

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 2013**B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

The profit before taxation for the current quarter of RM28.6 million is 40% decreased from corresponding quarter in 2012 of RM47.9 million, due to the losses contributed by the 3 newly open hospitals in the group which are currently going through their gestation period i.e. KPJ Bandar Baru Klang, KPJ Pasir Gudang and PT Khasanah Putera Jakarta Medica.

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

The Group recorded revenue of RM1,697.9 million for 9 months ended 30 September 2013 with an increase of 7% from RM1,585.5 million as reported for 2012. The higher revenue for the period is mainly due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Malaysia

The Malaysian segment revenue for 9 months ended 30 September 2013 has increased by 5% to RM1,502.8 million compared with RM1,436.3 million as reported in 2012. The higher revenue reported is due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Indonesia

The Indonesian segment revenue of RM28.5 million for 9 months ended 30 September 2013 is 75% higher than the revenue reported in 2012 of RM16.3 million. The increase in revenue from this segment is due to the revenue contributed by PT Khidmat Perawatan Jasa Medika in current quarter.

Aged Care Facility

The Aged Care Facility segment revenue for 9 months ended 30 September 2013 is RM27.6 million, 35% higher than the revenue reported in 2012 of RM20.4 million due to higher occupancy, increase resident acuity due to progression in care needs, new treatment initiatives attracting higher clinical assessments and sale of three new villas amounting to RM4.8 million.

Support Services

The revenue from Support Services segment of RM433.0 million for 9 months ended 30 September 2013 is 10% higher, compared with revenue from the same period in 2012 of RM393.8 million. Marketing and distribution of pharmaceutical, medical and surgical products and pathology and also from the laboratory services contributed to the revenue growth of this segment, which has increased in line with the increase in revenue of the hospitals within the Group.

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

The Group recorded revenue of RM565.2 million for 3 months ended 30 September 2013 with an increase of 7% from RM530.6 million as reported for 2012. The higher revenue for the period is mainly due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

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

Malaysia

The Malaysian segment revenue for 3 months ended 30 September 2013 has increased by 4% to RM490.7 million compared with RM470.5 million as reported in 2012. The higher revenue reported is due to the increase in revenue of the existing hospitals and newly open hospitals in the group.

Indonesia

The Indonesian segment revenue of RM10.8 million for 3 months ended 30 September 2013 is 80% higher than the revenue reported in 2012 of RM6.0 million. The increase in revenue from this segment is due to the revenue contributed by PT Khidmat Perawatan Jasa Medika in current quarter of RM2.2 million compared with nil for the same period in 2012.

Aged Care Facility

The Aged Care Facility segment revenue for 3 months ended 30 September 2013 is RM9.6 million, 33% higher than the revenue reported in 2012 of RM7.2 million due to sale of three new villas during the current quarter amounting to RM4.8 million.

Support Services

The revenue from Support Services segment of RM145.7 million for 3 months ended 30 September 2013 is slightly lower by 3% due to slight decrease in the revenue of pharmaceutical, medical and surgical products, compared with revenue from the same period in 2012 of RM149.8 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 RM28.6 million decreased by 24.7% as compared to the preceding quarter of RM38.0 million. The decrease in the net profit before tax is as elaborated in Note B1.

B3 CURRENT YEAR PROSPECTS

The healthcare industry is expected to enjoy continued growth in this current year. The drivers are mainly from population growth, rapid ageing, the rising of middle income and health tourism.

The Group will continue to strengthen its presence in Malaysia and Asia by continually building its capacity through the expansion of existing hospitals as well as building new hospitals. In April 2013, KPJ Pasir Gudang Specialist Hospital started its operations. The remaining hospitals that are under construction are KPJ Sabah Specialist Hospital, Maharani Specialist Hospital and KPJ Rawang Specialist Hospital.

The expansion of existing hospitals will have a positive impact to the Group results for 2013, however this will be moderated by the new greenfield hospitals where each of this hospital will have an average gestation period between three to five years.