

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING REQUIREMENTS FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

The profit before taxation for the current quarter has increased by 11.7% to RM150.5 million from RM134.7 million in the corresponding quarter 2011. The increase is in line with the increase in revenue of the hospitals.

Additional Information As Required By Appendix 9B of Bursa Malaysia Listing Requirements**a. Current financial period compared to last financial period (nine months)**

The Group recorded a revenue of RM1,585.5 million for 9 months ended 2012 an increase of 14.5% from RM1,384.7 million as reported for 2011. The higher revenue for the period is mainly due to increase in revenue of the hospitals in the group.

Malaysia

The Malaysian segment revenue for the current financial period ended 30 September 2012 has increased by 14.5% to RM1,436.3 million compared to RM1,254.0 million reported in 2011. The higher revenue reported is due to increase in revenue of the hospitals in the group.

Indonesia

The Indonesian segment's revenue of RM16.3 million for the financial period ended 30 September 2012 is 114.5% higher than the revenue reported in 2011 of RM7.6 million. The increase in revenue from this segment is due to the increasing in number of patients during the period.

Aged Care Facility

The Aged Care Facility segment revenue for the financial period ended 30 September 2012 is RM20.4 million. Since this is a new segment to the Group, no comparison is available from the last financial period. However, the reported revenue is in line with increase in the activities at the facility.

Support Services

The revenue from Support Services segment of RM393.8 million for the financial period ended 30 September 2012 is 13.5% higher, compared to revenue from the same period in 2011 of RM347.1 million. The revenue reported is contributed by marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services.

b. Current quarter compared to the corresponding quarter of the preceding year (three months)

The Group recorded a revenue of RM530.6 million for the 3 months ended 30 September 2012, an increase of 11.5% from RM476.0 million which was reported in 2011. The higher revenue for the period is due mainly to increase in revenue of the hospitals in the Group.

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- b. Current quarter compared to the corresponding quarter of the preceding year (three months) (continued)

Malaysia

The Malaysian segment revenue for the current quarter has increased by 15.0% to RM470.5 million compared to RM409.2 million reported for the 3 months ended 30 September 2011. The higher revenue reported is due to an increase in the revenue of the hospitals in the Group.

Indonesia

The Indonesian segment revenue of RM6.0 million for the 3 months ended 30 September 2012 is 57.9% higher than the revenue reported for the 3 months ended September 2011 of RM3.8 million. The increase in revenue from this segment is due to increasing in number of patients during the period.

Aged Care Facility

The Aged Care Facility segment revenue for the 3 months ended 30 September 2012 is RM7.2 million. Since this is a new segment to the Group, therefore there is no comparison to make against the last financial year. However, the reported revenue is in line with increase in the activities at the facility.

Support Services

The revenue from Support Services segment of RM149.8 million for the 3 months ended 30 September 2012 is 25.0% higher than the revenue reported in the same period in 2011 of RM119.8 million. The revenue reported is contributed by marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM47.9 million decreased by 10.1% as compared to the preceding quarter of RM53.3 million. This is because during the current quarter, there were two newly start up hospitals, namely Bandar Baru Klang Specialist Hospital and Rumah Sakit Bumi Serpong Damai, which is going through its gestation period.

B3 CURRENT YEAR PROSPECTS

The healthcare industry is expected to enjoy continued growth in the current year. This is mainly due to the nation's growing middle income population which trigger higher demand for healthcare services.

Buoyed by the positive economic prospect and the year to date financial achievements for the current financial year, the Board of Directors are confident that the Group will achieve its targets.

The Group will also enhance and strengthen its presence in Malaysia and Asia by continually building its capacity through the expansion of existing hospitals as well as building new hospitals; namely KPJ Sabah Specialist Hospital, Pasir Gudang Specialist Hospital and Maharani Specialist Hospital which are expected to start operations next year.

The expansion projects are anticipated to moderate the Group's overall profit growth for 2013, as hospitals have an average gestation period of between three to five years. This fact has been tabled and approved by the Board of Directors as it is a strategic decision for the long term.