

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 2006**B1 REVIEW OF THE PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

The profit before taxation for the current quarter has increased by 171.9% to RM32.9 million from RM12.1 million in the corresponding quarter 2005, mainly due to the gains recorded by the disposals of land and buildings of 6 hospitals (as disclosed in Note B6).

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM32.9 million has increased by 149.2% as compared to preceding quarter of RM13.2 million. This was mainly due to the gains recorded by the disposals of land and buildings of 6 hospitals in the current quarter (as disclosed in Note B6).

B3 CURRENT YEAR PROSPECTS

The Board is optimistic that the Group's performance for the financial year ending 31 December 2006 will better as compared to the last financial year ended 2005.

B4 PROFIT FORECAST / GUARANTEE

The Company is not subject to any variance of actual profit from forecast profit/profit guarantee for the current financial period under review.

B5 TAXATION

	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>30.9.2006</u>	<u>30.9.2005</u>	<u>30.9.2006</u>	<u>30.9.2005</u>
	RM'000	RM'000	RM'000	RM'000
Taxation	<u>(4,289)</u>	<u>3,849</u>	<u>2,377</u>	<u>9,773</u>

The effective tax rate of the Group for the period ended 30 September 2006 is lower than the statutory tax rate due to the reversal of deferred tax liabilities arising from the disposals of 6 hospitals' land and buildings in the current period under review.

B6 SALE OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

KPJ Healthcare Berhad has disposed off its land and buildings in Ampang Puteri Specialist Hospital Sdn Bhd, Damansara Specialist Hospital Sdn Bhd, Johor Specialist Hospital Sdn Bhd, Medical Associates Sdn Bhd, Medical Centre (Johore) Sdn Bhd and Selangor Medical Centre Sdn Bhd to Al-Aqar KPJ REIT. The gain on disposals of the land and buildings is RM18.2 million and the revaluation reserve has been realised at RM51.5 million.

Except for the above, there were no profits on sale of investments or properties for the current financial period under review.