

KPJ HEALTHCARE BERHAD

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006**

	<u>6 months ended</u>	
	<u>30.6.2006</u>	<u>30.6.2005</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Net profit attributable to shareholders	17,102	16,851
Adjustments for:		
Taxation	6,666	5,925
Minority interest	1,061	(2,399)
Associated company		
- share of profit	(373)	217
Property, plant and equipment		
- depreciation	19,127	15,443
Amortisation of nurse training	2,587	2,022
Interest income	(253)	(434)
Interest expense	12,873	8,080
Allowance for doubtful debts	1,714	1,847
Amortisation on goodwill	0	1,776
Operating profit before changes in working capital	60,504	49,328
Changes in working capital:		
Inventories	891	(2,258)
Receivables	(8,823)	(4,981)
Payables	5,018	2,227
Related companies	(2,829)	(2,669)
Cash generated from operations	54,761	41,647
Interest paid	(12,873)	(8,080)
Income tax paid	(5,423)	(5,634)
Net cash from operating activities	36,465	27,933
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29,361)	(18,289)
Additional investment	0	(2,083)
Additional investment in subsidiary companies	(46,867)	0
Deposits pledged with banks	198	(58)
Interest received	253	434
Net cash used in investing activities	(75,777)	(19,996)

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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2006 (CONTINUED)

	6 months ended	
	30.6.2006	30.6.2005
	RM'000	RM'000
FINANCING ACTIVITIES		
Issue of shares		
- exercise of share options	30	27
Bank borrowings		
- drawdown	50,998	66,217
- repayment	(18,501)	(33,453)
Dividends paid	(11,581)	(10,131)
Long term deposits received	811	324
Net cash from financing activities	21,757	22,984
NET CHANGES IN CASH AND CASH EQUIVALENTS		
	(17,555)	30,921
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		
	27,980	6,339
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		
	10,425	37,260
DEPOSITS, CASH AND BANK BALANCES		
Deposits with licensed banks	7,091	2,156
Deposits with financed companies	234	178
Cash and bank balances	23,100	37,437
Bank overdraft	(18,410)	(993)
	12,015	38,778
less: Deposits pledged with licensed banks	(1,590)	(1,518)
CASH AND CASH EQUIVALENTS	10,425	37,260