

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2003**B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

The profit before taxation for the current quarter has increased by 30.97% as compared to the corresponding quarter in 2002 mainly due to profit contributed by the acquired companies namely, Tawakal Holdings Sdn Bhd, Medical Centre (Johore) Sdn Bhd ("MCJ") and Kumpulan Perubatan (Johor) Sdn Bhd. The hospitals could have performed better had it not been for the Severe Acute Respiratory Syndrome (SARS) which affected the healthcare industry and losses incurred by a hospital which commenced operation last year. Barring any other unforeseen events in an uncertain economic environment, the Group is focusing on the efforts in improving its overall performance.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

A moderate improvement is indicated with the increase of 8.53% in the profit before taxation for the current quarter of RM 6.61 million as compared to preceding quarter of RM 6.09 million. This is mainly due to better performance and improvement in the hospital activities.

For the first quarter ended 31 March 2003, the revenue of RM103,801 million and the cost of sales of RM62,772 million had been adjusted to RM119,167 million and RM81,427 million, respectively. The adjustments were mainly due to the revenue and cost of sales of few subsidiaries within the Group had been understated in the preparations of the financial statement for the period ended 31 March 2003.

B3 CURRENT YEAR PROSPECTS

It is anticipated that the Groups' performance for the year 2003 will continue to improve as the Severe Acute Respiratory Syndrome (SARS) has begun to subside in early June.

B4 PROFIT FORECAST

The Company is not subject to any variance of actual profit from forecast profit/profit guarantee for the current financial period under review. As reported in the Prospectus dated 27 June 2003, the forecast profit before tax for the financial year ending 31 December 2003 is RM40.41 million. Therefore, any variances arising from the actual and the forecasted profit will be reported in the final quarter for the financial year ending 31 December 2003.

B5 TAXATION

	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30.6.2003</u>	<u>30.6.2002</u>	<u>30.6.2003</u>	<u>30.6.2002</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	<u>1,963</u>	<u>1,437</u>	<u>3,875</u>	<u>2,612</u>

The effective tax rate of the Group for the period ended 30 June 2003 is higher than the statutory tax rate because certain expenses were not deductible for tax purposes.