1 million, an improvement of 7% as compared to RM3.4 million loss in the corresponding quarter of the preceding year.

Others

Revenue from this segment was reported at RM15.7 million, increased by 32% from RM11.9 million in 2016, mainly contributed by additional hospital services available in KPJ Dhaka which resulted in increase in revenue by RM1.2 million during the period. In addition, the increase in number of students with more courses offered in KPJ University College and the acquisition of KFC College middle of 2016 had also contributed to higher revenue recorded in this segment.

B2 MATERIAL CHANGES IN QUARTERLY RESULTS

Revenue during the current quarter was recorded at RM793.9 million, an increase by 7% as compared to the revenue in preceding quarter of RM745.0 million. This is in line with the increase in number of hospital activities.

Profit before zakat and tax for the current quarter of RM54.6 million, however, had decreased by RM9.0 million (14%) as compared to the profit in preceding quarter of RM63.6 million. This is mainly contributed by the one-off transaction relating to net gain from the disposal of associates in December 2016, amounted to RM13.9 million. Had this gain be taken out from the preceding quarter results, the profit in the current quarter will show an improvement by 10% as compared to the adjusted profit of the preceding quarter.