B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019

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)

Group

The Group's revenue for the current quarter ended 31 March 2019 was RM868.1 million, an increase of 5% as compared to RM822.9 million in the corresponding quarter of the preceding year.

EBITDA was notably high at RM154.9 million during this quarter as compared to RM116.6 million in corresponding quarter, mainly contributed by the impact of MFRS 16 adoption. Starting from 1 January 2019, the Group has adopted MFRS 16, which saw operating lease rental now being recognised as right-of-use assets and lease liabilities in the statements of financial position which resulted in no lease expense to be recognised and being replaced with depreciation and finance costs in the statements of comprehensive income. [Refer to Note A5(d)(ii) on the reconciliation between EBITDA and PBZT with MFRS 16 impact].

The PBZT for the 3 months ended 31 March 2019 was recorded at RM66.4 million, increase by 9% from RM60.9 million in 2018, in line with the increase in revenue.

Segment : Continuing operations

Malaysia

A 5% growth was reported in Malaysia segment from RM797.4 million as at 31 March 2018 to RM839.3 million as at 31 March 2019 mainly contributed by the increase in number of patient visits and surgeries especially for KPJ Rawang, KPJ Pasir Gudang and KPJ Johor. In addition, the newly-opened hospital, KPJ Perlis and KPJ Bandar Dato' Onn are also contributing factors to the double-digit increment to the revenue of the period.

EBITDA for Malaysia has been noticeably increased from RM114.9 million during the first quarter 2018 to RM151.1 million in this quarter, mainly contributed by lease rental which has been excluded from the administrative expenses, as a result from the adoption of MFRS 16 in this quarter. The lease rental amounted to RM20.5 million was deducted in arriving to the EBITDA in Q1, 2018.

PBZT has increased by 12% to RM69.6 million during this quarter from RM62.4 million in the same quarter in 2018, in line with the increase in revenue for the period. Besides, cost optimisation initiatives by the hospitals also lead to better profit for the period. However, the increase has been set-off by MFRS 16 impact amounting to RM2.5 million recognised during the quarter, largely contributed by higher depreciation and finance costs amounting to RM13.0 million and RM18.9 million respectively. Increased depreciation was due to the addition of property, plant and equipment as well as the inclusion of right-of-use assets. As for finance costs, the increase was in line with higher borrowings as well as finance costs charged on lease liabilities.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019 (CONTINUED)

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

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

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

Segment : Continuing operations (continued)

Others

Revenue from this segment closed at RM28.8 million, an increase of 13% from RM25.4 million in corresponding quarter of the prior year mainly from Indonesian operation. Rumah Sakit Medika Bumi Serpong Damai reported additional 12 beds as compared to the same period in prior year. Furthermore, the number of patients rose in both Indonesian hospitals mainly contributed by an aggressive marketing activities and treatment packages introduced during the period.

The increase in revenue has resulted to higher EBITDA recognised for Indonesian operation which was reported at RM4.0 million, increased by 38% as compared to EBITDA of RM2.9 million reported in the same quarter of the preceding year. This were mainly due to lower operational cost incurred due to better utilisation of resources during the period and appreciation of Indonesian Rupiah against Malaysian Ringgit which resulted to decrease in foreign exchange loss.

Segment : Discontinued operation

Australia

Revenue from Australia segment was reported at RM12.9 million, decreased by 13% as compared to revenue in the corresponding quarter of the preceding year which was reported at RM14.9 million. The reduction was due to lower average residential occupancy rate in Jeta Gardens which recorded at 89% during this quarter as compared to 97% in the corresponding quarter, as more people choose to stay longer in their own homes.

Loss EBITDA for this segment reported at RM1.4 million, a reversal from EBITDA of RM1.5 million in the corresponding quarter of the preceding year. This is mainly due to inability to fully utilise the capacities and resources as a result of lower occupancy rate.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019 (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 (3 months)

Group

The Group's revenue for the current quarter ended 31 March 2019 was RM868.1 million, an increase of 5% as compared to RM822.9 million in the corresponding quarter of the preceding year.

EBITDA was notably high at RM154.9 million during this quarter as compared to RM116.6 million in corresponding quarter, mainly contributed by the impact of MFRS 16 adoption. Starting from 1 January 2019, the Group has adopted MFRS 16, which saw operating lease rental now being recognised as right-of-use assets and lease liabilities in the statements of financial position which resulted in no lease expense to be recognised and being replaced with depreciation and finance costs in the statements of comprehensive income. [Refer to Note A5(d)(ii) on the reconciliation between EBITDA and PBZT with MFRS 16 impact].

The PBZT for the 3 months ended 31 March 2019 was recorded at RM66.4 million, increase by 9% from RM60.9 million in 2018, in line with the increase in revenue.

Segment : Continuing operations

Malaysia

A 5% growth was reported in Malaysia segment from RM797.4 million as at 31 March 2018 to RM839.3 million as at 31 March 2019 mainly contributed by the increase in number of patient visits and surgeries especially for KPJ Rawang, KPJ Pasir Gudang and KPJ Johor. In addition, the newly-opened hospital, KPJ Perlis and KPJ Bandar Dato' Onn are also contributing factors to the double-digit increment to the revenue of the period.

EBITDA for Malaysia has been noticeably increased from RM114.9 million during the first quarter 2018 to RM151.1 million in this quarter, mainly contributed by lease rental which has been excluded from the administrative expenses, as a result from the adoption of MFRS 16 in this quarter. The lease rental amounted to RM20.5 million was deducted in arriving to the EBITDA in Q1, 2018.

PBZT has increased by 12% to RM69.6 million during this quarter from RM62.4 million in the same quarter in 2018, in line with the increased in revenue for the period. Besides, cost optimisation initiatives by the hospitals also lead to better profit for the period. However, the increase has been set-off by MFRS 16 impact amounting to RM2.5 million recognised during the quarter, largely contributed by higher depreciation and finance costs amounting to RM13.0 million and RM18.9 million respectively. Increased depreciation was due to the addition of property, plant and equipment as well as the inclusion of right-of-use assets. As for finance costs, the increase was in line with higher borrowings as well as finance costs charged on lease liabilities.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019 (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 (3 months) (continued)

Segment : Continuing operations (continued)

Others

Revenue from this segment closed at RM28.8 million, an increase of 13% from RM25.4 million in corresponding quarter of the prior year mainly from Indonesian operation. Rumah Sakit Medika Bumi Serpong Damai reported additional 12 beds as compared to the same period in prior year. Furthermore, the number of patients rose in both Indonesian hospitals mainly contributed by an aggressive marketing activities and treatment packages introduced during the period.

The increase in revenue has resulted to higher EBITDA recognised for Indonesian operation which was reported at RM4.0 million, increased by 38% as compared to EBITDA of RM2.9 million reported in the same quarter of the preceding year. This were mainly due to lower operational cost incurred due to better utilisation of resources during the period and appreciation of Indonesian Rupiah against Malaysian Ringgit which resulted to decrease in foreign exchange loss.

Segment : Discontinued operation

Australia

Revenue from Australia segment was reported at RM12.9 million, decreased by 13% as compared to revenue in the corresponding quarter of the preceding year which was reported at RM14.9 million. The reduction was due to lower average residential occupancy rate in Jeta Gardens which recorded at 89% during this quarter as compared to 97% in the corresponding quarter, as more people choose to stay longer in their own homes.

Loss EBITDA for this segment reported at RM1.4 million, a reversal from EBITDA of RM1.5 million in the corresponding quarter of the preceding year. This is mainly due to inability to fully utilise the capacities and resources as a result of lower occupancy rate.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019 (CONTINUED)

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

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

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

Group

The Group's total assets as at 31 March 2019 was RM5,663.3 million, an increase of 26% as compared to RM4,494.9 million as at 31 March 2018. The Group's total liabilities as at 31 March 2019 was RM3,816.5 million, increased by 50% as compared to RM2,536.5 million as at 31 March 2018. The increase is mainly contributed by the progress of new hospitals under development.

In line with adoption of MFRS 16, both total assets and total liabilities were notably high during this quarter due to recognition of right-of-use assets and lease liabilities amounting to RM781.8 million and RM1,067.1 million respectively. There are no such balances in the prior financial period.

Segment : Continuing operations

Malaysia

Total assets from Malaysia segment was reported at RM5,103.5 million, an increase of 28% in comparison to RM4,002.2 million as at 31 March 2018. The increment was mainly attributable to the additional investments in property, plant and equipment especially for the newly-opened hospitals, KPJ Bandar Dato Onn and KPJ Perlis and soon-to-be opened hospitals such as KPJ BDC and KPJ Miri which are currently under construction. In addition, KPJ Ampang Puteri, KPJ Seremban and KPJ Penang which are in the midst of expansion of the hospital building has also contributed to the increase in total assets.

Total liabilities from this segment was reported at RM3,443.6 million increased by 51% in comparison to RM2,274.1 million as at 31 March 2018. The increase in liabilities was due to construction costs incurred during the period for the ongoing projects of new and existing hospitals.

With the adoption of MFRS 16, right-of-use assets and lease liabilities amounting to RM687.0 million and RM949.7 million has been recognised in total assets and total liabilities respectively as at 31 March 2019. These amount is in relation to the lease of land and buildings from Al-'Aqar Healthcare REIT.

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA LISTING REQUIREMENTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019 (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 (continued)

Others

Total assets for this segment is mainly contributed by the Indonesian operations of RM150.8 million, increased by 7% in comparison to RM140.8 million as at 31 March 2018. Increase in total assets consist of the additional fair value of land and hospital equipment by RM3.9 million and RM3.8 million respectively.

Meanwhile, total liabilities from Indonesia operations was reported at RM45.4 million, 7% increase in comparison to RM42.4 million as at 31 March 2018.

Included in total assets and total liabilities from others segment is amount recognised in relation to MFRS 16, which are right-of-use assets and lease liabilities amounting to RM94.8 million and RM117.4 million respectively. This addition is contributed by KPJ Healthcare University College and Malaysia College of Hospitality & Management.

Segment : Discontinued operation

Australia

The Australia segment reported total assets of RM153.5 million, a decrease of 9% as compared to RM168.2 million recorded as at 31 March 2018, as well as total liabilities which also reported a decrease by RM12.0 million or by 7% compared to RM184.3 million recorded as at 31 March 2018. The decrease in total assets and liabilities was contributed from the sale of investment in Al-'Aqar Healthcare REIT and repayment of loan respectively.

d. Review on statements of cash flows for current financial period compared to prior financial period (3 months)

Group

The statement of cash flows is showing a healthy cash inflow from operating activities in line with the increase in profit during the financial period. Furthermore, debtors' turnover days reported at 42 days during this period which is 11% better as compared to the same period in 2018 at 47 days.

Cash in investing activities were mainly used on the expenditure incurred for development of new hospitals, including KPJ BDC and KPJ Miri, as well as for newly opened hospitals, KPJ Perlis and KPJ Bandar Dato' Onn.

The decrease in cash flows from financing activities was mainly due to the purchase consideration received from the partial disposal of an interest in subsidiary, Lablink (M) Sdn Bhd in March 2018. There is no such receipt in 2019.