

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

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

The profit before taxation for the current quarter has increased by 49.62% 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 and Kumpulan Perubatan (Johor) Sdn Bhd.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

A moderate improvement is indicated with the increase of 11.91% in the profit before taxation for the current quarter of RM 7.40 million as compared to preceding quarter of RM 6.61 million. This is mainly due to better performance and improvement in hospital activities as the Severe Acute Respiratory Syndrome (SARS) receded since June this year.

B3 CURRENT YEAR PROSPECTS

It is anticipated that the Groups' performance for the year 2003 will continue to improve as it has from June onwards. Accordingly, barring any unforeseen circumstances, the Board is cautiously optimistic that the Group's performance for the financial year ending 31 December 2003 will continue to improve. However, the Group is unlikely to achieve the forecast profit after tax and minority interest of RM30.4 million for the financial year ending 31 December 2003 due to SARS, which affected the healthcare industry throughout the second quarter of this year.

B4 PROFIT FORECAST

The Company is not subjected 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 after tax and minority interest for the financial year ending 31 December 2003 is RM30.4 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>9 months ended</u>	
	<u>30.9.2003</u>	<u>30.9.2002</u>	<u>30.9.2003</u>	<u>30.9.2002</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	682	1,244	4,557	3,856

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