

KPJ HEALTHCARE BERHAD
(Incorporated in Malaysia)

**A NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**

**B ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S LISTING
REQUIREMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**

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

The profit before taxation for the current quarter has increased by 53.0% to RM15.0 million from RM9.8 million (restated from RM12.8 million due to FRS 108, change in accounting policy – Note A2 (e)) in the corresponding quarter 2005, mainly due to the contributions by the newly acquired companies during the current quarter.

B2 MATERIAL CHANGE IN QUARTERLY RESULTS

The profit before taxation for the current quarter of RM15.0 million has decreased by 26.0% as compared to preceding quarter of RM20.2 million* due to the recognition of gain on disposals for the land and buildings of RM4.7 million in the preceding quarter. The activities recorded by the hospitals remained similar compared to the preceding quarter.

* The profit before tax for September 2006 (preceding quarter) is restated from RM32.9 million to RM20.2 million due to the adjustments to the fair value of the land and buildings of the newly acquired subsidiaries in accordance with FRS 3 (Business combination). The gain on disposals for the land and buildings is now adjusted to RM4.7 million from RM18.2 million.

B3 CURRENT YEAR PROSPECTS

The Board is optimistic of the Group's performance for the financial year ending 31 December 2007.

B4 PROFIT FORECAST / GUARANTEE

The Company is not subjected 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>12 months ended</u>	
	<u>31.12.2006</u>	<u>31.12.2005</u>	<u>31.12.2006</u>	<u>31.12.2005</u>
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
- in respect of income for the current year	3,588	2,367	8,894	8,476
- in respect of realisation surplus on disposal of assets	0	0	19,173	0
Deferred tax:				
- originating and reversal of temporary differences	54	1,420	(10,782)	5,084
	<u>3,642</u>	<u>3,787</u>	<u>17,285</u>	<u>13,560</u>